

TRUST

★ FEDERAL CREDIT UNION ★

Phone: 423.870.7610

Visit us at www.trustfcu.com

Northgate Branch
2186 Northgate Park Lane
Chattanooga, TN 37415

Gunbarrel Branch
1529 Gunbarrel Rd.
Chattanooga, TN 37421

Main Office
555 Walnut St. Ste. 100
Chattanooga, TN 37402

Hamilton Village Branch
7555 Goodwin Road
Chattanooga, TN 37421
Cigna Employees Only

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Quarterly Newsletter

3rd Quarter 2020

SUMMER UPDATES

Mortgage Rates

Mortgage rates have dropped back near all-time lows. Now is a great time to refinance and lower your payments. In many cases, we can complete the entire refinance process remotely!



Auto Rates

This is also a great time to refinance an automobile purchased over the last couple of years. On average rates have fallen more than 1% over the past 6 months. Automobile refinances can be completely done remotely!

Annual Meeting

Our Annual Meeting was held June 18th at 3:00 p.m. virtually on Zoom. Board Members, Julie Harper, Tony Sanders and Robbi Henderson, were re-elected for 3-year terms.

COVID-19

The coronavirus has forced changes to most of our lives. Our employees have stepped up and have been working to provide thoughtful, innovative approaches to service our members in a safe and convenient way. These are some of the steps we have taken.

- **Quarantined Cash** – We have been working to keep our members safe by taking the additional step of quarantining cash when it comes into the branch through member deposits. Quarantined cash is not used immediately for member withdrawals. Deposited cash must be held for 3 days before being available for withdrawals. This approach reduces the risk that our members are receiving infected cash. Many financial institutions cannot do this as they use automated cash recyclers.
- **E-Notary** – We have several employees who are some of the first people in the state to complete the requirements in order to perform notary services remotely. We are now offering the service to our members. This service is available for \$15 per notarization.
- **Branch Status** – Our lobbies are restricted to appointment only. Our Northgate and Gunbarrel branch drive-thrus are open. The first phase of our reopening plan is to re-open the Main Office (Unum) branch lobby. We have been monitoring infection and hospitalization trends to determine when it is prudent to take this step. We hope this will occur in July. If you need lobby services, please call Member Services in advance and we will schedule an appointment.
- **Tennessee Pledge** – We have adopted the recommendations for our industry contained in the Tennessee Pledge to safeguard our employee and members.

OUR MISSION STATEMENT

“To provide safe and sound financial services and products to our field of membership while maintaining the highest standards of ethics and integrity.”

Holiday Schedule We Will Be Closed

Labor Day
Monday, September 7th

‘Like’ us on Facebook
and get the most up to
date information on our
branch status!



facebook.com/trustfcu

IS IT A GOOD IDEA TO OPEN A HOME EQUITY LINE OF CREDIT (HELOC) NOW?

If you're looking for a large sum of money to use for a home improvement project, or the economic devastation of COVID-19 has left you in need of cash, consider tapping into your home's equity. One great way to do this is by opening a home equity line of credit (HELOC).

How is a HELOC structured?

A HELOC is structured with two periods, a draw period and a repayment period. During the draw period, which is the first 5 years of the loan, the monthly payment is the greater of .5% of the outstanding balance or \$100. During this time, "draws" or "advances" may be taken from the line of credit. HELOCs have variable interest rates, which means the interest rate on the loan will fluctuate over the life of the loan. This variable rate is based upon the Prime Lending rate and the member's credit worthiness, and will rise or fall along with this index.

Once the draw period ends, the loan changes to the repayment period which typically lasts 15 years. During this time, principal and interest payments are made until the loan is paid off. If the member continues to have good credit and the value of the home has not decreased, the draw period may be extended past 5 years upon request.

Trust FCU makes it easy to access a HELOC. Members can transfer money from the HELOC to their checking or savings account using Online or Mobile banking.

How much can I borrow with a HELOC?

Depending on your credit and whether you have an existing mortgage on the home, Trust FCU members can borrow up to 95% of their home's value.

To illustrate, if you have a \$300,000 home and you qualify to borrow against 85% of your home's value, multiply your home's value by 85%, or 0.85. This will give you a result of \$255,000. Then subtract the amount you still owe on your existing mortgage, in this example it is \$175,000, and you will have the maximum amount you can borrow on a HELOC, which is \$80,000.

A HELOC can be a great option now

One of the best benefits of a HELOC compared to other types of mortgage loans is that with a HELOC, payments and interest only apply to the outstanding balance of the loan. In the illustration above, if only \$20k of the \$80k HELOC is used, the principle and interest are only calculated on \$20k, not \$80k.

With the current economic uncertainty the pandemic has generated, a HELOC with an available credit line may help during a period of fluctuating employment earnings or help renovate a work at home space.

If you would like to take the next step, apply online at www.trustfcu.com or give us a call. We are happy to help.



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Financial Facts

As of May 31, 2020

Members	9,703
Assets	\$95,360,761
Deposits	\$86,792,714
Loans	\$67,498,215

Federally Insured by NCUA



Please note: Our new Funds Availability Policy is included with your statement.

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