

Inside LAFCU

Spring Quarter • April 2019

A quarterly publication for members of Los Angeles Federal Credit Union

www.LAFCU.org

Just Drive: with our Low-rate Vehicle Loans

Take a road trip, explore a new town or just drive anywhere after buying a vehicle with a low-rate LAFCU loan. With up to 125%* financing and 84-month terms, a no-money down option and many discount opportunities, savings are sure to follow you all the way home. When car shopping, select from a variety of domestic and foreign models offered by our concierge Auto Buying Service or self-service Auto Smart-affiliated dealers. If you are looking for a used vehicle, ask about our CARFAX vehicle history report so you know before you buy. Already have an existing vehicle loan with another lender? We may be able to save you money by lowering your rate through refinancing.**

Insurance & Loan Protection

Protect your vehicle with Apollo Insurance Services, our insurance partner, which offers a range of affordable coverage plans to meet your budget. For a no-obligation quote, call (800) 426-1088 option 2, or visit our website and search "vehicle insurance." Additional coverage through our Mechanical Breakdown Insurance (MBI) and Guaranteed Auto Protection (GAP) are also available.

*For qualified borrowers with a credit score of 680 and above.
**The lower rate is for refinancing vehicle loans not currently at LAFCU.



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Summer's On: Personal Loans at 9.9% APR*

Have a good old-fashioned summer-time adventure with our low-rate 9.9% APR* personal unsecured loan. Spend a day at the beach, try a new hobby or simply trek across the globe. Our flexible terms and automatic transfer option make repaying the loan easy. You can only apply for this special rate from June 1 to June 30, 2019. For details, visit our website or apply online. Watch your mail in May to see if you were pre-approved for this offer.

*APR = Annual Percentage Rate. Loan terms from 24 to 48 months. Loan proceeds may not be used to pay off other LAFCU loans; otherwise, the regular personal loan rate in effect at that time will apply. All loans are subject to normal credit-granting criteria. Other conditions may apply. Offer is subject to change without notice. You must be a member of LAFCU to obtain credit. Regular rate is 12.00% APR, and the loan rate is based on the term, collateral, down payment, account relationship, credit history and credit score. Rate cannot be combined with any other promotional rate offer. Reduced rate expires 7/31/19, and you must apply by 6/30/19.



Van Nuys Branch Celebrates with Ribbon Cutting



On February 27, LAFCU executives and management, local dignitaries, and members of the Greater San Fernando Valley Chamber of Commerce gathered for a ribbon-cutting ceremony at an open house to celebrate the new location of our Van Nuys branch. Many credit union members and local residents attended to view our new digs and learn more about

us. Guests enjoyed sandwiches, fruit & veggies from a Togo's restaurant (in the same shopping center as our branch), along with special cupcakes, balloons and raffle prizes. Commemorative moscow mule copper mugs were distributed to the first 100 guests. The credit union relocated its Van Nuys branch from 6411 Sepulveda Blvd. to 8008 Van Nuys Blvd in "The Plant" shopping center in October 2018. Located in the north end of the center, our new location features a larger space with a living room style feel and ample parking.

In the photo (l to r): Steve Rydin, Chamber Board Director; Al Carrillo, LAFCU LA Mall Branch Manager; Anthony Cuevas, LAFCU Exec. VP/COO; Denise McGee, LAFCU Board Director; Nancy Hoffman Vanyek, Chamber CEO; Richard Lie, LAFCU President/CEO; Joe Quan, LAFCU Board Chairman (Board Secretary, as of 3/26/19); Terry Manocchio, LAFCU Board Secretary (Board Chairman, as of 3/26/19); Leah Avalos, LAFCU Van Nuys Branch Manager; and Gabriela Perez, Chamber Board Director.

2019 LAFCU Board Named at Annual Meeting

The results of the annual Board of Directors election were announced at the LAFCU Annual Meeting on March 26, 2019. A total of 58,253 ballots were mailed for the election, with 3,456 valid ballots (paper and online) returned and tabulated, for a response rate of 6%.

Board members holding offices 1 & 3 were re-elected by acclamation to serve as directors for three-year terms each, and a new Board member for office 2 was elected for a three-year term after receiving more votes than the incumbent.

Office #1 ... Joe Quan (incumbent); ran unopposed.

Office #2 ... Sheldon Miller, current member of the LAFCU Credit Committee, received 1,904 votes, and Rito Cisneros (incumbent Board member), Senior Communications Supervisor in the LA City ITA Department, received 1,552 votes.

Office #3 ... Roslyn Carter-Phillips (incumbent); ran unopposed.

At the Annual Meeting the Board members agreed to serve in the following positions for the 2019-2020 term:

Terry Manocchio: Chairman
Roslyn Carter-Phillips: Vice Chairman
Abe Rasheed: Treasurer
Joe Quan: Secretary
Cliff Cannon: Director
Stan Horwitz: Director
Denise McGee: Director
Sheldon Miller: Director
Maggie Whelan: Director

At future meetings, the Board will appoint members to various committees whose terms have expired. The Board of Directors is responsible for determining LAFCU's strategic direction and overall policies. Board officials and all committee members (like Credit and Supervisory) volunteer their time.



Investment Services Offered

Financing your child's education or reviewing your retirement options? We have an investment program, available through CUSO Financial Services L.P. (CFS),* that can assist you with solutions throughout every stage of your financial life. Schedule an appointment with Steven Liang, our LAFCU Investment Services (L.I.S.) advisor, at ext. 6375, for a free consultation. Our program also offers free in-person seminars and online webinars on a quarterly basis. You are invited to listen to a complimentary "College Planning" live webinar on May 23 from noon to 1pm. To sign up, visit our Investment Services page and click "Sign up for a Seminar." **Important Note: Webinars are held online and are not held at any LAFCU branch.**

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members. CFS and its Registered Representatives do not provide tax advice. For such advice, please contact a qualified tax advisor.

DID YOU KNOW?

Team Up with Autism Speaks Walk



Join us on Saturday, April 27, for the 17th Annual Autism Speaks LA 3-mile walk at the Pasadena Rose Bowl. Dedicated to promoting solutions to those affected by autism, the Autism Speaks organization raises awareness and funds for research into its causes, prevention, and treatment. This will be our sixth year participating and fundraising for this worthy cause by sponsoring a booth with eco-bags at the event. For details, visit our website or www.autismspeaks.org/get-involved

Turn Up the Savings with our Teen Scene Services



Does your teen have his eye on the latest smartphone or trip abroad? Well, you want him to earn it or at least contribute saving for it, right? Not to fear, we can help teach your teens and tweens how to plan for big expenses with our Teen Scene Club. Designed for members age 13 to 17, the club offers a checking account, Debit Card, and a Visa® credit card. Student education

loans and scholarships are also available. Parents and students can annually borrow up to \$120,000 in undergraduate loans or \$160,000 in graduate loans. Student loans cover tuition, room and board and books. To get started, call us or visit our website and search "student loans." For scholarship info, see the page 3 story "Scholarship Deadline Approaching" in this issue of *Inside LAFCU*.

Teaching Kids to Master Money



Want to educate your kids on money management? We'll help teach them the basics of budgeting, borrowing, and building wealth with our Cash Rules Financial Literacy Program. Our classroom presentations and interactive demonstrations show youth how to prepare for expenses, save for large purchases and stop using parents as an ATM. For details, visit our website and search "financial education."

Electronic Tax Refunds Made Easy



It's easy to get your tax refund deposited automatically into your LAFCU account. Just make sure that 1) the LAFCU account number on your tax return is the same account into which you want the refund deposited; 2) the names and Social Security number on your tax return are exactly the same as those on that account; and 3) LAFCU's routing number

322078370 is written on your tax forms. If these items are incorrect, the deposit will not be made, and you will be mailed a paper check from the state or federal government. For tax refund status information, contact the Franchise Tax Board at (800) 852-5711, or the IRS/US Treasury at (800) 829-1954 or www.irs.gov. Note: IRS forms 1098 and 1099 were mailed out to LAFCU members before January 31, 2019.

Signature Visa® to Replace Cash Back & Triple Rewards Cards

If you have a LAFCU Cash Back Platinum Visa credit card or a Triple Rewards LA Platinum card, your card will soon be replaced with the Signature Rewards Platinum card.

Benefits of Signature Card

The good news is the Signature card earns and redeems 1 point per dollar charged for merchandise, travel and to reduce certain loan rates; earns 2 points per dollar spent on gas, groceries, restaurants & travel; and earns 1 point per dollar spent on net purchases.

Important Information

If you have our Cash Back or Triple Rewards card, you will soon receive a letter in the mail regarding your new card and terms. Please review it, so you are aware of any changes to your new card. Any balance owed on your current card will automatically transfer to your new card. Once you receive the new card, please activate it and update your new card number for all your automatic payments and inside online banking for all related creditors. Although you will have a new card number, if you have a custom design, your card will look the same.



To apply for any of our Visa credit cards, visit our website, click "Apply for a Loan" and then "Visa credit card."



Scholarship Deadline Approaching

We are still accepting applications for the 2019 Jack C. Mathews College Scholarships. High school seniors and college students who are LAFCU members with a 2.5+ GPA who plan to attend a college in the fall of 2019 are eligible. Teachers are also eligible to apply.

We will award \$12,000 in scholarships, including five at \$2,000 each for college students and two at \$1,000 each for teachers. All entries must be submitted, postmarked or brought into a LAFCU branch by April 30, 2019. If you are not yet a member and are under the age of 18, ask your parent or guardian to open your membership prior to submitting an application. For the application and rules, visit our website and search "scholarships."

Home Sweet "Home Loan"

We offer low-rate real estate loans with 80% financing minus liens, a real estate rate-beater program and a free 40-day rate lock. Thirty-year loans fixed for the first 3, 5, or 10 years are also available. VA and FHA loans are offered to veterans and individuals with reduced income through our partner Community Mortgage Funding (CMF). If you already have a home loan with us, take advantage of our refinancing and reverse mortgages.

As a reminder, we also offer a very low 6-month intro rate on home equity loans. If you're interested in home improvements, tap into some of your equity and start renovating today.



We Want to Socialize with You

You can keep up to date with LAFCU's latest news and announcements by joining us on social media. Visit our **Facebook** page for community event announcements, financial literacy tips, free seminar offerings, gift card drawings and other cool contests. Follow us on **Twitter** to get tweets about upcoming loan promotions and info about our exciting products and services. Visit our **YouTube** channel to view informative videos, financial education, and see fun videos of our staff interacting with the community at events. You can also view and share your photos with us on **Instagram**. Connect with us – we're just a chat, post, photo or tweet away!

In Debt? Help is One Call Away

If debt is keeping you up at night, we offer various programs to help you sleep easy again. Our debt consolidation program helps you combine bills into one manageable monthly payment. Our "Step-by Step" credit repair program can help stop creditors from calling you, so you can help pay off delinquencies. Loan proceeds are sent directly to your creditors, and then payments are automatically made through payroll deductions or direct deposit. For details about these programs, call us or visit our website.

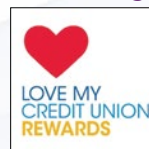


Buy Foreign Currency Here



If you plan to travel over the summer, it is a good idea to have some spending cash on arrival. In partnership with the eZ-forex company, we offer an efficient and affordable method to purchase foreign currency from over 100 countries. Avoid waiting in line at the airport to exchange currency, and the high surcharge and fees when using your credit card overseas. To make a purchase, visit the website and search "foreign currency," or visit one of our branches (except Cerritos).

Rewarding CU Members Everywhere



We're all looking for ways to stretch our dollars these days, and our partner, "Love My Credit Union Rewards," provides the perfect opportunity for savings. Credit Union members across the USA have saved nearly \$2 billion in discounts on products and services that are used every day. As a LAFCU member, here are ways you can save:

- **SPRINT:** \$100 cash with every new Sprint phone line.
- **Love to Shop:** Earn cash back when you shop at more than 1,500 online retailers.

The more offers you take advantage of, the more you save. For a complete list of discounts, visit www.lovemycreditunion.org

2018 Annual Report Available

Thanks to your support, LAFUCU achieved another financially successful year of increasing assets, loans and members. The consolidated balance sheet and income statement below summarizes LAFUCU's financial performance for the year 2018 compared to 2017. To view the complete, audited Annual Report, visit our website and search "Annual Report."

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS	December 31,	
	2018	2017
	Cash and cash equivalents	\$ 4,636,027
Investments:		
Available-for-sale	158,849,695	172,486,392
Held-to-maturity	74,649,743	101,139,210
Other	1,701,015	1,653,865
Loans, net	696,455,617	606,673,341
Accrued interest receivable	2,581,838	2,367,024
Premises and equipment, net	6,480,797	5,475,502
National Credit Union Share Insurance Fund (NCUSIF) deposit	8,042,477	7,728,040
Other assets	16,772,008	12,944,908
TOTAL ASSETS	\$ 970,169,217	\$ 928,332,709
LIABILITIES & MEMBERS' EQUITY		
Liabilities:		
Members' shares*	\$ 833,896,056	\$ 805,615,569
Borrowings	7,747,963	-
Accrued expenses and other liabilities	13,309,919	12,861,178
Total liabilities	854,953,938	818,476,747
Members' equity:		
Retained earnings**	117,562,841	112,060,908
Equity acquired in merger**	443,555	443,555
Accumulated other comprehensive loss	(2,791,117)	(2,648,501)
Total members' equity	115,215,279	109,855,962
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 970,169,217	\$ 928,332,709

* Also known as "deposits"

** "Retained earnings" & "Equity acquired in merger" added together = "Net Worth" of \$118 million in 2018 compared to \$112.5 million in 2017.

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,	
	2018	2017
Interest income:		
Loans	\$ 29,414,617	\$ 26,229,608
Investments and cash equivalents	5,429,549	5,005,863
Total interest income	34,844,166	31,235,471
Interest expense:		
Members' shares	2,814,788	2,452,909
Borrowings	177,280	172
Total interest expense	2,992,068	2,453,081
Net interest income	31,852,098	28,782,390
Provision for loan losses	4,050,000	3,975,000
Net interest income after provision for loan losses	27,802,098	24,807,390
Noninterest income:		
Service charges and other fees	7,607,348	7,349,176
Gains on sales of securities	25,440	17,204
Gains on sales of loans	346,985	1,372,036
Other noninterest income	1,321,678	572,721
Total noninterest income	9,301,451	9,311,137
Noninterest expense:		
Salaries and benefits	15,400,162	14,635,888
Occupancy	1,967,142	1,841,903
Professional and outside services	5,584,467	4,782,687
Operations	8,649,845	7,619,794
Total noninterest expense	31,601,616	28,880,272
Net income	\$ 5,501,933	\$ 5,238,255

See notes to consolidated financial statements.

Closed Branch Days

Memorial Day.....Sat. 5/25 & Mon. 5/27
Independence Day.....Thurs. 7/4

WEBINAR (ONLINE)

College Planning (Noon to 1 pm).....Thurs. 5/23

COMMUNITY EVENTS

Festival of Books (at USC).....Sat. 4/13 & Sun. 4/14
Autism Speaks Fundraising Walk (at the Rose Bowl in Pasadena).....Sat. 4/27
Operation Gratitude (care kit assembly for veterans).....Sun. 5/19

LAFUCU ASSETS **\$990,400,000**
(as of 2/28/19)



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Board of Directors: Phone ext. 6446, e-Mail: BoardOfDirectors@LAFUCU.org

Info During a Disaster: (866) 820-9804

Branch Hours (except LA Mall): 9am-5pm Mon. to Thur., 9am-6pm Fri., 9am-1pm Sat.
LA Mall: 9am-5pm Mon. to Fri. and 8am-5pm LA City Payday Weds.

- **Cerritos:** 11306 South Street
- **Culver City:** 3850 Culver Center Drive
- **El Monte:** 9204 Flair Drive, Suite A
- **Gardena:** 1352 West Artesia Blvd
- **Glendale:** 300 South Glendale Ave
- **LA Mall (Downtown LA):** 201 N. Los Angeles St., Space 201
- **Van Nuys:** 8008 Van Nuys Blvd

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INFORMATION REQUEST: Send a secure, encrypted e-Mail from our website by going to "Contact Us," then make a selection on the drop-down menu. Or, send a letter to our P.O. Box, fax us at (818) 242-5932, call us any time, or visit a branch during business hours.

LAFUCU membership is open to all eligible Southern California residents. You must be a LAFUCU member to obtain credit or to use our services. For other disclaimers, visit our website and search "notices" or disclosures.

Board of Directors

Chairman Terry Manocchio
Vice Chairman Roslyn Carter-Phillips
Treasurer Abe Rasheed
Secretary Joe Quan
Director Cliff Cannon
Director Stan Horwitz
Director Denise McGee
Director Sheldon Miller
Director Maggie Whelan

Credit Committee

Chairman Clifford Eng
Member Sandra Ocon

Supervisory Committee

Chairman Steve McDiffett
Secretary Jeffery Whitmore
Member Raul Valdivia



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