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Local Government Federal Credit Union

SUMMER 2021



THE
POWER
OF

YOUTH

TOMORROW'S LEADERS
ARE AT WORK IN
TODAY'S TEEN COUNCILS



KEEP-IT-REAL MONEY TIPS
FOR YOUR TEEN

WHEN BUYING NEW
IS THE BEST VALUE

AUTO PRODUCTS AND SERVICES THAT *DRIVE SAVINGS*

If you're planning a new car purchase, check out Credit Union options that put you in the driver's seat:

- ▶▶▶ Check out ways to finance a new car.
- ▶▶▶ Get a complimentary auto insurance quote from TruStage[®], an LGFCU partner.
- ▶▶▶ Arrive ready to deal with Auto Power,^{*} a pre-approved check from your Credit Union, when you qualify.
- ▶▶▶ Skip the dealership and leave the negotiation to us when you use the Credit Union's Car Buying Service[†]

Get rolling to lgfcu.org/aimnewcar to learn more about these and other auto services for members.

Looking at used car financing? Get details at lgfcu.org/aimusedcar.

* Subject to pre-approval; receive a check from your Credit Union when you qualify.

† Subject to New Car Loan approval. Lending is limited to borrowers residing in NC, SC, GA, TN and VA. Delivery is complimentary within NC. An additional charge may apply to deliveries outside the state; delivery is only available for states sharing a border with NC. LGFCU's Car Buying Service is a partnership with AAA of the Carolinas.

TruStage[®] Auto Insurance program is offered by TruStage Insurance Agency LLC and issued by leading insurance companies. Discounts are not available in all states and discounts vary by state. The insurance offered is not a deposit and is not federally insured. This coverage is not sold or guaranteed by your Credit Union.

The best value for borrowers and savers



Maurice R. Smith
Chief Executive Officer
28-year member



 lgfcu.org/ceopoint

Some of you have written to me asking why Credit Union deposit rates have fallen over the past year. To understand interest rates, it is important to consider the various factors which shape how rates are determined.

One of our objectives is to offer the best rate practicable. We believe members deserve no less. As a cooperative, LGFCU is owned by its members. There is no separate group of stockholders to whom LGFCU must cater.

However, your Credit Union is affected by external factors which influence the dividends paid on deposits. Recently, the lower deposit rates are a result of historically low rates in the economy. You may have noticed rates are lower across financial institutions. This is the consequence of larger economic policies focused on restarting the economy in a recession.

Last year, a pandemic brought the economy to its knees. Many businesses closed; some employees lost their jobs and sources of income. Industries that rely on tourism, travel and hospitality were especially disrupted. Perhaps you've felt these changes in your community.

When an economy stalls, businesses often lead the way back to full employment and more commerce. But businesses need help from consumers to rebuild sales. This support often comes in the form of lower loan rates which encourage consumers to borrow and buy goods.

Lower loan rates put pressure on financial institutions like your Credit Union to reduce deposit rates. This is because the income we need to pay deposit dividends mostly comes from loan interest income.

We imagine lower deposit rates for savers can feel disappointing. There is a counterbalance to consider. If lower deposits rates are a symptom of lower loan rates, then other aspects of the economy may be more affordable. The cost of living doesn't rise as much in a low-rate environment because businesses' expenses are down. Lower business expenses often mean lower prices for goods. This saves all consumers money.

Rest assured the rates you receive on Credit Union deposits is the best calculated value we can offer. Taken together, your Credit Union membership provides value for borrowers and savers.



www.lgfcu.org | 800.344.4846

Aim is a quarterly publication of Local Government Federal Credit Union and reaches more than 220,000 member households. As a not-for-profit cooperative, our mission is "to improve the lives of our members."

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Winner of the 2020 CUNA Councils Diamond Award for best member newsletters!

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THE POWER OF YOUTH



Written by Nancy Pardue
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and Sabine Kowal

“Being involved in community initiatives and having the opportunity to engage with diverse groups of people has molded my thinking.”

— KATELYN HUNTER, 15
Rocky Mount Area Youth Council

They're young, they're fun, and they're making a difference!

Teens in local youth councils are busy rolling up their sleeves to serve the homeless, organize food drives, staff town events and tackle the needs they see in their communities.

As they step out to invest in their hometowns, these teens are also learning about leadership, stewardship and what it means to be a citizen — which makes the future brighter for all of us.

Lead by example

Katelyn Hunter, age 15, serves as secretary of the Rocky Mount Area Youth Council (RMAYC), one of the state's longest-operating councils. Here, teens are on scene at town events year-round, like Martin Luther King Jr. Unity Day and the International Festival of Cultures.

"Being involved in community initiatives and having the opportunity to engage with diverse groups of people has molded my thinking," says Katelyn, a student at Nash Central High School and a member of LGFCU.

"I feel I'm making a difference by giving back — cleaning up neighborhoods, being a positive example, and building relationships with community-based organizations."

RMAYC has about 25 members in grades nine through 12, who gather monthly (lately via Zoom) to identify and plan service projects and hear from invited guest speakers.

Council service helps build her self-esteem and skill sets like public speaking and goal setting, Katelyn says, and what she calls "life planning" for college and a future career.

Teens in youth councils across North Carolina are working to better their communities in tangible ways; some even have a seat in local government meetings. As they initiate projects to address real-life issues from bullying to hunger, the teens also learn important lessons in leadership and citizenship.





Teaming up statewide

RMAYC is one of 23 chartered youth councils in North Carolina. State Youth Councils coordinator Candace Dudley is working to grow that number.

Dudley serves as a liaison between the local youth councils, providing project ideas and funding options, and plans four youth conferences each year that bring members together. Some of these conferences are sponsored in part by LGFCU.

For example, teens bid and vote on which council will host the Service Learning Conference and conduct a joint service project to benefit that community. At the Mini-Grant Conference, they review grant proposals submitted by nonprofits and local government agencies, then decide how to allocate grants up to \$500, funded by the North Carolina General Assembly.

“I truly believe that youth have so much to offer,” Dudley says. “By serving on a youth council, teens are exposed to so many great things. They gain leadership and governmental experience, and get to express their opinions in a professional setting.”

“By serving on a youth council, teens ... gain leadership and governmental experience, and get to express their opinions in a professional setting.”

— CANDACE DUDLEY
State Youth Councils coordinator



1966: Greensboro, High Point and Raleigh youth councils joined to form the Youth Councils of North Carolina Inc.



Collaborating for community

The Triangle region is home to the state's largest council: The Cary Teen Council has nearly 900 members in grades eight through 12, with a focus on volunteer engagement.

Its members staff town events including the Lazy Daze Arts and Crafts Festival, work parks and rec summer camps, and serve as guides leading downtown tours.

Adviser Doug Peters develops events for the council to host, oversees teens as they volunteer at community sites, and maintains communications with parents on project details.

"My role is to introduce experiences the teens might not have otherwise," says Peters, an LGFCU member. "Maybe they're also in school or church groups, but we've established a way for teens to come into this program and build upon that with new opportunities and relationships."

Each year, this council contributes nearly 20,000 volunteer hours to the Cary community. Its projects have earned state and national awards, including the prestigious Jefferson Award for Public Service, presented to just five organizations nationwide each year.

"We promote community and leadership, and honoring commitments," Peters says. "The fact that this many teens want to give back is amazing. Seeing them actively involved, as good stewards, is gratifying."



Fact: Youth councils are open to any interested teen.

"We promote community and leadership, and honoring commitments."

— DOUG PETERS
Cary Teen Council adviser



“One of my favorite things is seeing their growth,” Peters says. “They might be timid at first, but when they start to volunteer you see a change. They’re no longer waiting to be told what to do; they know what to do and help instruct others.”

Building a future

Some youth councils, such as RMACY, even have a seat at local government meetings, serving as an advisory committee on youth affairs.

“The youth council provides an opportunity for young people to share in local government matters and learn to become more responsible citizens,” says Katelyn. “And we initiate programs and projects that are of benefit to youth and the community.”

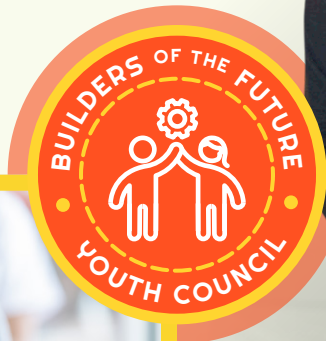
Dudley says she often sees council “graduates” go on to study political science and apply for internships in state and local government.

“Youth councils serve as a building block for leadership, community service and engagement,” Dudley says. “Youth councils make a difference.” ↗

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— KATELYN HUNTER

Rocky Mount Area Youth Council



FACT: Some youth councils serve as advisory committees to their local governments.

LET'S GET TO WORK!

Wondering what a youth council does, or how to launch one in your own community? Read on!

STEPPING UP

Here are a few examples of the great community projects led by local youth councils.

Walk for a Victim

The Rocky Mount Area Youth Council (RMAYC) launched the city's first anti-bullying walk for teens and created pledge cards to encourage others to join in protecting everyone's right to feel safe and valued.



M.A.D.E. (Making a Difference Everywhere)

RMAYC also lent support to the Bassett Center, a homeless shelter for families, tutoring children, leading activity sessions and furnishing supplies like books, backpacks and toothpaste.



"We wanted to aid in fighting hunger and promote healthy eating habits," says council secretary Katelyn Hunter. "It really struck me, that some kids are hungry."

For both projects, the council applied for grants through the North Carolina Council for Women and Youth Involvement.

Let's Fill the Truck

When a hurricane headed for their town landed to the south instead, the Cary Teen Council partnered with local fire stations to organize a multi-location food drive. Appealing to residents to donate their storm stockpiles, the youth filled a tractor-trailer with supplies, and donated them to a veterans' group in Fayetteville.



"The teens wanted to pull together for people they didn't know," says council adviser Doug Peters. "They learned they can have an impact not just in Cary, but across North Carolina."

Follow their lead

State Youth Councils (SYC) coordinator Candace Dudley notes that the main goal of youth council members is to better their communities.



"Youth are involved and passionate about what goes on in the world around them. No one is better, to make change within a community," she says.

Find youth council how-to help on the SYC website at bit.ly/2RujmBG.

For information on LGFCU's college scholarships, visit lgfcu.org/aimscholarship.

WHAT YOUR TEEN NEEDS TO KNOW ABOUT FINANCES

Whether your teen is earning a paycheck from a part-time job or receiving spending money from an allowance, there are practical tips every young person should know about managing money.

THERE'S TIME TO SAVE

While your teen may not be making a lot of money now, building a regular savings habit is essential. Even with small contributions, say every two weeks, the money has a lot of time to grow based on the dividends that can be earned. The money saved could become a down payment on a car or offset the first year's college tuition.

TEEN SAVINGS EXAMPLE

\$100 INITIAL SAVINGS
+\$50 EACH MONTH FOR 5 YEARS
× 1% DAILY DIVIDENDS

\$3,183 FINAL BALANCE
 (\$3,100 FROM SAVINGS AND \$83 FROM INTEREST)



AVOID THE FEAR OF MISSING OUT (FOMO)

FOMO can feel real to your teen — working or doing chores means missing out on fun with friends. Talk to your youth about creating a balance between spending now and saving for later. Encourage your teen to consider what's more important — today's wants or longer-term aspirations?

TRACKING MONEY IS ESSENTIAL

Your teen may swipe a card or tap a cellphone to complete a purchase without a lot of upfront thinking. Show your teen how to track spending and if trouble arises, identify areas where positive adjustments can be made to support good spending habits going forward.

Your Credit Union has a complimentary money-tracking app which can help your young adult keep spending in check, and track savings goals quickly and easily on the go.

Find more ways to help your teen manage money at lgfcu.org/aimkids.

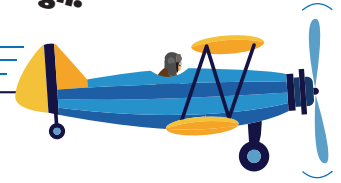
FAT CAT® Fun Page

Hey kids: Grab a pencil, pen or crayon and have some fun with these activities, created just for you!

Funny Money Riddles

- Q:** What type of dog has the most coins?
A: A bloodhound. They're always picking up "s"cents.
- Q:** How do penguins make a decision?
A: They "flip"-per a coin!
- Q:** Why would you put all your money in the freezer?
A: You want cold, hard cash.

Make your friends and family laugh!



How can you help?

Circle the activities that show how you can help your family and your neighborhood.

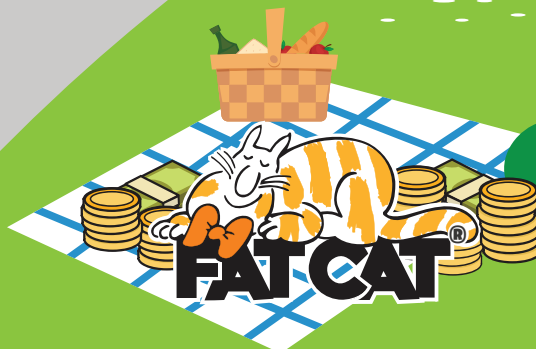


Did you know?



The first \$1 gold-colored coin was made - or minted - in 1794.

In addition to the \$1 bill, the \$5, \$10, etc., we can also pay with a \$2 bill.



FAT CAT is for kids ages birth through 12. Visit lgfcu.org/fatcat for more details.

HOW TO SAVE ON BIG-TICKET ITEMS FOR TEENS

When your teen needs new stuff, that request sometimes comes with a big price tag. Buying a new laptop, a new bed or even a new TV can pay off not just in savings, but in peace of mind.

LAPTOPS



There are two good ways to cut costs on a new laptop with the latest digital tools: Buy online from a computer outlet or consider purchasing the store model off the clearance table.

Look for a new overstocked laptop from an outlet. Depending on your teen's needs, overstocks may cost less than retail prices.

A store display is also a money-saving option. Retailers have been known to take an additional 10% off the already reduced price during July and August, as part of back-to-school sales.

Generally, a new model can also help you avoid unknown issues that could become a costly fix later.

MATTRESSES

If your teen has outgrown that twin bed full of stuffed animals and you're ready to upgrade, think new. Mattress industry experts say buying new could prevent unwanted pests in the home and likely increases your teen's long-term comfort level.

A standard set can sell for about \$650. During major holiday weekends, prices have been known to dip by \$150 or more — depending on the brand.



TVS

August is a good time to buy a new flat-screen TV. New models are often released in spring, so retailers may lower prices on existing inventory just in time for setting up new apartments or dorm rooms.



Hey Mom and Dad!

Planning to give your teen a gift but not sure what to buy? Tear out this page and let your youth offer a few hints!



You can discover more ways to save with the hashtag #LGFCUdeals.

Annual Meeting reminds us we're stronger together



During the 38th LGFCU Annual Meeting, held virtually on March 26, Chief Executive Officer Maurice Smith shared good news: Despite 2020's challenges, the Credit Union offered financial solutions to help members and communities. Watch the replay at lgfcu.org/aimmeeting2021, and check out our Annual Report at lgfcu.org/aimreport2020.

SHRED EVENTS

Stop by this LGFCU Shred Event to easily and securely dispose of personal papers for free!

Tuesday, August 3

Jamestown Town Hall | 3 to 6 p.m.
301 E. Main St. | Jamestown
jamestown-nc.gov/event

Visit lgfcu.org/shredevents or follow us for upcoming Shred Events near you!



meet the MDO



It's been eight years since Membership Development Officer Tanika Floyd joined LGFCU. Her experience building relationships with local government employees makes Tanika a natural fit for sharing the Credit Union mission in her region spanning areas from the Roanoke River to the Triangle.

BACKGROUND

Member Services for a municipal government advocacy organization.

BUILDING MEMBER CONNECTIONS

"I realize we are all humans with more similarities than differences. I explore those similarities and the differences; then the connections are built organically," through conversations.

PUTTING IDEALS INTO ACTION

"Every day I share the mission that LGFCU truly desires to improve the financial lives of North Carolinians. It's about sharing hope for a better financial future."

LGFCU talks diversity, equity and inclusion

LGFCU has committed to raising awareness of the importance of diversity, equity and inclusion (DEI) in businesses everywhere. Share your views on creating vibrant and relevant workplaces by emailing us at deitalks@lgfcu.org.

Direct your pay and walk away

Saving is a habit that's easier when you automate it. Set up a recurring Funds Transfer to automatically send money to the LGFCU account of your choice.



Start saving! Visit lgfcu.org/aimsavings for saving ideas.

LGFCU
LOCAL GOVERNMENT
FEDERAL CREDIT UNION



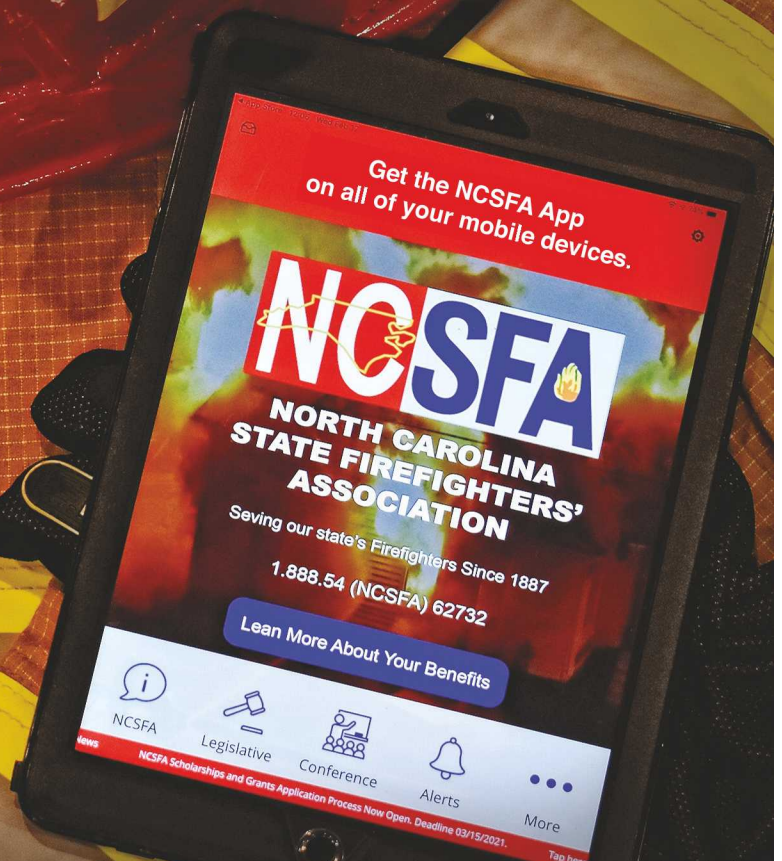
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YOUR RATES

Loan Rates As of May 5, 2021

Adjustable Rate Mortgages (ARM)*	Rate	APR	Margin	Floor Rate
5-year ARM 80% or less LTV	2.750%	2.827%	1.50%	2.750%
5-year ARM 80.1–90% LTV	2.950%	3.224%	2.00%	3.250%
5-year ARM 90.1–100% LTV	3.150%	3.620%	2.50%	3.750%
5-year ARM (First-Time Homebuyer)† 100% LTV	3.150%	3.620%	2.50%	3.750%
5-year ARM‡ 100.1–110% LTV	4.500%	4.788%	3.50%	4.750%

Variable Rate Loans ^Δ	APR
Home Equity (HELOC) [⊖] Up to 90% LTV	2.75%
Signature Personal Open/Closed-end, Unsecured	10.75%
Salary Advance (cash account <\$500) Open-end, \$500 maximum	12.00%
Salary Advance (cash account ≥\$500) Open-end, \$500 maximum	5.50%
Visa [®] Credit Card	9.75%

Fixed-Rate Loans	Payment example	APR
New Vehicle [⊖] Up to 36 months	A \$25,000 New Vehicle Loan will be \$727 for 36 months at 2.95% APR	2.95%
New Vehicle [⊖] 37–60 months	A \$25,000 New Vehicle Loan will be \$455 for 60 months at 3.50% APR	3.50%
New Vehicle [⊖] 61–72 months	A \$25,000 New Vehicle Loan will be \$391 for 72 months at 3.95% APR	3.95%
New Vehicle [⊖] 73–96 months	A \$25,000 New Vehicle Loan will be \$320 for 96 months at 5.25% APR	5.25%
Used Vehicle [∞] Up to 72 months	A \$15,000 Used Vehicle Loan will be \$235 for 72 months at 3.95% APR	3.95%

Deposit Rates As of May 5, 2021

Products	Min. deposit	Rate	APY
Regular Shares	\$25	0.15%	0.15%
Fat Cat Shares	\$5	0.15%	0.15%
Zard Shares	\$25	0.15%	0.15%
Holiday Cash Club	\$0	0.15%	0.15%
IRAs	\$25	0.45%	0.45%
Health Savings Account	\$0	0.45%	0.45%
Checking [§]	—	0.10%	0.10%
Money Market Shares	\$250	0.20%	0.20%
6-month Share Term Certificate**	\$250	0.40%	0.40%
12-month Share Term Certificate**	\$250	0.45%	0.45%
18-month Share Term Certificate**	\$250	0.45%	0.45%
24-month Share Term Certificate**	\$250	0.50%	0.50%
30-month Share Term Certificate**	\$250	0.50%	0.50%
36-month Share Term Certificate**	\$250	0.60%	0.60%
48-month Share Term Certificate**	\$250	0.60%	0.60%
60-month Share Term Certificate**	\$250	0.65%	0.65%

For current rates, visit lgfcu.org/rates.

All rates, terms and conditions can vary and are subject to change.

For additional information on any Credit Union account, visit lgfcu.org, call us at **888.732.8562**, or contact your local branch.

Calls may be recorded.

APR : Annual Percentage Rate
 APY : Annual Percentage Yield
 ARM : Adjustable Rate Mortgage
 LTV : Loan To Value

* Rates are for new first mortgage loans and are subject to change daily. Rates for existing ARMs are subject to change at pre-determined intervals and may be different from the rates for new mortgages.

† These rates are for new first mortgage loans and are subject to change daily. The rates for existing adjustable-rate mortgage loans are subject to change at pre-determined intervals and may be different from the rates for new mortgages.

‡ Future rates and payments determined based on adding a margin to the index (5-Year Constant Maturity Treasury Yield rounded up to the next highest one-eighth of one percentage point). The interest rate on our 5-year ARMs cannot change by more than 2.0% every five years, or 6% over the life of the loan.

‡ Special financing for first-time homebuyers (5-year ARM).

Interest paid on the loan portion that is greater than fair market value is not tax deductible for federal income tax purpose. Consult a tax advisor for further information regarding the tax deductibility of interest and charges.

Δ Rates on these loans are subject to increase after consummation.

⊖ APR is based on the current index plus a margin. The APR is variable and subject to change quarterly. The index is based on the 26-week Treasury bill rate for the quarter and is set on or after the 15th day of the second month after the end of each calendar quarter adjusted up to the nearest 0.25%. The maximum quarterly rate adjustment is 0.50%. Over the life of the loan the maximum APR will be the initial rate plus five percentage points or 12.75% APR, whichever is higher, but never more than 18% APR. Payment amount will change if the APR changes. HELOC interest payments may be tax deductible; consult your tax advisor.

⊖ New vehicle is defined as current, prior or upcoming model with 10,000 miles or less. Lending is limited to residents in NC, SC, GA, TN and VA. Borrower must maintain collision and comprehensive insurance protection with a maximum deductible of \$1,000 for the life of the loan. Must be age 18 or older for lending services.

∞ Used vehicles may not be older than 10 years or have mileage in excess of 150,000 at time of loan origination. Loan terms are limited to 48 months maximum for models 6 to 10 years old, or with mileage that exceeds 100,000 up to maximum of 150,000. Lending is limited to residents of NC, SC, GA, TN and VA. Borrower must maintain collision and comprehensive insurance protection with a maximum deductible of \$1,000 for the life of the loan. Must be age 18 or older for lending services.

§ Minimum deposit to open each account. Initial checking deposit must cover first box of checks and first \$1 monthly maintenance fee. The minimum balance to earn dividends in your Share/IRA/SEP/CESA accounts is \$25; for Share Term Certificates and for Money Market Share accounts, \$250.

** Share Term Certificates are fixed-rate accounts. Dividends are automatically paid monthly by transfer from the STC to another deposit account. If term is six or 12 months, you may request your dividends be paid when STC matures. Early withdrawal penalty for all STCs is 90 days' dividends or the actual dividends earned, whichever is less.

Fees and/or other conditions may reduce the earnings on an account.

Quoted rates, dividends and annual percentage yields (APY) are subject to change daily at the discretion of the LGFCU Board of Directors.



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Your money should be where you need it when payday arrives. With **Direct Deposit*** from LGFCU, your funds arrive in your account on payday, available immediately.



Enroll in Direct Deposit to make your payday – and your life – easier.
Visit lgfcu.org/aimdeposits.

*Subject to employer's participation.

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