

USSFCU

S P O T L I G H T

2018 ANNUAL MEETING 5.23.18

PAGE 8



THE FREEDOM TO OPEN AN ACCOUNT FROM ANYWHERE IN THE WORLD!*



UNITED STATES
SENATE FEDERAL
CREDIT UNION

Online Membership & Loan Applications

COMING SOON...

*Restrictions may apply to certain areas in the world with limited or restricted internet access. System requirements may apply. Membership eligibility required. This credit union is federally insured by the National Credit Union Association.

How to Build a Share Certificate Ladder

Pg. 4

Have You Checked Your Retirement Lately?

Pg. 10



2018 Annual Meeting

Pg. 8



USSFCU Corner

Pg. 16



CORRECTION: In the printed version of the 2018 Winter USSFCU Spotlight Newsletter (Article: "Exploring Your IRA") a table for Roth IRAs was incorrectly labeled with the designation of "Deduction" instead of "Contribution." We take great care in making sure that the information we provide is completely reliable and accurate and apologize for any inconvenience or confusion this might have caused.

USSFCU | Serving the Senate Community Since 1935

After decades of strategic planning and growth, USSFCU strives to continually introduce innovative new products and services to meet our members' evolving needs in an era of rapid technological change.

USSFCU Executive Management



Kenneth W. Kramer
President/CEO



Mike Sisk
Chief Operating Officer

USSFCU Board Members

Christopher D. Shunk
Chairman

Timothy Anderson
Director

Margaret P. Rushing
Vice Chair

Bertie Bowman
Director

Christopher C. Dey
Secretary/Treasurer

Tom Wacker
Director

Ileana Garcia, CPA
Director

Anthony J. Zagami
Director

Judy Rainey
Director

Penelope A. Gross
Recording Secretary

HOW TO BUILD A SHARE CERTIFICATE LADDER



If you're looking to earn the highest possible yield on your investments without sacrificing the safety of government-backed insurance, Share Certificates (SCs) are one way to go. By using a laddering approach with your SCs, you can take things up a notch, gaining even more from this already solid investment.

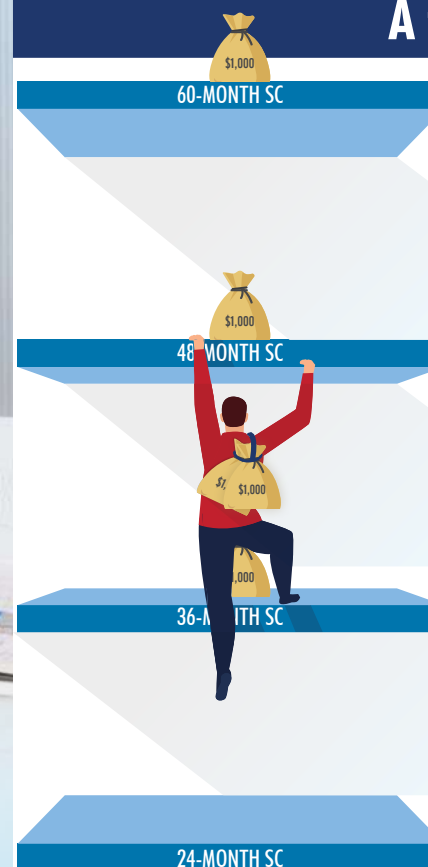
What is a SC ladder?

SCs typically offer higher interest rates than regular savings accounts in return for locking in your money for a set time period. The longer that maturity period is, the higher your earnings. However, if you put all your money in one long-term SC and interest rates rise before its maturity date arrives, you'll miss out on the chance to take advantage of those higher rates. Also, if an emergency arises, you won't be able to access that cash without withdrawing the entire amount—and getting hit with penalties on your earnings.

Laddering is the perfect way to get around this dilemma. Rather than buying one large SC, this strategy involves purchasing multiple SCs with staggered maturity dates. That way, a portion of your cash is freed up each year for you to reinvest in another SC at current rates or use for other purposes.



A traditional SC laddering model



A classic SC ladder has five “rungs.” Each of these rungs represents a SC of equal value, and their terms are staggered so that one SC matures every year. For five years, for example, you could invest \$5,000 this way:

- » \$1,000 in a 12-month SC.
- » \$1,000 in a 24-month SC.
- » \$1,000 in a 36-month SC.
- » \$1,000 in a 48-month SC.
- » \$1,000 in a 60-month SC.

When the 12-month SC matures, you can then use that cash to purchase a new 60-month SC that will mature in year six, and continue this way so you get both the high returns that the longest-term SCs offer and the flexibility of having one-fifth of your investment freed up each year.

Other laddering approaches

Laddering doesn't have to be one size fits all. Those who can't tie up money for a whole year might do well with a four-rung ladder consisting of a three-month, six-month, nine-month and 12-month SC so that cash is freed up every three months. Or, if you may need cash more frequently, build your ladder so that one SC matures each month.

Another thing to consider is changing economic projections. When times are uncertain, a SC ladder with equal rungs is the safest overall plan. However, if interest rates are clearly rising, you might want to invest a larger portion of your ladder fund in short-term SCs to take advantage of better offers as they become available. When interest rates are falling, it pays to invest as much as possible in long-term SCs, since you may not have an opportunity to lock in such good rates again for a long time.

SC Ladder Benefits

Whichever approach you choose, SC laddering offers a number of advantages over purchasing a single SC:



Higher Income Plus Liquidity: Once your first SC matures, you'll enjoy long-term SC rates without giving up frequent access to your cash.



Flexibility: You'll be able to adjust your ladder to changing economic conditions and your individual financial situation.



Peace of Mind: Whatever happens, you've got it covered. When rates drop, you've already locked in your return. And when rates rise, you'll have available cash to invest regularly.

Most financial experts agree that interest rates should be on the rise fairly soon; so, it might be wise to build a shorter-term SC ladder to keep your options open.

Take advantage of these rates while they last. Visit ussfcu.org/rates.

Must be a member to apply. Membership eligibility required. This credit union is federally insured by the National Credit Union Administration.



UNITED STATES
SENATE FEDERAL
CREDIT UNION

Spring Brings the Opportunity to Grow YOUR Savings

Choose from a variety of USSFCU savings products that offer a guaranteed return on your investment—with rates that are hard to beat.

Share Certificates

USSFCU RATES AS HIGH AS

3.01% APY¹ ▶ **2.38% NATIONAL APY AVERAGE²**

Money Market Accounts

USSFCU RATES AS HIGH AS

0.96% APY³ ▶ **0.15% NATIONAL APY AVERAGE⁴**

Bump Rate Certificates

USSFCU RATES AS HIGH AS

2.81% APY⁵ ▶ **2.38% NATIONAL APY AVERAGE⁶**



Take Advantage of These Great Rates Today!

For more information or to view all of our deposit product rates and terms, visit ussfcu.org/newrates or call Member Services at 800.374.2758

APY = Annual Percentage Yield. ¹A 60-month term share certificate with a minimum balance of \$60,000 will earn 3.01% APY. A 60-month term share certificate with a minimum balance of \$1,000 will earn 2.89% APY. Rates effective as of 04/01/2018. Rates are subject to change without notice. Early withdrawal penalties may apply. Withdrawals and fees may reduce earnings. The minimum balance required to open a share certificate is \$1,000.00. You must maintain a minimum daily balance of \$1,000.00 in your account each day to obtain the disclosed annual percentage yield. You will earn dividends for every day during the period that your account equals or exceeds the minimum daily balance requirement. The APY assumes dividends will remain on deposit until maturity. The dividend period on your account begins from the date that your account is opened and ends on the maturity date, unless renewed. Member has 10 days from the maturity date to make changes with no penalty. ²Based on the national average rates released for share certificates (CDs) on BankRate.com. ³A money market account with a minimum balance of \$500.00 will earn 0.96% APY. A Money Market account with a minimum balance of \$2,000 will earn 0.56% APY. Rates effective as of 04/01/2018. Rates are subject to change without notice. The minimum balance required to open a money market account is \$2,000.00. You must maintain a minimum daily balance of \$2,000.00 in your account each day to obtain the disclosed annual percentage yield. You will earn dividends for every day during the period that your account equals or exceeds the minimum daily balance requirement. The APY assumes dividends will remain on deposit until maturity. The dividend period on your account begins from the date that your account is opened. Unlimited transactions in branch locations and only six (6) electronic transactions (online banking, mobile banking or teleaction) per month. ⁴Based on the national average rates released for money market accounts on BankRate.com. ⁵A 60-month term bump rate certificate with a minimum balance of \$60,000–\$99,000 plus will earn 2.81% APY. A 60-month term bump rate certificate with a minimum balance of less than \$20,000 will earn 2.69% APY. Rates effective as of 04/01/2018. Rates subject to change without notice. ⁶Based on the national average rates released for share certificates (CDs) on BankRate.com. Membership eligibility required for all rates. This credit union is federally insured by the National Credit Union Administration.

2018 ANNUAL MEETING

WHEN: Wednesday, May 23, 2018 at 12:00pm
WHERE: Senate Hart Building, Room SH-902

YOU'RE
INVITED

Stop by our Products & Services Fair,
following the Annual Meeting

PRODUCTS & SERVICES FAIR

12:30–2:00pm

Meet our staff, learn more about our products and services,
enter to win great door prizes* and join us for hors d'oeuvres.
There will be giveaways for members who attend!**

**We look forward to celebrating another Annual Meeting
with you—our valued members!**



UNITED STATES
SENATE FEDERAL
CREDIT UNION

*Membership required. Member is responsible for any taxes that may come due as a result of winning. Must be 18 or older to enter drawing. No purchase required. Employees, BODs and vendors are not eligible to win. **While supplies last. All loans subject to credit approval. Equal housing lender. This credit union is federally insured by the National Credit Union Administration.

HAVE YOU CHECKED YOUR RETIREMENT PLAN LATELY?

by Lovie Leach



It's generally a good idea to review your employer-sponsored retirement savings plan at least once each year and when major life changes occur. If you haven't given your plan a thorough review within the last 12 months, now may be a good time to do so.

Have you experienced any life changes?

Since your last retirement plan review, have you experienced any major life changes?

For example, did you get married or divorced, buy or sell a house, have a baby or send a child to college? Perhaps you or your spouse changed jobs, received a promotion or left the workforce entirely. Has someone in your family experienced a change in health? Or maybe you inherited a sum of money that has had a material impact on your net worth. Any of these situations can affect both your current and future financial situation and should be considered as you review your retirement savings needs.

In addition, your annual review is a good time to examine the beneficiary designations on your plan account to make sure they reflect your current wishes. This is particularly true if your marital situation has changed. With most employer-sponsored plans, your spouse is automatically your plan beneficiary unless he or she waives that right in writing.

Say, for example, you remarried and you would like your children to remain as primary beneficiaries on your retirement plan. In that case, your spouse would need to waive his or her right to the assets in writing.

Reassess your retirement income needs

After you consider any life changes, you may want to take another look at your future and evaluate whether your anticipated retirement income needs have changed.

Have your dreams for retirement changed? And if so, will those changes affect how much money you will need to live on? Maybe you've reconsidered plans to relocate or travel extensively, or now plan to

start a business or work part-time during retirement. Or maybe your health or your spouse's health has changed and you need to adjust your estimates for healthcare costs down the road.

All of these factors can affect your retirement income needs, which in turn affects how much you need to save and how you invest today. Double-check your total accumulation goal and determine whether you will need to adjust your savings or investment plan to strive for different amounts.

Re-examine your risk tolerance

In any long-term investment plan, you can generally expect that there will be times of uncertainty that will cause you to question your investment decisions. Following periods of prolonged increases in the markets, it's not unusual to experience corrections or even bear markets.

The classic definition of a correction is a decline of 10% or more in a stock index. A bear market is a downturn of 20% or more in several broad market indexes, typically over a period of several months or longer.

When you hear media reports about stock market volatility, is your immediate reaction to consider selling some or all of the stock investments in your plan account? If that's the case, you might want to revisit your risk tolerance.

Risk tolerance refers to how well you can ride out fluctuations in the value of your investments, while pursuing your long-term goals. An assessment of your risk tolerance considers, among other factors, your investment time horizon, your accumulation goal and assets you may have outside of your plan. If your time horizon is decades or you have a lot of assets outside of your plan, your investment risk tolerance

might be higher than someone who is less than 10 years from retirement or has little other savings.

There are many tools available to help you evaluate your risk tolerance. These are typically questionnaires that ask about your personal financial situation and your opinions on various investing scenarios. After answering the questions, you will likely be assigned a risk-tolerance ranking, such as conservative, moderate or aggressive. In addition, suggested asset allocations are often provided for your consideration.

Is your asset allocation still on track?

Once you have assessed your current situation related to life changes, retirement income needs and your risk tolerance, a good next step is to revisit your asset allocation.

Is your investment mix still appropriate? Should you aim for a higher or lower percentage of aggressive investments, such as stocks?



Asset allocation does not guarantee a profit or protect against a loss; it is a method used to help manage investment risk. All investing involves risk, including the possible loss of principal, and there can be no assurance that any investment strategy will be successful. Investments offering a higher potential rate of return also involved a higher level of risk.

For example, if you've determined that you will probably need to accumulate more than you originally estimated, you can strive for this new goal by increasing your contribution dollars, striving for a higher return or both.

To strive for a higher return, you

might consider investing a larger portion of your money in stocks. Alternatively, if you've determined that you do, indeed, have a hard time sleeping at night when the stock market is volatile, you may want to consider investing a larger portion of your portfolio in less risky asset classes, such as bonds and cash.

Regaining your balance

On the other hand, maybe you've concluded through your review that your original asset allocation is still appropriate for your needs, but your portfolio has strayed off track due to market performance. In this case, there are two ways to "rebalance" your portfolio.

The quickest way is to sell investments in which you are overweighted and invest the proceeds in underweighted assets until you hit your target. For example, if your target allocation is 75% stocks, 20% bonds, 5% cash—but your current allocation is 80% stocks, 15% bonds, 5% cash, then you'd likely sell some stock investments and invest the proceeds in bonds.

Another way to rebalance is to direct new investments into the underweighted asset classes until the target is achieved. Using the example above, you would direct new contribution dollars into bond investments until you reach your 75/20/5 target allocation. Then you would adjust your allocation for future contributions back to that original allocation. This process may take a little longer, helping you ease back to your original target, but the same result will be achieved.

Revisit your plan rules & features

Finally, an annual review would not be complete without a fresh look at your employer-sponsored plan documents. Check those documents to make sure you fully understand

how your plan works, and to see if there are any additional plan features that can help you better pursue your retirement savings goal(s).

For example, if your plan offers a Roth account and you haven't investigated its potential benefits, you might consider whether directing a portion of your contributions into it might be a good idea. Roth accounts do not offer a tax benefit at the time you contribute, but qualified withdrawals are tax free.¹

Also consider how much you're contributing in relation to plan maximums. Could you add a little more each pay period? If you increase your contribution by just a percentage point or two, you may not even notice the difference in your paycheck. But over time, that small amount can potentially add up through the magic of compounding.

If you're 50 or older, you might also review the rules for catch-up contributions, which allow those approaching retirement to contribute more than younger employees. (Special rules apply to 403(b) and 457(b) plans.)

A little maintenance goes a long way

Although it's generally not a good idea to monitor your employer-sponsored retirement plan on a daily, or even monthly, basis, it's important to take a look at least once a year to account for any changes in your life, your retirement income needs or your risk tolerance and make any necessary changes to your asset allocation. You'll also want to make sure you're taking full advantage of the opportunities offered with your plan, if they make sense for you. With a little annual maintenance, you can help keep your plan on track.



**USSFCU'S
Money Coach**

Lovie Leach
CFS® | WMS® | RFC®

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



**UNITED STATES
SENATE FEDERAL
CREDIT UNION**

Money Planning Center

Money Concepts Capital Corp. is an independent contractor of USSFCU. Lovie Leach is a representative of Money Concepts Capital Corp., not a direct employee of USSFCU. All securities through Money Concepts Capital Corp. Member FINRA/SIPC. USSFCU and Money Planning Center are not affiliated with Money Concepts Capital Corp.

IRA's are subject to limitations and/or penalties imposed by the Internal Revenue Service. Please see your IRA Agreement or your Tax Advisor for additional information. Transactional limitations may apply based on type of IRA account.

Membership eligibility required. This credit union is federally insured by the National Credit Union Administration.



¹A qualified withdrawal from a Roth account is one that is made after a five-year holding period and you either die, become disabled or reach age 59½. A nonqualified withdrawal from a Roth account is subject to regular income tax and a 10% tax penalty (to the extent the withdrawal represents earnings).



UNITED STATES
SENATE FEDERAL
CREDIT UNION

Is Selling in Your Future?

USSFCU's line of Home Equity products can give you the funds you need to get your home market ready.



Home Equity Loan

- Use the equity in your current home to obtain capital for your home improvement projects.
- Low APR, fixed rates.¹
- Borrow up to 90% of the equity in your home.²

Whether it's a
MINOR TOUCH
to add curb appeal
or
LARGE IMPROVEMENT
to increase value

We have an economic
borrowing option designed
to suit your needs.

Home Equity Line of Credit (HELOC)

- Similar to a Home Equity Loan where you can borrow up to 90% of the equity in your home.³
- As the principal is repaid, those funds again become available for use.⁴
- Variable rates—only pay interest on what you use.⁵

USSFCU has two HELOC options:

Smart Line HELOC

Allows you to make payments on both principal and interest—perfect for that season-long project.

Classic HELOC

Allows you to pay interest only—ideal for those who want to upgrade their current home before selling.

DEAR MEMBERS,

The culture of an organization is so important in determining the path it will take into the future. In order to set a successful path for the future, we need to define our cultural values now. Our entire organization came together to collectively define what we consider key areas that will define these values and lead USSFCU, together with our members, into a brighter future. Below, we highlight some of the main areas that will truly make us all “Better Together.”

PURPOSE

To transform lives by making dreams happen.

MISSION

To provide our members secure and convenient financial products and services at the best value, by competent, well-trained and professional representatives.

CULTURAL VALUES

Our cultural values are the most important drivers of our success and represent who we are:

- **Relationship and Service Focused.** We create and maintain authentic and genuine relationships with members and employees.
- **Communication.** We strive for proactive, clear and concise communication efforts.
- **Teamwork.** We are truly “Better Together.” We are friendly, we laugh and we create a welcoming environment.
- **Ownership.** We are accountable and find a way to “make it happen.”
- **Innovative.** We are creative and take initiative to drive action. We think big picture and encourage risk-taking with sound judgment.
- **Forgiving.** It is OK to make a mistake—from which we learn.

BRAND PROMISE

We are committed to providing member service, technology solutions and financial education that empower our members to gain better control of their finances and achieve their dreams. This exemplifies our “Better Together” philosophy.



UNITED STATES
SENATE FEDERAL
CREDIT UNION

To decide which option is right for you,
visit ussfcu.org/homeequity or call Member Services at 800.374.2758.

¹APR = Annual Percentage Rate. A Home Equity Loan with an original balance of \$30,000 and a 120-month term with an APR of 5.19% totals a monthly payment of \$320.11. ²Subject to creditworthiness and debt to income ratio. Property may require appraisal. If appraisal is required, fee must be collected up front. Fee will be disclosed in loan estimate. ³To open or maintain a Home Equity Line of Credit, you must pay certain fees to third parties. An itemized list of third party fees are available upon request by calling 800.374.2758. Other fees may apply. ⁴USSFCU reserves the option to expire the draw period and/or disallow further advances. ⁵Variable interest rate subject to change quarterly. Rate equal to the WSJ Prime Rate in effect on the last day of each calendar quarter subject to a floor of 3.00%. Maximum APR is 18.00%.

All loans are subject to credit approval. Rates and/or credit limits are based on creditworthiness, income and debts. Not all applicants will qualify for the lowest rate. Visit ussfcu.org/rates to view all home equity product rates. Contact Member Services at 800.374.2758 for further information about terms and fees.

Membership eligibility required. This credit union is federally insured by the National Credit Union Administration. Equal housing lender.

USSFCU

CORNER

2018 CREDIT UNION

Cherry Blossom

TEN MILE RUN & 5K RUN-WALK

PACKET PICK UP



RACE DAY



USSFCU is proud to be a part of the Cherry Blossom Run and a sponsor of the Capitol Hill Competition (CHC). In addition to USSFCU sponsoring the CHC, we had a number of USSFCU volunteers pitch in at the CHC packet pickup and on race day at the USSFCU sponsored Red Corral.

Thank you to all of our volunteers! You are amazing and you represented USSFCU well! USSFCU and the team of credit unions and organizations sponsoring the event were proud to present Children's Miracle Network (CMN) Hospital with a check for \$380,000.



UNITED STATES
SENATE FEDERAL
CREDIT UNION

NOW IS THE TIME TO BUY -OR- REFINANCE

Mortgage rates are on the rise.
Take action before
they go up!

Enjoy mortgage options that offer:

- Competitive rates¹
- Customizable payment plans from 10 to 30 years
- A wide range of financing programs available to suit every home buyer²
- Pre-approval for extra confidence when it comes to securing financing²

Refinance your current home and potentially:³

- Lower your monthly payment
- Save money in interest
- Pay off your loan sooner
- Utilize your home's equity

View more information on mortgage
loans for purchase or refinance at
ussfcu.org/mortgage



When your funds are directly deposited into your USSFCU account, they become available immediately, instead of waiting until the day they are scheduled to post. That's often two days earlier than most banks or credit unions!¹

How does Early Direct Deposit work?

When your employer processes payroll, they submit files to the Federal Reserve notifying them how much each employee will be paid that week. The Federal Reserve sends that information to us every day to let us know how much and when you'll be paid. Instead of waiting until your payday to deposit the funds, we make that money available as soon as we receive the notification. For many members, we receive a notification on Wednesday for a Friday payday (which means your paycheck is available two days sooner).

Setting up early deposit is easy!
Simply submit the following information
to your employer:²

- United States Senate Federal Credit Union
P.O. Box 7790
Washington, DC 20013-8920
- USSFCU Routing Number: 25407525
- USSFCU Account Number

It could take a few weeks for the direct deposit to go into effect. Monitor your account regularly so you'll know when automatic deposits start appearing.

¹Electronic deposits are available up to four business days early depending on timing of receipt into our Automatic Clearing House (ACH) database. Member must be enrolled in direct deposit through their employer. ²Employer terms and conditions may apply. For more information on USSFCU Direct Deposit terms and conditions call 800.374.2758. Membership eligibility required. This credit union is federally insured by the National Credit Union Administration.

Meet Kim, USSFCU's Mortgage Loan Officer

Dedicated, experienced and here for you.



Kim Ta

USSFCU's Mortgage Loan Officer
NMLS #468198

With over 20 years of experience in the mortgage industry, Kim is here to assist you with your mortgage or refinancing needs, coast to coast.

Contact Kim directly to discuss your options:
571.253.6355 • kimta@ussfcu.org



¹For more information on loan programs, rates, terms, and conditions visit ussfcu.org/rates. All loan programs, rates, terms and conditions are subject to change at any time without notice. ²All loans subject to credit approval. ³USSFCU does not guarantee that all members will qualify to receive these benefits.

Membership eligibility required. This credit union is federally insured by the National Credit Union Administration.

2018 ANNUAL MEETING

PRODUCTS & SERVICES FAIR

12:30–2:00PM

Representatives will be available to discuss the following services:

- Money Planning Center
- Debt Management
- Visa® Cards and eServices
- Member Business Services
- Consumer Data Security
- Consumer Loans
- IRA's
- Share Services
- Mortgages
- Membership Benefits



UNITED STATES
SENATE FEDERAL
CREDIT UNION

P.O. Box 77920

Washington, DC 20013

Enter to win great door prizes* and join us for hors d'oeuvres. There will be giveaways for members who attend!*

*See disclosures on page 8.