



Money Matters

Agent Edition

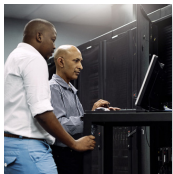


HACKING

It's Not If, But When.

Experts say you will get hacked sooner or later. According to *Verizon*, almost two-thirds of cyber attacks target small businesses. And, 60% of small businesses go under within 6 months of an attack — reports *USP Capital*.

No business, even a larger organization like your Credit Union can be complacent. We work with cyber-security experts to keep our systems safe. You might not have the same level of access to these services, but you can learn from the best, and here are some of their top tips to limit your exposure.



1. The Basics. *UPS* and *Verizon* suggested some “101” precautions including:

- **Have a data-breach response plan** that includes how you will notify customers and staff.

- **Ensure your insurance covers you for online risk**—like Farmers Small Business Liability insurance.

- **Train staff** to spot “phishy” emails.

- **Encrypt sensitive data** using file encryption services, as well as end-to-end encryption email, like ProtonMail or Microsoft Outlook.

- **Adopt two-factor authentication.** Although this is a good barrier, keep in mind that it’s certainly not a guarantee you won’t be hacked when first compromised by a phishing attack.

2. Keep clean machines. Downloading the latest security software, web browsers, and operating systems is the best defense against online threats. But, remember anti-virus is absolutely not enough—as a standalone feature—to keep you safe.

3. Secure Wi-Fi networks. Hiding your network name is sometimes recommended. However, it only hides the name, not the network. This is visible to a hacker, who may seek out “hidden” networks because these appear to have something to hide. For this reason, it’s best to rely on VPN and encryption, like WPA2, to protect your communications.

4. Regularly backup your data. Although not foolproof, regular backups can help with data and operational recovery after a cyber attack.

5. Secure personal devices, like cellphones, as well as company ones. For mobile devices, use password protection, data encryption, and installation of security apps.



6. Consider having a comprehensive network security audit to identify vulnerabilities in your organization. This is not inexpensive, and it will typically cost anywhere from several thousand dollars to \$20,000, but it can save you heartache down the line.

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CEO's View

You've heard it before, but I'll say it again—this is a great place to save your money and see it grow! And there are some very good reasons to save — given our remarkably long run of economic growth in the U.S. and globally. There is a sense — and some “leading economic indicators” to back this up — that we might be ready for a reversal sooner, rather than later.

So having a “rainy day” fund for downturns, the loss of employment or income reduction is a necessity. Even without a recession, personal emergencies crop up periodically and having cash to take care of these without having to use a credit card or loan “Band Aid®” makes sense. While we love lending you money at great rates — and will always support our members when they need a hand — our responsibility is to help you manage debt as constructively as possible. For this reason, we encourage you to use loans to build wealth and opportunity — for example a student loan as an investment in your child's future, or a home loan through our *Community Mortgage Funding* organization.

To help your money work harder for you, we recently increased savings rates substantially — our 18-Month Certificate and Online Savings account to name just two. However, we felt that we needed to get you more excited about saving, which is why we developed TWO new savings accounts designed to make saving an even smarter and more compelling option!

Last month we introduced our Rainy Day savings account that provides a safe home for emergency funds and offers a phenomenal 3% earnings rate on balances up to \$2,000 — thereafter, our lower but still excellent membership-savings rate. This really is an outstanding opportunity to save, and I encourage you to take full advantage of it.

Feeling lucky to have access to rates most banks simply don't offer? Well, sometimes luck needs a little push, which is why we introduced a second new savings account, called Lucky Savings. Unlike games of chance, with this account you can only win. For every \$25 invested you get one entry into a prize pool that rewards a lucky member with \$1,000 each month. The more \$25 savings increments, the better your chances. For example, deposit \$500 in a month and get 20 chances to win. Better yet, the money you save stays put and grows with a healthy interest rate. There are a few restrictions, like using new funds and not making excessive withdrawals within a year. After all, the idea is to encourage you to save!

If this has piqued your interest, please, put cash aside and let it grow. Think of the peace of mind savings represents and the freedom it gives you to pursue your goals, knowing that if the worst happens, you're covered.

Laura O. Campbell

Laura Campbell
President & CEO

PS: If you are fortunate enough to be getting a tax refund or other bonus this year (like the Farmers STIP), put some into Lucky Savings. Hey, you never know.

Why You Should Buy Your Office Building.



If you can make it happen — and with a good financial partner, like your Credit Union you can — buying can be a better option than renting. This does not mean renting is all downside — but there can be significant advantages to owning.

The good news for 2019 is that analysts, like those at Real Capital Analytics and Colliers International among others, widely predict this year will see flatter office-purchase prices due to falling demand (down as much as 17%) in business districts. Not a bad time to buy!



Here are some great reasons our Credit Union business consultants give our members for buying versus leasing your office:

- 1. Build equity.** An asset can appreciate or depreciate in value of course, but long-term the trend is often up. You are left with a property you can sell at a profit.
- 2. Stabilize costs.** Landlords can increase rent substantially each year, but when you own, you're the landlord. You control this important fixed cost and can plan your business better as a consequence.
- 3. Improve cash flow.** In many cases, the monthly cost of owning is less than you'd pay in rent. Your Credit Union offers turnkey, flexible-term, low-interest options without pre-payment penalties.
- 4. Tax deductions.** Costs of ownership, including maintenance of commercial property, can provide you with tax deductions, including mortgage interest, property taxes, and depreciation.
- 5. Not locked into a fixed-term lease.** With ownership of your building, you have in theory the option to sell, or lease out units, whenever you want.
- 6. Greater operational latitude.** You'll have more say over what you can do and when you can do it. When you rent you have to deal with whatever restrictions a landlord might impose.
- 7. Generate income.** If you buy a multi-unit building, you may be able to rent out units and generate rental income. Your Credit Union has low rates on commercial real estate loans, making ownership an even more attractive option.
- 8. Continuity.** By owning versus renting, you are guaranteed that you can stay put in one location long enough to develop the local market and build a sustainable business. Renting is much less secure.

As with all investments, your unique circumstances dictate how best to proceed — whether owning or renting — and what will provide the best ROI. Your Credit Union business consultants will be happy to visit you and review the best options. Their job is to help you succeed. **Speak to your Credit Union business consultant today!** Call **800.877.2345** to contact your local representative. ■



Employee Spotlight



Meet Senior
Financial Analyst

**“Fredie”
Sapungan**

Your Credit Union is full of people who love to help members. Some you know, and some are “hidden heroes.” Get to know one of these back office MVPs a bit better in this Spotlight issue.

Five hashtags that describe you?

#goofballsrule #makemoneydogood
#chickenfeetfoodie #tagalogalicious #adoptazombie

Fun Facts?

I grew up in the Philippines (Manila) where our official language is Tagalog [pron. Ta-ga-log]. People are very friendly and open, so hospitable in fact that kids can run to a neighbor’s house on impulse and get a hot-n-ready meal and warm welcome anytime. I promise I won’t randomly visit you, but if you like zombies, *I Love Lucy*, chicken feet adobo, and Guns N’ Roses, we will get along very well!

In your own words—what is your job?

I help us [the Credit Union] be financially sound. The stronger we are financially, the better we can serve our members. I could go into all the accounting-friendly details, but don’t want to make you cry.

Something surprising about me?

On the surface, I’m your reserved “Clark Kent” finance and Excel geek, but underneath I’m a “super jokester.” Beware! And, my ambition, when very young, was to be a go-getting corporate professional. I feel fulfilled when I can share my skills, knowledge and ideas to achieve success and deliver value.

A piece of wisdom to live by?

I love the sentiment that every second is a second chance. Be optimistic, be curious, and if you find yourself in adverse circumstances, push through and learn from this to do better. ■

7. Think about using a security key. Two-factor authentication is good, but it can be compromised by a phishing attack. Another layer of security is a security key, which transmits a short-range signal to a device to authenticate access. Large corporations have used these for years. Google recently introduced a relatively low-cost system called Titan, which they tested with 85,000 employees, reporting no successful phishing attacks since the company started using it.

And, for the latest in threats and all things cyber-security, visit our *Trace Security* site at **figfcu.org/trace-security** — developed in collaboration with a leading cyber security firm — and sign up for convenient email alerts. Need dollars to boost your business' security? We can help with flexible-term, low-cost loans and rates as low as **5.24% APR**. Visit **figfcu.org/agency-loans** for more info. ■



**Every agent should
buy their building!**

Why it makes sense to buy:

- Costs less than renting and avoids rent hikes
- Occupy some space, rent the rest
- Build equity
- Write off depreciation/interest on taxes

What we offer:

- Highly competitive rates/terms
- Borrow up to 75% of your Contract Value
- Quick and painless process
- No early repayment fees

*We understand your business —
we are Farmers too!*

APPLY TODAY!

figfcu.org/commercial-real-estate-loans

Loan Rates


AGENCY LOANS	
Loan Type	Rate (APR ¹ as low as)
Signature	5.24%
Agency Acquisition	9.24%
Flex	5.49%

¹APR=Annual Percentage Rate. Rates listed are current as of 4/1/2019 and are subject to change without notice. Rates include discounts based on \$1,000 monthly recurring Direct Deposit/Folio Direct Deposit into a single Farmers Insurance Federal Credit Union Checking Account and Automatic Payment/Folio Deduction. ²Home Equity loans are available in all states except Alabama, Alaska, Florida, Hawaii and Louisiana. Lines of Credit are available in all states except Alabama, Alaska, Florida, Hawaii, Texas and Louisiana. ³Maximum combined Loan-to-Value of 100%. All loans and rates are subject to credit approval, terms and conditions. Higher rates may apply.

HOME EQUITY LINE OF CREDIT ²	
% Financed	Variable Rate (APR ¹ as low as)
Up to 100% ³ (owner occupied)	4.99%

HOME EQUITY ² Terms up to 240 months	
% Financed	FIXED Rate (APR ¹ as low as)
Up to 100% ³ (owner occupied)	5.49%

EQUITY LOANS Please call **800.877.2345** ext. 6050, 6051, 6052 or 6126 for the most current equity loan rates.




Sprint WorksSM for members of Farmers Insurance Federal Credit Union

Your job comes with great networking opportunities. Enjoy workplace benefits including saving through the Sprint Works Program.

SPRINTworksSM Pre-Register at: <http://bit.ly/FIGFCU1>
Be sure to mention this code. Corporate ID: NAFAR_FCU_ZZZ

Activ. Fee: Up to \$30/line. Credit approval req. SWP Offers: Sel. SWP only. Offers avail. for eligible company employees or org. members (ongoing verification). Subject to change according to the company's/org's agreement with Sprint. Offers are avail. upon request. Other Terms: Offers and coverage not available everywhere or for all phones/networks. May not be combinable with other offers. Accounts that cancel lines within 30 days of activating on promo pricing may void savings. Restrictions apply. See store or sprint.com for details. © 2018 Sprint. All rights reserved. Samsung and Galaxy S are both trademarks of Samsung Electronics Co., Ltd. Other marks are the property of their respective owners. N175953CA



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2.00% APR^{*}

Standard

2.25% APR^{*}

IRA

18-month Certificate

Limited time only.

- Rate includes 0.25% rate bonus with Direct Deposit^{**}
- Minimum \$1,000 to open




Open a Certificate today!

Visit your branch, call 800.877.2345
or visit figfcu.org/certificate-deposit

*APR= Annual percentage rate. **Direct Deposit (DDEP) Bonus For Regular Terms Share Certificates & IRA Certificates: Certificate account holders can get an additional 0.25% if they have DDEP in the amount of \$1,000.00 or more monthly. (Members paid bi-monthly can have DDEP deposits of \$500 each to reach the \$1,000 monthly minimum). Rate bonus will be applied upfront after account opening. If a qualifying DDEP cannot be verified at time of account opening, the first succeeding DDEP must be received within a maximum of 60 days from the date that the promotional account is opened. If a member has direct deposit under a different account number than the account that is being used to open the new certificate, he/she can still qualify for the 0.25% bonus. If DDEP has not been received within the 60-day timeline the bonus will be forfeited, the rate will be reduced by 0.25%, and future earnings will be at the reduced rate. DDEP must be maintained for this bonus, and the bonus can be forfeited if DDEP is cancelled or falls below qualifying threshold during the term of the certificate. There will be no Rate Bonus on current certificates, however bonus can be added at time of renewal and during the grace period.

Calendar



APR

24

Annual Meeting

at 12:30 PM PT
Farmers Insurance
Federal Credit Union
4601 Wilshire Blvd.
Suite 110
Los Angeles, CA 90010

MAY

27

Memorial Day

Credit Union Closed

MoneyMatters

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