Grassroots

Published monthly for over 2.4 million members of State Employees’ Credit Union.

SECU has Lowered Loan Rates!

Just because it’s summer doesn’t mean everything is rising with the temperatures. In fact, SECU’s loan rates are falling! SECU has reduced new mortgage origination rates by ½% and used vehicle rates by 1%. See the following chart for details about SECU’s Adjustable Rate Mortgage programs that will have you jumping for joy!

### Mortgage Loan Rates Reduced by 0.50%!

<table>
<thead>
<tr>
<th>5 Year Adjustable Rate Mortgage Programs⁵</th>
<th>Rates¹</th>
<th>APR²</th>
<th>Payment Example Based on Loan of $150,000 for 30 Years³</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rates</td>
<td>APR</td>
<td>Months 1-60</td>
</tr>
<tr>
<td>80% or Less LTV⁴</td>
<td>3.375%</td>
<td>3.516%</td>
<td>Monthly payments of $663.14 at 3.375%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Monthly payments of $672.11 at 3.500%</td>
</tr>
<tr>
<td>80.1% – 90% LTV⁴</td>
<td>3.875%</td>
<td>4.017%</td>
<td>Monthly payments of $705.36 at 3.875%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Monthly payments of $714.67 at 4.000%</td>
</tr>
<tr>
<td>90.1% – 100% LTV⁴</td>
<td>4.375%</td>
<td>4.517%</td>
<td>Monthly payments of $748.93 at 4.375%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Monthly payments of $758.58 at 4.500%</td>
</tr>
<tr>
<td>First Time Homebuyers</td>
<td>4.375%</td>
<td>4.517%</td>
<td>Monthly payments of $748.93 at 4.375%</td>
</tr>
<tr>
<td>100% LTV⁴</td>
<td></td>
<td></td>
<td>Monthly payments of $758.58 at 4.500%</td>
</tr>
</tbody>
</table>

Check out all of the new rates, including our fixed rate mortgage rates and used vehicle rates at www.ncsecu.org. To begin the application process or ask about refinancing, visit your local branch, call 24/7 Member Services at 1.888.732.8562 or contact us online via Member Access at www.ncsecu.org. Don’t wait – take advantage of this opportunity to see if we can save you money today!

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¹Variable rates can increase over the life of the loan. Future interest rate changes will be determined based on the five-year Constant Maturity Treasury (CMT) yield. Current index of 1.88% as of 6/17/19.

²APR = Annual Percentage Rate. APR is your cost over the loan term expressed as a rate. This is not your interest rate.

³Future rates are subject to change, so the rates for months 61-360 are estimated by adding the margin to the current index rate. Taxes and insurance are not included in the payment amount. Your actual monthly payment will be greater.

⁴LTV = Loan to Value.

⁵Loan product availability and terms are subject to change without notice.

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is a publication of the State Employees’ Credit Union Member Communications department. The Credit Union is a member-owned cooperative, organized to promote thrift and provide low-cost financial services. The field of membership extends primarily to employees and retirees of State Government, Public School Systems, Community Colleges, State Universities and their immediate families.

Follow us on:
Save Early: The Power of Compounding

Both saving and investing involve setting aside income and designating assets for future use, such as unexpected expenses or retirement. Generally, you save for short-term goals in an insured deposit account. For long-term goals, investing provides you the potential to earn more money over time than saving in an insured account. Compounding will raise the value of your accounts more rapidly because both contributions and previous earnings generate more earnings. For this reason, you should start investing for long-term goals as early as possible.

To illustrate the compounding concept, let’s look at Mary and John; both are 25 years old. Mary begins investing $6,000 per year in an IRA and does so for 15 years. At this point, she stops contributing but leaves the balance in her IRA. Her total contributions to the IRA equal $90,000. John waits 15 years and then, at age 40, begins investing $6,000 per year and continues to do so until he retires at the age of 65. Over the 25-year period, his contributions total $150,000. Mary and John both earn 6% on their investments until age 65.

As you can see from the chart, at age 65 Mary’s balance is $270,198 higher than John’s balance even though he contributed more over the years. How is this possible? The power of compounding. Because Mary started saving when she was just 25, her account benefited from compounded earnings to such a degree that John’s account couldn’t catch up, despite his additional 10 years of annual savings.

**Conclusion:** Save early, save often. You cannot generate earnings if you aren’t saving or investing. Make your long-term goals (especially retirement) a priority and let the power of compounding work for you. Get started today by setting up a savings plan at your local branch to automatically deposit funds each month into a savings or investment account. We look forward to helping you meet your long-term goals.

*The hypothetical rate of return is for illustrative purposes only and is not intended to portray actual results. The actual rate of return will vary over time.

**Investment advisory services offered to North Carolina residents through Credit Union Investment Services. Securities offered through SECU Brokerage Services. Member FINRA, SIPC. Securities products are not Credit Union deposits. They are not obligations of or guaranteed by a Credit Union or its affiliates. They are not insured by the NCUA or any federal government agency. Securities products involve investment risks, including possible loss of principal. Investment representatives are also Credit Union employees, who may accept deposits.*

<table>
<thead>
<tr>
<th>Age</th>
<th>Mary's Balance</th>
<th>John's Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>$6,000</td>
<td>$0</td>
</tr>
<tr>
<td>30</td>
<td>$33,823</td>
<td>$0</td>
</tr>
<tr>
<td>35</td>
<td>$79,085</td>
<td>$0</td>
</tr>
<tr>
<td>40</td>
<td>$139,656</td>
<td>$6,000</td>
</tr>
<tr>
<td>45</td>
<td>$186,891</td>
<td>$33,823</td>
</tr>
<tr>
<td>50</td>
<td>$250,102</td>
<td>$79,085</td>
</tr>
<tr>
<td>55</td>
<td>$334,693</td>
<td>$139,656</td>
</tr>
<tr>
<td>60</td>
<td>$447,895</td>
<td>$220,714</td>
</tr>
<tr>
<td>65</td>
<td><strong>$599,385</strong></td>
<td><strong>$329,187</strong></td>
</tr>
</tbody>
</table>

The SECU Mobile App
Now Available with Biometric Recognition!
(facial and fingerprint)

Download it today!

Visit https://www.ncsecu.org/MobileServices/MobileApp.html for details.
Incapacity Planning

Many people associate estate planning with the distribution of assets at their death. However, it is equally important to prepare for your potential incapacity when you are unable to make your own decisions due to an accident, health concerns, etc. This type of planning involves deciding who you want to make decisions on your behalf if you are unable to do so.

Incapacity planning includes the following estate planning documents:

- **Durable Power of Attorney** – Appoint someone to act on your behalf, known as an Agent or Attorney-in-fact. This individual will be able to perform financial and legally binding transactions on your behalf.

- **Advance Health Care Directives**:
  - Health Care Power of Attorney – Appoint someone as your agent to make medical decisions for you any time you are unable to make your own treatment decisions, not just end of life.
  - Living Will – Decide what type of life sustaining medical treatment you receive when there is no hope of your recovery.

- **Revocable Living Trust (RLT)** – Transfer assets to the trust while continuing to manage the assets yourself, as trustee. In your trust document you will appoint a successor trustee to act on your behalf if you become incapacitated.

If you have any questions or wish to discuss your estate and incapacity planning goals, please contact your local branch and ask to speak with a Trust Representative.

Trust Services offered through Members Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Trust products are not Credit Union deposits, are not insured by the NCUA or any other federal government agency, are not obligations of or guaranteed by the Credit Union, Members Trust Company or any affiliated entity, and involve investment risks, including the possible loss of principal. The material above is for educational purposes only and is not intended to provide legal or tax advice regarding your situation. For legal or tax advice, please consult your attorney and/or tax professional.

New IRS Security Feature

If you owe money to the IRS and need to create, review, or update a payment plan online, you’ll notice a new security feature has been added to better protect your tax information. Here’s what you need to know about the updated login process.

To create an online account, go to www.irs.gov and click on “Make a Payment.” You will then see the payment plan link in the “Can’t Pay Now” section. You will need to provide your:

- Valid email address
- Date of birth
- Social Security number or individual tax identification number
- The name, address, and filing status that appeared on your most recent tax return

The new security feature adds a step that requires you to verify either a financial account linked to your name or a mobile phone number registered in your name. If you do not have either of these additional items, you can request the IRS mail a verification code to you, which takes about 5 to 10 business days to arrive.

To view or update your existing online payment plan, you can login with the same user ID and password you have been using. However, you will need to complete the new verification step if you haven’t already.

If you choose to verify with a financial account, any of the following types of accounts are accepted:

- Credit card (no American Express, debit, or corporate cards)
- Student loan
- Home mortgage
- Home equity loan or line of credit
- Auto loan

The IRS only uses this information to verify your identity. Your card won’t be charged, and you’re not sharing balance or other financial information.

If you choose to verify with a phone number, your phone must be a mobile phone in your name (family plans may not work), able to receive texts, and based in the United States.

For more information about payment arrangements with the IRS, visit www.irs.gov.
Financial Condition
June 30, 2019 (Unaudited)

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>YEAR 2019</th>
<th>YEAR 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Investments</td>
<td>$15,657,861,912</td>
<td>$14,987,242,314</td>
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<tr>
<td>Loans to Members</td>
<td>23,345,453,754</td>
<td>21,909,618,654</td>
</tr>
<tr>
<td>Accrued Interest Receivable</td>
<td>128,310,451</td>
<td>91,200,175</td>
</tr>
<tr>
<td>Property and Equipment</td>
<td>1,116,415,480</td>
<td>1,015,932,734</td>
</tr>
<tr>
<td>Deposit for Insurance</td>
<td>316,791,700</td>
<td>310,923,005</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$40,621,857,728</td>
<td>$38,383,922,516</td>
</tr>
</tbody>
</table>

LIABILITIES & RESERVES

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Accounts</td>
<td>$4,517,626,823</td>
<td>$4,094,616,915</td>
</tr>
<tr>
<td>Share Accounts</td>
<td>32,614,467,969</td>
<td>31,196,376,863</td>
</tr>
<tr>
<td>Total Accrued Expenses</td>
<td>30,009,108</td>
<td>20,453,130</td>
</tr>
<tr>
<td>Total Liabilities and Reserves/Undivided Earnings</td>
<td>3,372,716,470</td>
<td>2,997,841,889</td>
</tr>
</tbody>
</table>

Total Liabilities and Reserves | $40,621,857,728 | $38,383,922,516 |

Important References

24/7 Member Services: 1.888.732.8562 • 919.857.2150
SECU Voice Response: 1.800.ASK.SECU • 1.800.275.7328 • 919.839.5400
SECU Online: www.ncsecu.org • SECU E-Mail Address: info@ncsecu.org
SECU Fax Service: 1.888.SECU FAX • 1.888.732.8329 • 919.857.2000
SECU Insurance Services: 1.866.937.7328 • 919.839.8525
Free Credit Report: www.annualcreditreport.com
National Do-Not-Call Registry #: 1.888.382.1222
Opt Out of Junk Mail: www.dmachoice.thedma.org
Opt Out of Preapproved Offers: 1.888.567.8688 • www.optoutprescreen.com
Branch Hours: Monday through Friday, 8:30 a.m. to 5:30 p.m.

Board of Directors

Jo Anne Sanford, Chair • Bob Brinson, Vice Chair
Chris Ayers, Secretary/Treasurer • Shirley Bell • Karan Bunn
Mark Fleming • Alice Garland • Jennifer Haygood
Mona Moon • Stelfanie Williams • McKinley Wooten, Jr.

Tell Us About It...

We realize there are ways we can improve our service. If you have a concern, we ask that you contact management at your local SECU branch to expedite feedback. We also welcome your suggestions. Please take a few moments to let us know how we may serve you better.

Please rate your last SECU experience by circling the following...

Promptness
Excellent
Satisfactory
Unsatisfactory

Courtesy
Excellent
Satisfactory
Unsatisfactory

Knowledge
Excellent
Satisfactory
Unsatisfactory

Level of Service
Excellent
Satisfactory
Unsatisfactory

How might SECU serve you better?

If you would like a reply, please complete below...

Name

Address

City
State
Zip

Phone #

Email address

Please mail to:
SECU – Administration, PO Box 27665, Raleigh, NC 27611-7665

If you feel that State Employees’ Credit Union has not adequately addressed your concern, you can contact the North Carolina Credit Union Division at www.ncccd.org or the Consumer Financial Protection Bureau at www.cfpb.gov to file a complaint.