



A Quarterly Newsletter from Naheola Credit Union • Summer 2022

HOLIDAY CLOSINGS

Independence Day: Monday, July 4
Labor Day: Monday, September 5

Corner Office

As we prepared for our second quarterly newsletter, the Federal Reserve (the Fed) met and increased rates, boosting its benchmark interest rates by .75%. That doesn't sound like a lot (.75% of \$1.00 isn't even a whole penny), but it's the largest increase in almost 30 years.

Inflation is at its highest point in 40 years and is beating us all up at the gas pump, the grocery store and everywhere in between. The Fed uses interest rates as a means to stabilize pricing and to fight inflation. How? In theory, higher interest rates drag down consumer spending, which pulls down demand, which brings prices down. By bumping up the short-term borrowing rate the Fed charges commercial lenders, those rates have to be passed along to borrowers, our membership. As rates go up, spending goes down because payments on goods bought with borrowed money go up.

A consumer slowdown could help the global supply chain catch up with demand. For nearly two years, there's been a fevered demand for products, but component and labor shortages have made manufacturing difficult, causing price increases for those products. However, this is not going to be a quick turnaround and there will be a period of time that the rate hike is in effect, but has yet to provide any noteworthy relief on consumer pricing; the equivalent of the bully taking your milk money and coming back for your math homework.



With the world changing, inflation spiking and the Fed raising interest rates, it's time to rethink your savings strategy. Right now, there is no better time to put your money in a safe place and a place where your money can grow.

A certificate of deposit (CD) is a savings account that holds a fixed amount of money for a fixed period of time, such as six months, 18-months, one year, or five years, and in exchange, the issuing credit union pays interest. They are a great place to set aside funds that will not be needed for a while. When you cash in or redeem your CD, you receive the money you originally invested, plus any interest earned.

The upside to higher interest rates: savers will benefit from it. CDs and a savings account are great places to park money on the sidelines while waiting out economic volatility.

Given the current state of the stock market, both a CD and a savings account would have offered better growth of your money over the previous 12 months. The DOW Jones – from mid-June 2021 to mid-June 2022 – fell about 10%, another part of the economic wild ride that we've all been on since, roughly, April 2020.

Certificates of deposits come with a wide range of terms and interest rates, but all CDs share one common component: they are one of the safest places to park your cash.

Like savings and checking accounts, CDs are protected by deposit insurance. CDs opened at federally insured credit unions are backed by the NCUA and guaranteed by the federal government. Should the credit union fail, your savings will not be lost, as long as you are within deposit limits of \$250,000. Though current CD rates may still be relatively low at some institutions, opening a CD can be a smart move, depending on your financial goals and timeline. At Naheola Credit Union, we have an 18-month CD special for 1.35% APY.

CDs will accrue more interest than a regular checking or savings account would, and unlike the stock market, you are assured that the money will be there when you need it.

CDs are one of the safest ways to save money and earn a set rate of interest, which can help you better plan your finances.

Naheola Credit Union has several options for putting your money somewhere safe: a savings account or CDs. All are excellent options for a safe haven for your money—safe from the wild economic swings and negative growth rate. When times get tough – or in the current case, weird – consistency is your friend. It might be less fun or offer a lower return, but negative growth and uncertainty seem to be your other options. Reach out to your local branch to find out more information on our savings account and CDs.

- Mark Johnson, CEO



1-866-NAHEOLA
www.naheola.com

LOCATIONS

Main Branch

5480 Main Street
Pennington, AL 36916
205-844-5527

Demopolis Branch

698 Highway 80 West
Demopolis, AL 36732
334-287-0661

Butler Branch

302 North Mulberry Avenue
Butler, AL 36904
205-844-5380

Livingston Branch

719 North Washington Street
Livingston, AL 35470
205-844-5018

IMPORTANT NUMBERS

VISA Debit Cards

To report a lost or stolen card call 1-800-472-3272. To reset the PIN for your Visa Debit card please call 1-800-757-9848

VISA Credit Cards

To report a lost or stolen card please call 1-877-871-0939

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Stay Ahead of Identity Theft

At Naheola Credit Union, we go to great lengths to protect our members. Today's thieves are unlike those in years past. Thieves now spend their time scamming everyday consumers and businesses out of their hard-earned money. Suspicious calls, texts and emails can catch some people off guard, giving fraudsters a chance to drain their bank account.

To protect yourself in the future, it is important to remember that Naheola Credit Union will never call you and ask you for your PIN number, card numbers or account information. Please take a moment to understand how these scams work and how to prevent yourself from falling victim.

With the telephone scam, criminals spoof the financial institution's 800 or local phone number so when people get the call, they think it is their credit union. The call is typically an automated message validating the last four digits of the member's card number, then requesting the security code from the back of the card. Believing it is their bank calling, the member provides the requested information, giving the criminal the necessary pieces of data to commit fraud.

If you receive a call that appears to be from us, but you are not sure, hang up and call us back at one of our branches to confirm. We will always understand if you want to take the time to verify who you are speaking with.

Naheola Credit Union will never call you and ask you to give out the following information:

- Full social security number.
- Credit or debit card PIN.
- Account number or routing number.
- Online Banking username and password.
- CVV code on the back of your credit or debit card.

Please remember to never provide any personal information to anyone over the phone unless you initiated the call and know who is on the other line. Also, please remember to call us if you have any questions or concerns. We are always happy and willing to help our members whenever we can.

FEE/RATE SCHEDULE

ACCURATE AS OF 06/30/2022

Membership par value	\$25.00	Stop payment	\$30.00 per
Membership Fee	\$0.25	Shared Branching Service Charge	\$1.00
Early Account Closure Fee	\$25.00	Domestic Wire In/Out	\$15.00
(accounts < 6 months old at closure)		International Wire In/Out	\$35.00
Account History	\$1.00	Shared Account Excessive Withdrawal Fee	\$1.00 per withdrawal
Cashier's Check	\$2.00	Late Fee on Loan Payments	5% of payment
Check Cashing (approved non-members)	1% of check value	Money Market Excessive Withdrawal Fee	\$1.00 per withdrawal
Check Copies	\$1.00 each	Club Account Withdrawals	\$3.00
Copy Fee	\$0.50 per page	Dormant Account Fee	\$5.00 monthly
Fax Fee (sending/receiving)	\$1.00 per page	Abandoned Property Fee	\$5.00 monthly
Gift Card	\$1.00	Low Balance Fee (<\$25.00)	\$1.00 monthly
Statement Copy	\$1.50	Research Fee	\$25.00 per hour, \$25 minimum
ATM Fee (foreign ATM/foreign card)	\$1.50		
Debit Card Replacement	3rd one \$20.00	Safe Deposit Boxes	
Uncollected Funds Fee	\$35.00 per	3 x 5	\$15.00
Courtesy Pay Fee	\$35.00 per	5 x 10	\$40.00
Overdraft Fee	\$1.00 per	5 x 5	\$30.00
		10 x 10	\$65.00