

*Happy New Year*



## WE'RE IN IT FOR YOU, OUR MEMBERS — NOT FOR PROFIT

Sure, people may say that Schools Federal Credit Union is similar to a traditional bank like Wells Fargo, after all, we both provide financial services, such as checking and savings accounts, credit and debit cards, and loans. In a sense, this is true; we offer robust products and services that a traditional “big bank” offers, but there’s a major difference: for one, we are in business for you, our members, and not for profit. However, traditional banks, such as Wells Fargo, are in business for profit, to increase the wealth of their shareholders. When we generate a profit, we look for additional ways to circulate the money back to our members in the form of higher dividend rates, lower loan rates, and, if at all possible, by eliminating or reducing service fees. We are a true cooperative! Our members are our owners.

Wells Fargo and other banks made headlines in 2016. In fact, banks have been making headlines consistently over the past few years. The culture of many banks, with their aggressive practices geared towards capitalizing on consumers’ money, is constantly being brought to light. Wells Fargo has been accused of inflating its productivity numbers for the past few years. The Justice Department believes that employees of the bank unlawfully accessed personal information. Fictitious and/or unneeded accounts were being opened for consumers around the country. Ironically, ancillary services, such as “credit monitoring,” which is aimed at protecting customers from identity theft, were being opened unknowingly.<sup>1</sup> Worse, customers were being charged monthly fees for most of these services. All the while, the bank was reporting “growth” to their shareholders. The bank’s executives and employees were generously compensated for their “effort” in reaching targeted sales numbers.<sup>2</sup>

After its practices were exposed, the bank has changed their slogan to “We’re Building a better Wells Fargo” for its customers, but at what cost? The effort comes after terminating over 5,300 employees, opening as many as 2 million fictitious deposit accounts, using the identities of customers without their knowledge to create PINs (Personal Identification Numbers), and processing unauthorized credit card applications. Additionally, executive team members, including their CEO has resigned from their positions. The bank has also been ordered to pay \$185 million in fees, and refund \$5 million to their customers.<sup>3</sup> Governmental agencies, such as the State of California and other municipalities, are moving transactional accounts elsewhere.<sup>4</sup> With everything that’s going on, analysts are predicting that the bank will close nearly 1,000 branches within the upcoming year.<sup>5</sup> In the end, consumers will suffer, not to mention the possibility of more jobs being lost which will directly affect our local economy. Is it too late to make things “right”?

We don’t think so! You can make things right by choosing a financial institution that has your best interest in mind. As a consumer, you always have a choice about who to bank with. At Schools Federal Credit Union, we provide accounts and loan options designed to benefit our members, not to make us a quick buck. If you haven’t already done so, we encourage you to explore your options with us. Our checking accounts are absolutely free, and we’ve eliminated or reduced fees for the benefit of our members. Remember, you can also give your family the gift of lifetime membership by referring them.

<sup>1</sup> McGregor, E. (2016, October 20). CNBC: Attorney general leads criminal probe of Wells Fargo bank. Retrieved December 29, 2016, from <http://www.cnbc.com/2016/10/20/attorney-general-leads-criminal-probe-of-wells-fargo-bank.html>

<sup>2</sup> Egan, M. (2016, September 9). 5,300 Wells Fargo employees fired over 2 million phony accounts. CNN Money. Retrieved December 27, 2016, from <http://money.cnn.com/2016/09/08/investing/wells-fargo-created-phony-accounts-bank-fees/>

<sup>3</sup> Blake, P. (2016, November 3). Timeline of the Wells Fargo Accounts Scandal. ABC News. Retrieved December 27, 2016, from <http://abcnews.go.com/Business/timeline-wells-fargo-accounts-scandal/story?id=42231128>

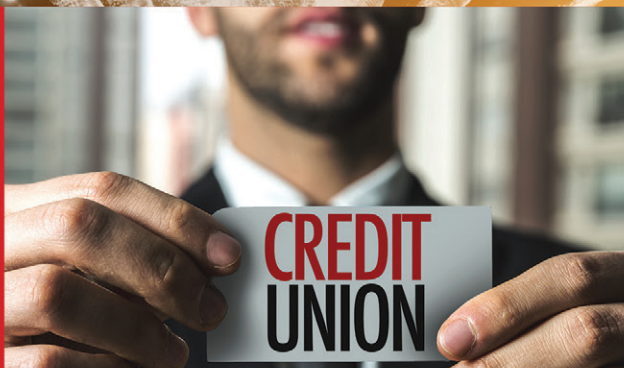
<sup>4</sup> Krantz, M. (2016, September 28). California hits Wells Fargo where it hurts. USA Today. Retrieved December 29, 2016, from <http://www.usatoday.com/story/money/markets/2016/09/28/california-sanctions-wells-fargo-fleeing/91235264/>

<sup>5</sup> Egan, M. (2016, October 21). Scandal may speed up Wells Fargo branch closures. CNN Money. Retrieved December 27, 2016, from <http://money.cnn.com/2016/10/21/investing/wells-fargo-branch-closures-fake-accounts/>

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# WHO ARE YOU CHECKING WITH?

Not all checking accounts are the same. In fact, they can vary quite a bit from one institution to another. "Big banks" may seem convenient, since they appear to have locations everywhere, but did you know that we have more free ATMs than the biggest bank in the country? This means that you'll most likely have more free ATMs to choose from wherever you may be in California, or in any other state. Another misconception is that we may not offer the same bells and whistles as the other guys. This is also untrue! We've invested quite a bit in technology, so you have a wide array of functions and options available for using remote channels, including our secure mobile banking app and the option to view your account information from any computer.

What about cost? We'll let you make the comparison to see how you can save\*:

	Wells Fargo	Bank of America	Chase	Schools FCU
Monthly Fee	\$10 (Everyday Checking)	\$12 (Core Checking)	\$12 (Total Checking)	\$0
Interest/Dividend	No	No	No	Yes
Number of Free ATMs	12,200	16,220	18,132	34,600
Branch Locations	6,314	5,096	5,682	5,000

\* Raghavan, D. (August). Nerdwallet: Do Credit Unions Have More ATMs Than Bank of America? Retrieved December 27, 2016, from <https://www.nerdwallet.com/blog/banking/credit-unions-atms-bank-america/>

## We're Giving Back to Our Future Leaders: The Lonnie Woodfin Scholarship



Our members mean the most to us! Without our members, Schools Federal Credit Union wouldn't exist. This year, we're introducing a scholarship to honor our previous Board Chairman, Lonnie Woodfin. He's a retired employee of the LAUSD and has been a member for nearly 50 years. Having supported his children and grandchildren through college, Lonnie understands the importance of higher education and the cost associated with doing so.

We're offering a \$1,500 scholarship to an existing member who is a graduating high school senior enrolling in a 2- or 4-year college.

To be considered, submit the following documents via e-mail to [admin@schoolsfcu.org](mailto:admin@schoolsfcu.org):

- Current school transcripts
- Two letters of recommendation
- An essay on the importance of financial literacy

All applications must be received by April 21, 2017. The winner will be announced on May 8, 2017, and his or her family will receive tickets to be part of our 2017 Annual Meeting.

For more information, please visit us at [www.SchoolsFCU.org/scholarship](http://www.SchoolsFCU.org/scholarship).



## Post-Holiday Blues? - Transfer Credit Card Balances with a Rate as Low as 0% APR

Did you know that holiday spending in 2016 was at historic highs? It's expected that overall credit card balances exceeded \$1 trillion at the end of 2016. In a way, these figures may have a positive light. Consumers are more confident with their financial outlook; however, some consumers may have spent more than they should have. According to Bankrate<sup>1</sup>, the source for the increase in holiday spending originated from a credit card with unfavorable terms.

If you have used a credit card with not-so-favorable terms, we're here to make things right for you! For both existing and new cardholders, we are offering the option to transfer balances from other creditors to our Platinum VISA® credit card with a rate as low as 0% APR for six months! That's right, we're giving you an alternative option to recover from the holiday spending blues.

- No balance transfer fee
- Discounted rate valid for six months
- Transfer balances up to your credit limit

If you need to increase your current limit, call us! We'll process your request and can typically have a new limit available for you on the same business day.

<sup>1</sup>Davis, L. (n.d.). Bank Rate: What we can learn from holiday credit card spending Read more: <http://www.bankrate.com/finance/credit-cards/experts-on-holiday-credit-card-spending.aspx#ixzz4U50EvmBR> Follow us: @Bankrate on Twitter | Bankrate on Facebook. Retrieved December 27, 2016, from <http://www.bankrate.com/finance/credit-cards/experts-on-holiday-credit-card-spending.aspx>

APR= Annual Percentage Rate. Promotional balance transfer rate varies from 0% - 2% for six months. Not all members will qualify. The "Discounted" rate that will be in effect from the time of the posting of the balance transfer to your card account for six consecutive billing cycles. After the expiration of your "Discounted" rate the remaining unpaid portion of the original balance transfer request will be subject to your normal APR as outlined on your monthly statement. All rates are effective as of January 1, 2017, and are subject to change without notice.



## 2017 Annual Meeting - We're Planning Something **BIG** to Thank **YOU**



Our 2017 Annual Meeting is tentatively scheduled for Saturday, June 3, 2017. We're still working on the details about where we're going to have it, but know that we're planning something fun and will keep you updated. Be on the lookout for updates on our website, social media, and in future newsletters.

There are two Board of Director positions currently open. Nominations for the Board must be made by petition. To be eligible, you must submit a statement of qualifications and biographical information, be a member in good standing, be 18 years of age or older, and collect a minimum of 200 and a maximum of 500 member signatures.

No nominations will be accepted from the floor. The last date to submit a completed petition is April 24, 2017. To nominate a member, please send the requested information to: Schools Federal Credit Union, Attn: Nominating Committee, 2200 W Artesia Blvd., Rancho Dominguez, CA 90220.

## Vroom... Vroom... Vroom AWAY with the Right Auto Loan

An auto loan isn't just an *auto loan*. You need to make sure that your loan is perfectly tailored to your needs. Being founded by employees at LAUSD and LACCD, our loans are tailored to fit the needs of the educational community.

- Your first payment won't be due for 60 days
- Rates as low as 1.74% APR for 60 months
- Option to be **Summer Free**
- Automatic payments debited from your payroll or SFCU account
- Special pricing on GAP (Guaranteed Auto Protection) and MBP (Mechanical Breakdown Protection)
- Exclusive member pricing on vehicles with our FREE auto-buying program

If you currently have an auto loan financed elsewhere, we still may be able to help you save hundreds, if not thousands, of dollars over the life of the loan. To get started, simply tell us the following:

- Who your loan is currently with
- Your vehicle's information (year, make, model, mileage, and distinct features)
- Approximate outstanding balance
- Your financial information

We'll review your overall profile and see what we can do to help you save money! Our goal will be to reduce both your payment and rate, which means more cash in your pocket!

APR= Annual Percentage Rate. All applications are subject for approval. Actual rate and terms offered will vary based on the borrower(s) credit qualifications. Offer is subject to change without notice. Rate includes the following discounts: -0.25% for automatic payments from SFCU checking, and -0.25% with a direct deposit relationship. Payment examples are based on the lowest possible rate of 1.74% for 60 months. Payment example: \$20,000 borrowed/ 60 months / 1.74% APR = \$348.29. All loans are based on simple interest and interest will continue to accrue during any deferrals. Rate does not apply to existing SFCU loans.



## BILL BUSTER

### Our Hero, is Back to Bust Your Debt into one Affordable Payment

It's a new year, and now is the time to organize and consolidate your bills into one affordable monthly payment. To get started, gather all of your credit card bills. Review the terms – you may be unpleasantly surprised to find that you're paying more than you thought. It's common for credit cards with a balance to have interest rates over 18%. Once you've gathered all the information, call us and apply for our Bill Buster Loan. Our goal will be to create an affordable monthly payment with a reduced interest rate.

- Rates as low as 5% APR for 12 months
- Consolidate up to \$15,000 (unsecured debt)
- Terms for as long as 72 months

APR=Annual Percentage Rate. Actual rate and terms offered will vary based on the borrower's credit qualifications. Rates are quoted on the basis of the lowest possible rate offered as of 1/1/17. Rates and offer are subject to change without notice. Maximum unsecured loan balance for entire relationship is \$15,000. Payment example: \$1,000 borrowed/ 12 month term / 5% APR = \$85.61; \$15,000 borrowed / 72 month term / 9.5% APR = \$274.14.

### Our New P2P Option – Sprig by CO-OP with RealPay



Need to pay someone back for lunch? Pay your landlord? Or just want to help a friend in need with immediate access to cash? We're offering an additional channel so you can pay virtually anyone in the country. You can send the money by entering their mobile number or email address. From there, your recipient will need to login to RealPay by CO-OP to claim the funds.

To get started, register your account at [getsprig.com](http://getsprig.com); then, download the app from the Apple App Store or Google Play. From there, you'll have access to your account information, and, more importantly, the ability to pay just about anyone. In most cases, so long as your payee banks with a participating financial institution, he or she will receive the funds instantly. If they bank with a non-participating bank, the funds will still be delivered electronically, but may take up to five business days before funds are received.

Please keep in mind, we are only encouraging you to use this channel when using the P2P (person to person) channel. Our unique and existing mobile banking app is still the best way for you to access your account on the go and to deposit checks remotely.



## Contact Information

**Member Service Center:**  
**(866) 459-2345:**

to apply for a loan, select option 3;  
for account information, choose option 4.

Email: [info@schoolsfcu.org](mailto:info@schoolsfcu.org)

Website: [www.SchoolsFCU.org](http://www.SchoolsFCU.org)

**+5,000 Branch Locations (shared branch)**

**+30,000 FREE ATMs**

call (888) SITE-COOP; website: [www.co-opcreditunions.org/locator](http://www.co-opcreditunions.org/locator)

### Mailing Address (payments, deposits, letters)

PO Box 7003 / Compton, CA 90224

For escalated issues: Schools FCU (Supervisory Committee)

PO Box 81-2144, Los Angeles, CA 90081

### Report a lost/stolen VISA® card

Debit (888) 241-2510, Credit (800) 528-2273

### Site Locations

(open Monday – Thursday, 9 am – 5 pm; Friday 9 am – 6pm)

#### South Bay:

**2200 W Artesia Blvd., Rancho Dominguez, CA 90220**

#### Los Angeles:

##### Orsini II Building:

**850 W Cesar Chavez, Los Angeles, CA 90012**

#### *Late branch opening hours for our monthly staff development meetings:*

South Bay Office: 10:30 a.m. to 5 p.m.

Los Angeles: 11 a.m. to 5 p.m.

Thursday, January 26th

Thursday, February 23rd

Thursday, March 30th

### 2017 Holiday Closures

New Year's Day (observed) - Monday, January 2

Martin Luther King, Jr. Day - Monday, January 16

Presidents' Day - Monday, February 20

Memorial Day - Monday, May 29

Independence Day - Tuesday, July 4

Labor Day - Monday, September 4

Columbus Day - Monday, October 9

Veterans' Day (observed) - Friday, November 10

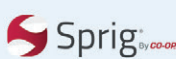
Thanksgiving Day - Thursday, November 23

Day After Thanksgiving - Friday, November 24

Christmas Eve (observed, ½ day) - Friday, December 22

Christmas Day - Monday, December 25

All applications are subject to approval. Rates advertised in this publication are the lowest possible rates available. Actual rate and terms offered will vary based on the borrower(s) credit qualifications. Offers are subject to change without notice.



## Service Alert: Tax Notifications

The following tax forms will be sent in January – 2017:

- **1099-INT (Dividends Paid).** Only members who have received \$10 or more in dividends will be receiving this notice.
- **1098 (Mortgage Interest).** Members who paid less than \$600 on interest will not be receiving this notice. If needed, please use your December 2016 statement to report any interest you may have paid.
- **1099-R (Retirement Account Distribution).** Members who have made withdrawals from their retirement account(s).

## Love Your Savings



## LOVE MY CREDIT UNION REWARDS

Everyone is looking for ways to save money, and that's just what Love My Credit Union Rewards is all about.

Schools Federal Credit Union is excited to offer you exclusive discounts and benefits on products and services you use every day. Credit union members have already saved nearly \$2 billion with Love My Credit Union Rewards discounts. So along with lower loan rates and fewer fees, here's another way you can save even more.

- ♥ Receive a 10% discount on select regularly priced Sprint monthly data service. Valid in conjunction with other credit union and most Sprint National handset offers and promotions.
- ♥ Save up to \$15 on **TurboTax** federal products!
- ♥ Get an exclusive smoke communicator and a \$100 gift card with a new ADT monitored home security system.
- ♥ Get trusted protection at true savings with **TruStage Auto & Home Insurance Program**.
- ♥ Shop and get cash back at over 1,500 online retailers with **Love to Shop**

Start saving today at [LoveMyCreditUnion.org](http://LoveMyCreditUnion.org). You get all these offers and discounts just for being a member of Schools Federal Credit Union.