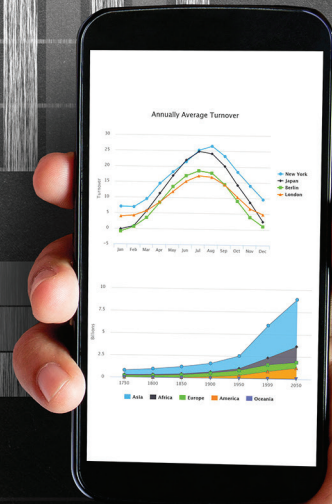


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*Contract Rates are Risk Based Priced using the applicant's FICO® Score. Actual Rate for each particular Cardholder is specified in Credit Card Addendum. Qualifying low rate of 4.49% is based on a FICO® score of 720 or above. Cardholder may request a "Rate Review", limited to every six months and subject to prevailing rates. *Credit Limits \$500 - \$50,000 are based on credit approval and a secured amount up to 50% of Contract Value or 60% for DMs or qualifying agents. For all Agents, Loanable amount is 25% of contract value (minus encumbrances) if "Truck Exchange" commissions exceed 50% of "All Companies" commission. Should a UCC not be on file for a cardholder and their respective agency on another account, one will need to be filed upon the funding/opening of this credit line. At such time the prevailing rate/cost for filing a UCC will be assessed against the cardholder. APRs, and Penalty APRs are current as of 05/08/2013 and are subject to change.

Loan Rates

AUTO Fixed Rates		AGENCY SECURED ² Terms up to 144 mo.	
Term	Fixed Rate (APR ¹ as low as)	TYPE	Rate (APR ¹ as low as)
48 mo.	1.24%	Variable	4.24%
60 mo.	1.74%	Fixed	5.24%
72 mo.	2.24%		
AGENCY SECURED LINE OF CREDIT		TYPE	Rate (APR ¹ as low as)
		Variable	5.24% ³

¹APR = Annual Percentage Rate. Rates listed are current as of 12/16/2016 and are subject to change without notice. Rates shown are our preferred rates based on credit worthiness and a 0.50% Direct Deposit/Folio Direct Deposit discount, if applicable and a 0.25% discount when you purchase through the Farmers Insurance Car Buying Service. ²Borrow up to 60% of Contract Value if you are a DM or your average monthly sales count is 150+. Otherwise, borrow up to 50%. ³Borrow up to \$50,000.

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Calendar

April 26	Annual Meeting April 26, 2017 12:00 PM
May 29	Memorial Day May 29, 2017 Credit Union Closed
July 4	Independence Day July 4, 2017 Credit Union Closed

MoneyMatters

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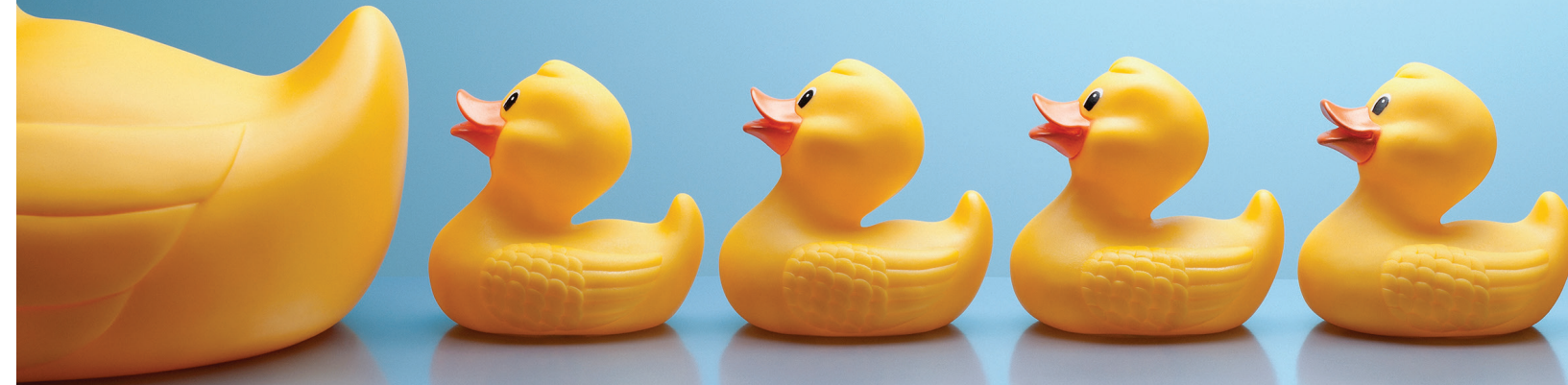
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MoneyMatters

Agent Edition



Probate: Why It's Important, and How to Avoid It

Your eyes probably glaze over when the word probate is mentioned. And, no wonder. It's a tedious and convoluted legal, court-administered process. Designed to confirm the wishes of the deceased are carried out, probate also ensures that final obligations like debts are honored.

Think of probate as the government's "default switch" if you don't take steps to bypass it—which you really should. The cost of probate can run between 2% to 5% of an estate's value. The probate process also ties up your assets for months—even years. So keep reading to find ways your estate can avoid probate.

Strategies to Avoid Probate

If, like many of us, you plan to use a will for your final instructions, Kiplinger's Personal Finance has some tips to keep your hard-earned assets out of probate:

- **Place property in joint ownership.** A home or other property — owned jointly with the right of survivorship — goes directly to the joint-owner when you die. And if you have sole ownership, more than a dozen states allow transfer-on-death deeds for real estate.
- **Name a beneficiary so the asset goes directly to them (and not through probate).** You can easily do this for pensions, retirement accounts and life insurance policies. Some states even allow you to name a beneficiary for your car.
- **Additionally, many states have streamlined probate for small estates.** In California, for example, subject to limitations, inheritors of estates valued up to \$150,000 can skip probate.
- **Keep banking accounts out of probate by setting up payable-on-death accounts,** which give the beneficiaries immediate access to the money.

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CEO's View

Are you a saver, an investor, or both? I argue that it is most prudent to be both. And of course being a saver/investor does not preclude the wisdom or need to be a borrower as well! What is the difference between (my view) being a saver and an investor? Here at your Credit Union, you principally open "Savings" accounts. Even your Certificates of Deposit are savings accounts. Why? Because your funds are essentially not at risk of loss. As an individual, you have \$250,000 of federal insurance through the National Credit Union Share Insurance Fund (NCUSIF, administered by the NCUA, our federal regulator, and 100% funded by insured credit unions, not the taxpayers) on non-IRA funds, and an additional \$250,000 of federal insurance on IRA funds. Furthermore, with joint owners and living trust accounts (and some other less common forms of account ownership), it is easy to extend/maximize your government deposit insurance coverage well beyond that aggregate \$500,000. Our dividend rates are among the top tier in credit unions, and you should know banks' rates generally don't compare to ours.

Now, what does an investor do, as compared to a saver? Investors take and hopefully diligently manage, the risk of loss, with the anticipation that their rewards (dividends and/or value appreciation on the underlying investment such as stocks, bonds, commodities, real estate, and much more) will be a good deal higher. Your Credit Union has one of the very highest net worth to assets ratios in the entire banking industry. So, in addition to the federal insurance I cite above, you can sleep well knowing that our own financial position at the Credit Union is another primary and real reason why your funds here are safe. Period. When our federal examiners come in for the annual examination, their first order of business is to confirm that we are no threat to the NCUSIF.

While I am on this subject of saving and investing, I want to briefly touch on something I've touched on before. If you are self-employed especially, as our Farmers agent/members are, you should not necessarily seek to minimize your taxable income each year. Why? Because in doing that, you are also minimizing what you pay into the FICA system, i.e., your future Social Security benefit. You may believe that Social Security will only be a small part of your retirement income, and if that turns out to be the case, congratulations! But in the event that you were not able to save as much in tax-deferred accounts or other long-term savings or investment instruments as you would have liked, your Social Security monthly check, whatever amount it is, will become that much more vital to your standard of living. Don't always short-change your future Social Security retirement income just to minimize your income tax every year. Make sure your overall strategy for retirement income is fully thought through and entirely rational.

There is never a bad time to save, but it may not always be right, or the right time, to invest.

Mark Herter
Mark Herter
CEO



The world, it seems, is perpetually on-the-go. Meaning, in our busy, time-starved lives we're increasingly reliant on that mobile lifeline—a smartphone.

Is it any wonder that mobile marketing has become an important component of business?

- About 80% of people like to find information and answers online first (Harvard Business Review.)
- 81% turn to a mobile device sometimes and 10% exclusively for information (eMarketer.com.)

And if you're thinking—"sure but mobile is all about talking, socializing, watching videos or playing games"—think again.

- 89% of smartphone users use their phones to get access to general information other than video, photos, email, news, games, navigation or music/podcasts.

And just to drive the trend home, mobile use surpassed desktop access way back in late 2013.

Here are some straightforward mobile outreach tips to help your agency, courtesy of *Forbes Magazine*.

Optimize For Micro-Moments

Make your website mobile-friendly—with information in easy, bite-sized chunks. People accessing it by smartphone want immediate, "quick & dirty" information.

Use QR Codes.

With QR codes, you can get specific information in the hands of customers quickly. But, don't use QR codes to send someone to your home page – send them to a promotional page that's focused on the audience receiving that code.

Get To Know And Understand Hyperlocal Marketing

People often access local information with their smartphones. Capitalize on these occasions with hyperlocal marketing, such as:

- Optimize your site with location-based keywords, even down to street names
- Get listed in local directories and review sites (like Google My Business, Yelp and Facebook Business)
- Use hyperlocal advertising to geo-target ads to local residents
- Contribute to local publications (e.g. community newsletters, local newspapers, etc.)
- Work on getting mentions, links and reviews on local community blogs

Use SMS Marketing to Connect with Users On-The-Fly

SMS (text) has huge potential to manage and inform existing clients. Consider these stats:

- According to Venture Beat—open rate for text-based promotions is 98%. Compare with 20% for traditional email campaigns.
- According to SlickTex—average click-through-rate for text marketing messages is 36%. Email lags at 6-7%.

SMS marketing can:

- Offer valuable incentives in return for people handing over a phone number—like a discount.
- Publicize events, by sending one-liner announcements.
- Send appointment or renewal reminders
- Send out brief customer surveys, like "We want to know how we did! Reply and let us know."

Whatever mobile tactics you use, start out small and test. When you get more confident, ramp-up what works.

Also make sure you have our **Agency Secured Visa®** to help power your mobile marketing efforts. Borrow up to 60% contract value, pay low interest and get your money fast. ■

Continued from page 1

Other Tactics You Might Need

Sometimes a will alone is not enough to protect your assets. A Revocable Living Trust is a popular addition, because it can help bypass probate where a will cannot. A trust is a contract between you and a "trustee." And when you pass, all named assets bypass probate, and are passed immediately via the trustee to named beneficiaries. If you use a Revocable Living Trust, you're the trustee in life and can assign control to someone else in the event of death or disability.

Common reasons to set up a trust include;

- Keeping assets out of probate court—for example an out-of-state vacation property.
- If you own a business, a trust can avoid putting it through probate for a year or more, which can significantly add to the complexity of its management.

There are also some caveats and downsides to consider before signing on the dotted line:

- A living trust is usually more expensive than a will—a simple trust might cost \$1,000 to \$3,000 versus about \$300 for a simple will.
- A trust requires maintenance—you must add new assets to the trust, otherwise those assets can revert to probate upon death.
- A trust cannot, typically, name a guardian for minor children. Usually a will is needed, and without one the court might assign someone you disapprove of!

Now—Build Up Your Assets!

On a less somber note, enjoy life and build up your assets to support your retirement or give a helping hand to loved ones—by saving! Your Credit Union offers exceptional earnings on a variety of products. Put your tax credits and employment bonuses to work by investing in our industry-leading certificates or high-yield savings accounts. Even transfer funds from underperforming IRAs into higher-return, Credit Union investments. ■

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