



UNITED STATES
SENATE FEDERAL
CREDIT UNION

FALL 2017

USSFCU *Spotlight*

Serving the Senate Community Since 1935

A quick look inside...

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What is a Share Certificate?

With so many financial products available, choosing which type of account to open can be just as stressful as deciding where to open one. For consumers looking for earnings on their savings, one of the options that credit unions offer are share certificates. Here's a brief overview of how they work and some of their advantages and disadvantages.



The Basics

Share certificates are a type of credit union savings account very similar to the certificates of deposit, or CDs, offered at banks. These accounts usually offer higher yields than regular savings accounts; in exchange, you leave your money in the account for a specified amount of time, ranging typically from three months to five years. Longer lengths tend to have better rates than shorter ones. If you withdraw your money too early, you can be charged a penalty.

In addition, money put into one of these accounts by members of federally insured credit unions is safe. Share certificates and other accounts are generally insured for up to \$250,000 through the National Credit Union Administration, or NCUA.

Certificate Rates

The dividends, or earnings, you can make on a share certificate are typically quoted in terms of the annual percentage yield, or APY. This rate takes into account

the compounding period, which is the frequency with which returns are added to the account. Credit unions can choose to compound rates on a yearly, quarterly, monthly or even daily basis.

Early Withdrawal Penalties

If you withdraw money in a share certificate before the predetermined maturity date, you'll typically be charged a penalty. The amount can be a portion of the earnings, such as 90 days of dividends, depending on the account agreement.

Types of Certificates

Some credit unions offer variations on the product. Here are some of the most common:



Adjustable-rate certificates—Also known as bump-rate certificates, these accounts let you upgrade to a higher yield than you started off with. If the credit union raises its certificate

rates within the term of your account, you have the option of getting that boost. The exact percentage change and how often you can bump up the rate depends on the institution.



Youth certificates—These accounts are designed for those who are under 18 years old. Often, credit unions offer youth certificates with low minimum balance requirements and different term lengths than regular certificates.



Jumbo certificates—These accounts require a high minimum balance, typically in the tens of thousands of dollars, but usually come with better rates than other certificates.

Certificate Ladders

If you wish to take advantage of the higher rates of a five-year certificate but don't want to lock your money away for that long, you can set up a certificate ladder. This is a strategy in which you invest in certificates of different terms and roll the money over into a new certificate or withdraw it after each one expires. For example, if you invest \$10,000, you can do the following:

- 1 Invest \$2,000 each in five different certificates ranging from one to five-year terms.
- 2 When the one-year certificate matures, roll that sum into a new five-year certificate.
- 3 The following year, take the proceeds from the matured two-year certificate and roll that into another new five-year certificate.
- 4 If you roll over each certificate as it matures at the end of each year, by the end of five years, you'll have a five-year certificate maturing each year. Every time one expires, you have the option to withdraw that money along with the earnings at the five-year rate.

Of the many savings products credit unions provide, share certificates offer a higher-yielding, but still safe, way to invest money for a set period of time. Consider whether the increased earnings offset locking away the money for the required time, and decide which one is right for you.

The article originally appeared on NerdWallet.com.

BUMP UP YOUR EARNINGS

with the certificate that gives you a one-time rate bump!*

For more information
and to review rates, visit
ussfcu.org/bumprate.

USSFCU's Bump Rate Certificate



Lock in a great rate—
now with the one-time
option to bump it up
to an even better rate
during the term of
your certificate.*

*USSFCU makes no guarantee that you will be able to exercise this option, since we have no way of predicting future rates. Membership eligibility required. This credit union is federally insured by the National Credit Union Administration.



New Features, New Look!

Our mobile app is being updated with some great new features, making it more efficient and easier to use.



Some of the new/improved features include:



In-text navigation to provide feedback to users when a transaction cannot be completed



On-screen message alerting of temporary feature outage



Improved fly-out menu listing, navigation between menus



Improved remote deposit image capture (must be enrolled in RDA)*



Locations feature now moved to the login screen



Bill Pay—view, add, edit and delete payees and payments



Fingerprint login for Android™ (Touch ID for iPhone® iOS)



Enroll in CUAnyHour+ Online Banking at **ussfcu.org** to use the mobile app.

For more information on Mobile Banking visit **ussfcu.org/mobilebanking**.

*Members must have been enrolled in Remote Deposit Anywhere™ (RDA).

Data carrier rates may apply. Membership eligibility required. This credit union is federally insured by the National Credit Union Administration. Android™, Google Play™ and the Google Play™ logo are trademarks of Google Inc. iPhone®, the App Store® and the Apple® logo are trademarks of Apple Inc., registered in the US and other countries.



ATM UPDATES

New Features



Members will be able to change their PINs on USSFCU ATMs.

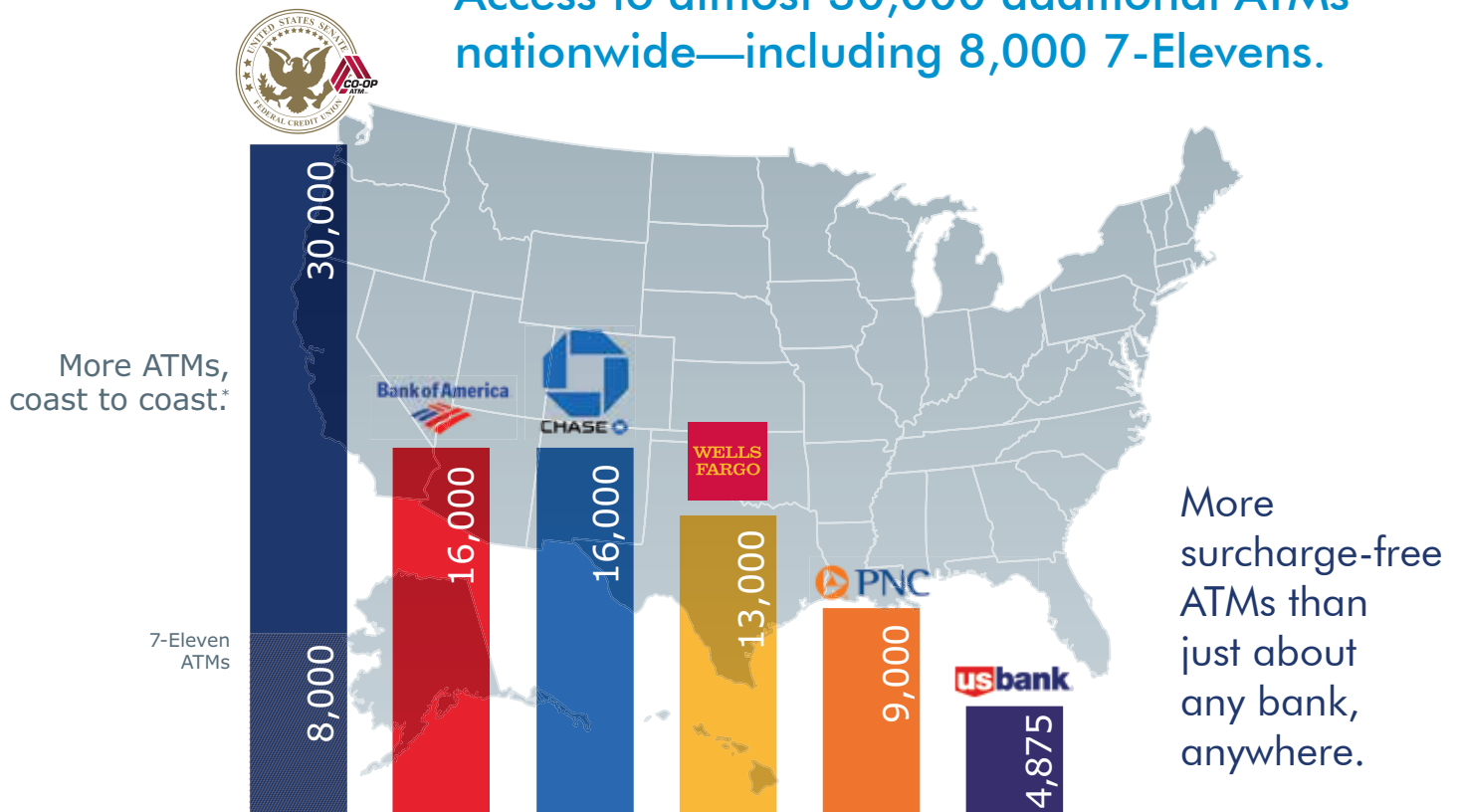


All deposit-taking USSFCU ATMs will be able to accept cash.

These new features take effect on 10/01/2017 and only pertain to USSFCU ATMs. This excludes ATMs that are ONLY in our partner networks. USSFCU ATMs are located at all USSFCU branches.

Bigger Network

Access to almost 30,000 additional ATMs nationwide—including 8,000 7-Elevens.



*March 2017 comparison based on claims located at bankofamerica.com, chase.com, pnc.com, usbank.com, usbanklocations.com and wellsfargo.com



**EARN 3X THE POINTS
ON ALL PURCHASES...**

...when you use your
VISA® Smart Rewards Credit Card
and **VISA® Senate Check Card—**
Friday, November 24 through
Monday, November 27.*

*Promotion valid November 24, 2017 through November 27, 2017. \$1=3 points when you use a USSFCU VISA® Smart Rewards Credit Card. \$4=3 points when you use a USSFCU VISA® Senate Check Card and select credit instead of debit. Points are only earned on signature-based transactions; PIN-based transactions, cash advances and balance transfers do not qualify. Merchants may process signature debit card transactions as PIN-based transactions even if a PIN was not provided; these transactions would not qualify. USSFCU is not responsible for the processing method selected by the merchants. Not all merchants will participate in the points program.

Triple Points Promotion capped at 10,000 points. Any points accrued in excess of 10,000 will earn standard points (\$1=1 point with a VISA® Smart Rewards Credit Card on signature-based transactions and \$4=1 point with a VISA® Senate Check Card when you select credit instead of debit).

Membership eligibility required. This credit union is federally insured by the National Credit Union Administration. All loans subject to credit approval.

Refinancing Your Mortgage Today Could Lead to a Better Tomorrow

Refinancing your current mortgage with USSFCU may:

- \$\$\$ Lower your monthly payment
- 📄 Allow you to pay off your loan sooner
- 💰 Save you money in interest
- 🏠 Provide you access to your home's equity



Kim Ta
USSFCU's Mortgage
Loan Officer
NMLS# 468198
kimta@ussfcu.org
571.253.6355

To find out if refinancing is in
your future, contact our in-house
Mortgage Loan Officer, Kim Ta, today.
Visit ussfcu.org/refinance for more
information.





Protecting Your Loved Ones with Life Insurance

How much life insurance do you need?

by Lovie Leach, USSFCU's Money Coach



Your life insurance needs will depend on a number of factors, including the size of your family, the nature of your financial obligations, your career stage and your goals. For example, when you're young, you may not have a great need for life insurance. However, as you take on more responsibilities and your family grows, your need for life insurance increases.

Here are some questions that can help you start thinking about the amount of life insurance you need:

- 1 What immediate financial expenses (e.g., debt repayment, funeral expenses) would your family face upon your death?
- 2 How much of your salary is devoted to current expenses and future needs?
- 3 How long would your dependents need support if you were to die tomorrow?
- 4 How much money would you want to leave for special situations upon your death, such as funding your children's education, gifts to charities, or an inheritance for your children?
- 5 What other assets or insurance policies do you have?

Types of life insurance policies:

The two basic types of life insurance are Term Life and Permanent (cash value) Life. Term policies provide life insurance protection for a specific period of time. If you die during the coverage period, your beneficiary receives the policy's death benefit. If you live to the end of the term, the policy simply terminates, unless it automatically renews for a new period. Term policies are typically available for periods of 1 to 30 years and may, in some cases, be renewed until you reach age 95. With guaranteed level term insurance, a popular type, both the premium and the amount of coverage remain level for a specific period of time.

Permanent insurance policies offer protection for your entire life, regardless of your health, provided you pay the premium to keep the policy in force. As you pay your premiums, a portion of each payment is placed in the cash-value account. During the early

years of the policy, the cash-value contribution is a large portion of each premium payment. As you get older, and the true cost of your insurance increases, the portion of your premium payment devoted to the cash value decreases. The cash value continues to grow—tax deferred—as long as the policy is in force.

You can borrow against the cash value, but unpaid policy loans will reduce the death benefit that your beneficiary will receive. If you surrender the policy before you die (i.e., cancel your coverage), you'll be entitled to receive the cash value, minus any loans and surrender charges.

Many different types of cash-value life insurance policies are available, including:

Whole Life:

You generally make level (equal) premium payments for life. The death benefit and cash value are predetermined and guaranteed (subject to the claims-paying ability and financial strength of the issuing insurance company). Your only action after purchase of the policy is to pay the fixed premium.

Universal Life:

You may pay premiums at any time, in any amount (subject to certain limits), as long as the policy expenses and the cost of insurance coverage are met. The amount of insurance coverage can be changed, and the cash value will grow at a declared interest rate, which may vary over time.

Indexed Universal Life:

This is a form of universal life insurance with excess interest credited to cash values. But unlike universal life insurance, the amount of interest credited is tied to the performance of an equity index, such as the S&P 500.

Variable Life:

As with whole life, you pay a level premium for life. However, the death benefit and cash value fluctuate depending on the performance of investments in what are known as subaccounts. A subaccount is a pool of investor funds professionally managed to pursue a stated investment objective. You select the subaccounts in which the cash value should be invested.

Variable Universal Life:

A combination of universal and variable life. You may pay premiums at any time, in any amount (subject to limits), as long as policy expenses and the cost of insurance coverage are met. The amount of insurance coverage can be changed, and the cash value and death benefit go up or down based on the performance of investments in the subaccounts.

With so many types of life insurance available, you're sure to find a policy that meets your needs and your budget.

Choosing and changing your beneficiaries:

When you purchase life insurance, you must name a primary beneficiary to receive the proceeds of your insurance policy. Your beneficiary may be a person, corporation, or other legal entity. You may name multiple beneficiaries and specify what percentage of the net death benefit each is to receive. If you name your minor child as a beneficiary, you should also designate an adult as the child's guardian in your will.

What type of insurance is right for you?

Before deciding whether to buy Term or Permanent Life insurance, consider the policy cost and potential savings that may be available. Also keep in mind that your insurance needs will likely change as your family, job, health, and financial picture change; so, you'll want to build some flexibility into the decision-making process. In any case, here are some common reasons for buying life insurance and which type of insurance may best fit the need.

Mortgage or long-term debt: For most people, their home is one of their most valuable assets and also the source of their largest debt. An untimely death may remove a primary source of income used to pay the mortgage. Term insurance can replace the lost income by providing life insurance for the length of the mortgage. If you die before the mortgage is paid off, the term life insurance pays your beneficiary an amount sufficient to pay the outstanding mortgage balance owed.

Family protection: Your income not only pays for day-to-day expenses, but also provides a source for future costs such as college education expenses and retirement income. Term life insurance of 20 years or longer can take care of immediate cash needs as well as provide income for your survivors' future needs. Another alternative is cash-value life insurance, such as universal life or variable life insurance. The cash-value accumulation of these policies can be used to fund future income needs for college or retirement, even if you don't die.

Small business needs: Small business owners need life insurance to protect their business interests. As a business owner, you need to consider what happens to your business should you die unexpectedly.

Life insurance can provide cash needed to buy a deceased partner's or shareholder's interest from his or her estate. Life insurance can also be used to compensate for the unexpected death of a key employee.

Review your coverage:

Once you purchase a life insurance policy, make sure to periodically review your coverage; over time your needs will change.

Contact **Lovie Leach**, CFS, WMS, RFC®, our Money Coach, to help you with your review or initial assessment.



To schedule your appointment, contact **Lovie Leach** at **202.869.3807** or email her at **LLeach@MoneyConcepts.com**.

Not NCUA insured.

No credit union guarantee.

May lose value.

All Securities are through Money Concepts Capital Corp. Member FINRA/SIPC. USSFCU and the Money Planning Center are not affiliated with Money Concepts Capital Corp.

SAVE MORE

with Share Account products

Rates are rising on these Share Account products, which means there is no better time than now to invest. Don't miss out on saving more; lock in a great rate today.



**SAVINGS
ACCOUNTS**



IRAs



**MONEY
MARKETS**



**SHARE
CERTIFICATES**



**BUMP
RATES**

USSFCU *Corner*

\$10,000 Donation to the Blue Ridge Area Food Bank

On August 15, USSFCU made a donation of \$10,000 to the Blue Ridge Area Food Bank (BRAFB) in Verona, VA, a member of Feeding America. This donation will provide 40,000 meals to families in need.



▲ USSFCU's CEO, Ken Kramer, presenting a check to BRAFB's Chief Philanthropy Officer, Karen Ratzlaff.

BRAFB serves 25 counties and 8 cities on either side of the Blue Ridge Mountains, through distribution centers in Charlottesville, Lynchburg, Winchester and Verona. They provide nutritious food to 114,400 people each month through a far-reaching network of 215 food pantries, soup kitchens, schools, churches and other nonprofit groups.

USSFCU shares in the BRAFB vision of engaging communities throughout central and western Virginia in the fight to end hunger locally and nationally.



USSFCU Donates 300

On August 26, the Maryland-National Capital Park and Planning Commission plus the Park Police, Prince George's County Division, held their 5th Annual Community Day in Largo, Maryland. The community day was filled with singing, free food and over 1,500

◀ MD-National Capital Park Police officer handing out book bags at the 5th Annual Community Day.



Capitol Hill Invitational Golf Tournament—Befitting Children’s National Health System

USSFCU participated in the 21st Annual Capitol Hill Golf Invitational Tournament as a double platinum sponsor with a donation of \$1,500. The tournament is seen as an opportunity for Capitol Hill staff and friends to meet and interact with each other outside of their typical work environment. In 2001, the tournament partnered with the Children’s National Health System in an effort to generate much needed funds for this worthy cause.

USSFCU’s donation went specifically to the Fund for Every Child—a new opportunity for donors to ensure that every child, from every background and walk of life, can receive exceptional care, regardless of insurance or ability to pay. “The Fund for Every Child is one of the most effective ways to improve children’s health,” said DeAnn Marshall, MHA, president of the Children’s Hospital Foundation. “The Fund supports every area of Children’s National, gives us flexibility to meet our greatest needs, and ensures that every child can receive the same level of care.”



USSFCU considers it a privilege to be a part of an event that does such an amazing job of creating awareness and raising funds for such an incredibly worthy cause.

Book Bags to Local Area Youth

attendees. The day was then topped off by giving away free book bags to children between the ages of 5–17.

USSFCU is excited to announce that we sponsored the donation of 300 book bags, the equivalent of \$1,050. Being able to have a positive impact on youth in our area is what giving back is all about.

The Maryland-National Capital Park and Planning Commission plus the Park Police, Prince George’s County Division do an incredible job with this event and USSFCU is more than happy to be a part of this community-wide effort.

Make the Most of Your USSFCU Account

Take advantage of all we have to offer by using our convenient account services:



Online Banking (CU AnyHour+)

Manage your accounts online.

Features include:

- Paying bills
- Transferring funds
- Viewing account transactions



Mobile Banking with Remote Deposit Anywhere™ (RDA)

Access your account anytime, anywhere with our mobile app. Checks can be deposited through the mobile app, too!*



TeleAction

Our 24-hour automated telephone service allows you to perform general account transactions. Call anytime at 800.374.2758.



ATMs

Access to over 100,000 surcharge-free ATMs and 5,000 shared branches nationwide.



Bill Pay

Conveniently track, manage and pay your bills through Online Banking.

Visit ussfcu.org/services for more information on all of our account services.

*Member must be enrolled in Online Banking and Remote Deposit Anywhere™ (RDA). Data carrier rates may apply. Certain restrictions may apply. Membership eligibility required. This credit union is federally insured by the National Credit Union Administration.



JUST A REMINDER: USSFCU will never ask you for your personal information via text or email.

Personal information includes things like your credit card number, social security number, date of birth, etc. If you receive a text or email requesting any personal information, do not reply and contact your financial institution immediately.

For more information on ways to protect yourself against fraud, visit ussfcu.org/fraud.