

WINTER 2018

TTCU

No Recession on the Horizon

Notes of Interest

Holiday Closings - The credit union will be closed in observance of the following Holidays: Monday, January 1st, New Year's Day; Monday, January 15th, Martin Luther King Jr. Day; Monday, February 19th, President's Day.

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Mobile Services – M-F 5pm-8pm, Sat-Sun 10am-4pm. Got an account question, issue, an application set-up question or usage question, or just need some assistance? Call, text, leave a voicemail @214-709-3988 or email mobileservices@textelcu.org. One of our qualified member service personnel will be happy to assist you.

There will be no economic recession in the near term, according to CUNA's former chief economist, Bill Hampel.

Speaking to Catalyst Corporate's 40th annual Economic Forum here, Hampel noted that the economy is well into its ninth year of recovery—a fact that has brought with it warnings that the recovery has nearly run its course, and that a recession may be just around the corner. Not so, Hampel said.

Hampel said triggers of a recession typically involve a hot economy reaching full employment and stirring inflationary pressures. In its efforts to fight the effects of inflation, the Federal Reserve usually raises interest rates to cool the economy, which can lead to a recession, he observed.

Hampel told the Forum that while the economy is presently hovering near full employment, inflationary pressures are only light to moderate. And with no signs of alarming inflation, the Fed does not have to hurriedly raise interest rates as a counter measure, Hampel said. Instead, the Fed has some space to raise interest rates cautiously to a higher point, so that it can lower them again, if necessary, to fight recessionary effects sometime in the future.

To predict recessions, Hampel explained economists look to the yield curve as a solid indicator. "You can't have a recession without a preceding inverted yield curve," Hampel said. Usually three to six months after the Fed Funds rate tops the 10-Year Treasury Yield—creating the inverted yield curve—a recession occurs. Like clockwork, it happened in 1991, 2002 and in 2007, he said.

However, when looking at a freshly produced economic analysis, Hampel said the Fed Funds Rate remains well below the 10-Year Treasuries, "and if our forecast is correct, we still won't have an inverted yield curve. And so, we are good for a couple years."

In the meantime, Hampel is predicting that strong lending will continue for credit unions. Although some economists think car sales will decline, Hampel is also bullish that there is some built up demand resulting from a long slow recovery that will lead to "strong car sales," which in turn will continue to stoke loan growth.

Loan growth has averaged more than 9% over the past five years—and touching 10.6% in 2016. Hampel expects above 10% loan growth this year, though possibly slipping slightly to 9.5% in 2018. "Still strong," he said.

Consumer confidence is quite high right now. "People aren't worried about finding jobs," he added.

Hampel noted that the household debt/payment ratio—the proportion of household income that is spoken for at the beginning of the month—"is the lowest in 30 years."

Used Car Values on the Rise

Used car values continued to close out the year on a strong note, according to the latest report from Black Book.

The company released its Used Vehicle Retention Index for November, with the Index increasing 0.3% month-over-month, from 114.6 in October to 115.0. It is the third straight monthly increase dating back to August when the Index stood at 112.6. *continued on page 2*



Certificates of Deposit Tiers

as of January 1, 2018

Minimum Balance	6 Months*	12 Months*	24 Months*	36 Months*	48 Months*	60 Months*
\$1,000	*0.85%	*0.85%	*0.95%	*1.05%	*1.25%	*1.30%
\$25,000	*0.95%	*0.95%	*1.05%	*1.15%	*1.30%	*1.75%
\$50,000	*1.05%	*1.05%	*1.15%	*1.35%	*1.45%	*2.15%
\$75,000	N/A	∞ Negotiable	∞	∞	∞	∞
\$245,000	N/A	N/A	∞	∞	∞	∞

* All rates listed as Annual Percentage Yield. ∞ Jumbo & Super Jumbo negotiable as stated above. † Jumbo \$200,000 or more, 24 months and greater, rate Negotiable. Early withdrawal penalty. Rates and Terms may change without notice.

Dividend Rates

as of January 1, 2018

SAVINGS ACCOUNT	APY*
\$500-\$24,999.99	0.50%
\$25,000 and up	0.75%
Kids Club	2.00% #
Christmas Club	2.00% #

CHECKING ACCOUNT	APY*
\$300-\$999.99	0.00%
\$1,000 and up	0.00%

ENHANCED CHECKING	APY*
\$0-\$5,000	2.25%
Non-qualified earns	0.05%

BABY BOOMER CHECKING	APY*
\$5,000 and up	0.50%

IRA ACCOUNT	APY*
\$0.00-\$4,999.99	1.00%
\$5,000-\$24,999.99	1.00%
\$25,000-\$74,999.99	1.25%
\$75,000 and up	1.25%

*Annual Percentage Yield #Ask for details to earn posted rates.

65th Annual Business Meeting

The 65th Annual Business Meeting of Texas Telcom Credit Union will be held on Thursday, February 22nd, 2018, in the credit union lobby, 8818 Garland Road, Dallas, Texas, 75218 at 5:15pm. The two confirmed nominees for the Board of Directors are Mr. Michael Robbins and Mr. Walter Ashwood. The meeting should be brief and members will have the option to visit afterwards at an off-site reception.



Used Car Values on the Rise

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The Black Book Used Vehicle Retention Index is calculated using Black Book's published Wholesale Average value on two- to six-year-old used vehicles, as percent of original typically-equipped MSRP. It is weighted based on registration volume and adjusted for seasonality, vehicle age, mileage, and condition. The Index offers an accurate, unbiased view of the strength of today's used vehicle market values, Black Book stated. The Index rose for the third-straight month giving used cars and trucks relative strength heading into the final month of the year. The Index has increased in five months during 2017, with a sixth month unchanged (June - July). It's the first time since 2013 (increased six times) that the Index increased at least five times during the calendar year, Black Book said.

Nine segments saw increases in the Index during November: compact crossover/SUV, full-size car, full-size pickups, full-size vans, luxury cars, mid-size crossover/SUV, mid-size luxury crossover/SUV, prestige luxury cars, and small pickups.

"The continued strengthening of the Index indicates 2017 has been a little stronger than expected for used cars and trucks, helped along the way by the hurricane replacement activity," said Anil Goyal, senior vice president of automotive valuation and analytics for Black Book. "Any continued strengthening over the next few months will mean we're getting an early jump at the oncoming tax spending season, when consumers use their checks to replace their vehicles in the spring."

Loan Rates

as of January 1, 2018

NEW VEHICLES		Available APRs	
Model Year	Term	As Low As	Up to
New 2018 - 2017	36 months	2.40%	14.25%
	48 months	2.60%	14.25%
	60 months	2.80%	14.25%
	72 months	3.00%	14.25%

Match Rate Option: Documented Rate

USED VEHICLES		Available APRs	
Model Year	Term	As Low As	Up to
Used 2018-2017	60 months	3.00%	14.50%
	48 months	3.20%	14.50%
	36 months	3.40%	14.50%
	24 months	3.60%	14.50%

Match Rate Option: Documented Rate

UNSECURED		Available APRs	
		As Low As	Up to
Signature up to 60 months		10.00%	18.00%
MasterCard		13.90%	13.90%
MasterCard Gold		12.50%	12.50%
Line of Credit		9.00%	10.00%

SECURED		APR	
		Div. + 2.50%	Div. + 2.50%
Savings		Div. + 2.50%	Div. + 2.50%
Certificate		Div. + 2.50%	Div. + 2.50%

NEW R.V. OR WATERCRAFT		Available APRs	
Model Year	Term	As Low As	Up to
New 2018 - 2017	48 months	5.75%	12.25%
	60 months	6.00%	12.50%
	72 months	6.25%	12.75%

USED R.V. OR WATERCRAFT		Available APRs	
Model Year	Term	As Low As	Up to
Used 2017-2015	72 months	6.50%	14.50%
	60 months	6.50%	14.50%
2014-2013	60 months	6.50%	14.50%
2012	48 months	7.00%	14.50%
2011-2008	36 months	7.50%	14.50%
2007-2005	24 months	8.00%	14.50%

REAL ESTATE		APR	
		Call for details	
First Mortgage		Call for details	

TTCU

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MAIN

8818 Garland Road, Dallas, Texas 75218
 214-320-8818 | 800-492-4264 | Fax 214-320-8875
 Lobby Hours: 9:00 a.m.-5:00 p.m.

LOAN SERVICES

1212 Tavaros Ave., Dallas, Texas 75218
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"We Do Business in Accordance With the Federal Fair Housing Law and the Equal Credit Opportunity Act."

According to the Texas Administrative Code, members are entitled to request and review copies of certain documents related to the credit union's finances and management. For more information on which types of documents may be requested, or to request the documents, please contact TTCU in writing.