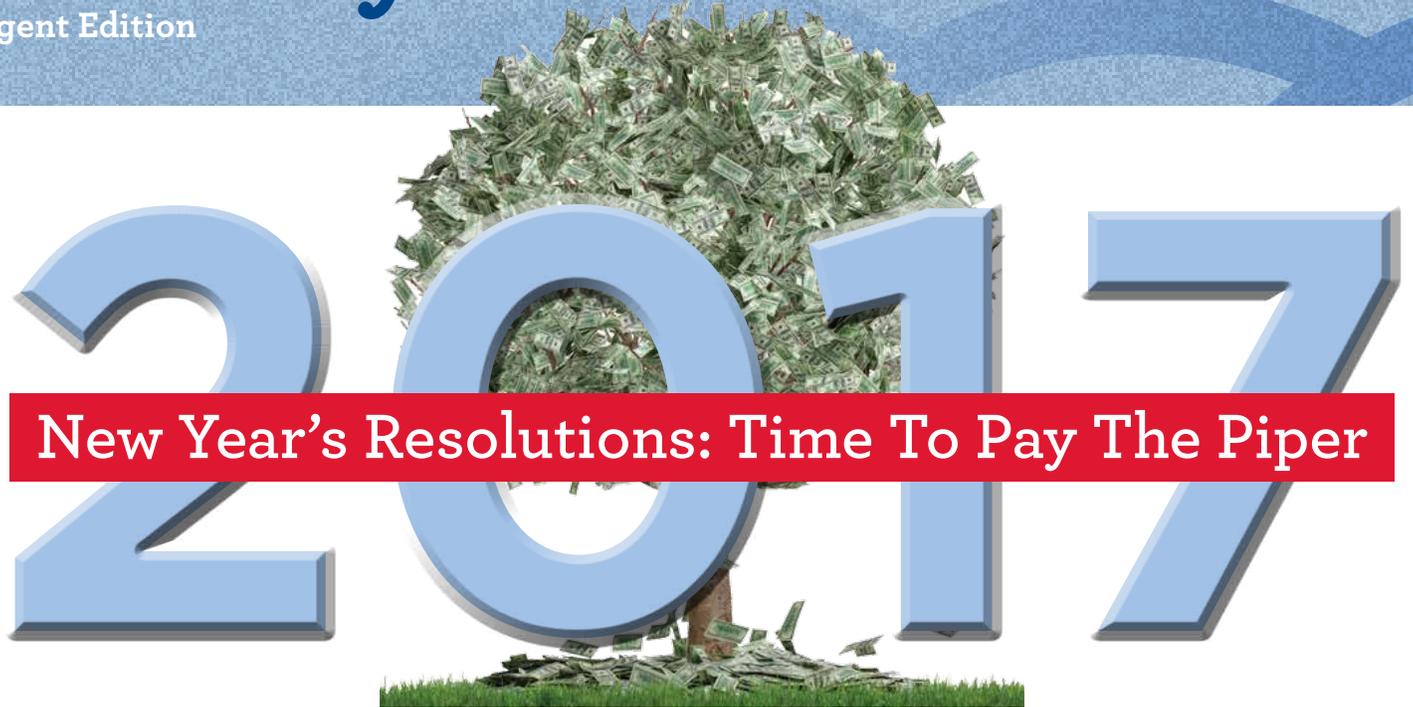




MoneyMatters

Agent Edition



New Year's Resolutions: Time To Pay The Piper

You've been on a well-deserved spree of fun, food, festivity... and now possibly debt. Planning the payback—in the form of a Financial New Year's Resolution – can be challenging, but here are a few of the more popular and easily managed financial ideas we've found to motivate you.

Spend Less. Many financial analysts offer rule-of-thumb guidelines for spending relative to income: spend a maximum of 50% of take-home pay on your needs, and limit your wants expense to 15-20%.

We all have regular expenses—food and shelter to name a few. Some we habitually nickel-and-dime like gasoline. While, others like that coffee pass unnoticed but quickly add up—and this provides an incentive to cut down. If saving is your big resolution, look to renegotiate routine expenses like cell phone and cable bills.

But if holiday spending took a toll and debt is creeping up all around you, consider consolidating it with a low-rate loan, like our flexible-term Signature Loan.

Save More — Out Of Site, Out Of Mind Can Be a Good Strategy. According to the American Enterprise Institute we save too little—which is bad for us both personally and as a nation. So how do we make saving habitual? Spending less is a great catalyst and

incentive. But without a plan, a penny saved may end up being a penny spent elsewhere. So create a savings plan. One creative approach is to round up purchases to the nearest dollar and move the difference to a savings account, which is exactly what your Credit Union's Round It Up service does. Or consider our Holiday Club, an automated savings option that makes holiday budgeting painless.

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CEO's View

Hard to believe it's time to say it again . . . Happy New Year! Thank you for choosing us.

This year, we gave back about \$2 million during our Credit Union Gives

Back campaign. This is where we walk our talk by giving back to you extra money that we earned because of your relationship with us. Once we know we've earned enough to build up our net worth, we give excess funds back to you. We did that again, for the 4th year running.

Did you happen to save the money we gave back to you? Sounds like the beginning of a lecture? No lecture—just fact: Most Americans don't save anywhere near enough for a comfortable retirement. Scary! Take it from me, because I know: Your 60s will be here before you know it. If you've been working hard to minimize your taxable income, keep in mind that your Social Security benefit may be reduced as a result.

Don't think Social Security will even be around by the time you retire? I call that bad planning. Some might even call it planning to be poorer. Even if you're one of the fortunate few who can look at Social Security as a "nothing" part of your future income (and trust me, precious few of us can say that), would you rather get \$2,500 a month or \$500 a month? It's easier to answer that one.

Actually, saving (investments don't count - more risky) gives you peace of mind, which allows you to worry less, sleep better, and hence have better overall health! You might make a fortune investing in risky things, or you might go broke. As a saver at your Credit Union, you will be securing your peace of mind, and your family's financial future. Absolutely! Sounds great to me.

This is the time of the year for many to make new year's resolutions. Funny thing about resolutions: They require a massive amount of self-discipline in order to become reality. As to budgeting and saving, do some research and then set up a realistic action plan. You'll find that you can save more with us. Why? Because our dividend rates blow those of most banks (and other credit unions) out of the water.

Don't wait to receive monies from our next Credit Union Gives Back program in 2017. Start saving now!

Be safe and try to stay healthy.

Best regards,

Mark Herter
CEO

Continued from page 1

Prepare for the Downside. Americans are traditionally optimistic—so budgeting for a setback sounds almost unpatriotic. But aftershocks from the Great Recession six years later remind us otherwise. On this note, Forbes reported that in 2016, 63% of Americans had insufficient funds to cover a \$500-\$1000 emergency. Experts recommend you build a rainy-day fund to cover up to six months' worth of expenses—to cover job loss, medical emergency or household need. Putting these funds in a Money Market Account or a Certificate of Deposit (CD) are popular options. ■



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Financing from your Credit Union is simple! We offer competitive loan terms and rates on purchases and refinances. Your monthly rent payment could be used to repay a loan on a property you OWN. Plus, your contract value can be used as a down payment.

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Rent, Lease, Own...and Liberty!

True story...The U.S. embassy in London was faced with the question 'To rent or own . . . to lease or buy?' The land under the Embassy was owned by the Duke of Westminster, a British nobleman. Rather than lease, as they had been doing, the embassy decided ownership would be best. "May we purchase the land?" asked the ambassador. The Duke replied he would go one better and make a gift of the land —on one condition. "Would you return a small property my family lost after American Independence?" "Great. What's the property?" asked a delighted ambassador. "Florida," replied the Duke.

You may face different issues; however basic considerations remain the same— and these apply to equipment as well as real estate. You may have leased a car, but what about office furniture, a printer, or software? Even if you are flush with cash, it's worth considering the pros and cons of leasing before making a big cash outlay. ■

Pros of Leasing

- Guard Against Dated Assets. Great when you want to upgrade equipment and technology periodically, to avoid being stuck with outdated or less competitive assets.
- Preserve Capital. Lower your up-front expenses and make payments predictable.
- Reduce Tax Liability. If structured correctly, 100% of a lease may be expensed.

Cons of Leasing

- You usually pay a higher total cost when leasing.
- You have no equity so cannot recoup residual value.
- Leases lock you in to a term that may, if circumstances change, be longer than optimal.

Entrepreneur magazine also suggests you ask the following questions of any potential lessor:

- Who are you dealing with? A separate company financing the lease? (This may not be desirable.)
- How long has the company been in business? As a rule, deal only with financing sources that have been operating at least as many years as the term of your proposed lease.
- Do you understand the terms and conditions during and at the end of the lease?
- Who pays the personal property tax?

Of course, if purchasing and owning makes sense this New Year, your Credit Union can help. Our agency secured loans offer great terms. And if you're ready to own, we provide agency loans for commercial real estate that can't be beat. We may be able to finance up to 100% of the purchase price.

Notice of Annual Meeting

Please mark your calendar
Wednesday, April 26, 2017 at 12:30PM PT
Farmers Insurance Federal Credit Union
4601 Wilshire Boulevard, Suite 110, Los Angeles, CA

All members are invited to Farmers Insurance Federal Credit Union's (the "Credit Union's") Annual Meeting, which will be held on Wednesday, April 26, 2017, at 12:30PM PT. The Annual Meeting will be held at the Credit Union's headquarters, located at 4601 Wilshire Boulevard, Suite 110, in Los Angeles, California.

Members will have a chance to meet the staff and officials who make our Credit Union work. The Credit Union will provide reports on our current financial status, our plans for the future, and announce the results of our election.

Notice of Nominees

The Credit Union's Board of Directors has appointed a Nominating Committee to nominate at least one (1) nominee for each vacancy in accordance with the Bylaws. Under the Credit Union's Bylaws nominating policy, the eleven (11) members of the Board of Directors should consist of the following:

The Board of Directors shall be comprised of individuals with a solid business cross-section from various fields of expertise. Further, and in particular, the Board shall represent the Farmers agency force, all retirees, and Farmers corporate employees.

In accordance with the nominating policy under the Bylaws, the members of the Nominating Committee for the 2017 Credit Union Election have nominated six (6) candidates for six (6) open positions on the Board of Directors. Unless there are additional candidates nominated by petition, four (4) of the candidates nominated by the nominating committee will serve on the Board of Directors for three (3) year terms, one will serve an unexpired ex-Director's term for two (2) years, and one will serve a one (1) year term. This will maintain the staggered 3-year term Board election Bylaw for all Directors, going forward on a 3-4-4 (total of 11 Directors) election basis, every year. This 2016 election year adjusts the timing cycle, given the expansion of the Board from nine (9) to eleven (11).

If there are additional nominations by petition, there will be an election by mail ballot. In that case, the candidates receiving the highest number of votes in the election will each serve their appropriate terms.

The six (6) candidates selected by the Nominating Committee are set forth on the attached statement of qualifications and biographical data.

Petition for Nomination

Any member who wishes to petition for nomination to serve on the Board of Directors may do so by submitting a petition for nomination with the original signatures of at least 430 Credit Union members no later than 3:30PM PT on Friday, March 17, 2017. Each nominee by petition must submit a signed certificate stating that the nominee is agreeable to nomination and will serve if elected. The nominee should include a statement of qualifications and biographical data with his or her certificate. Anyone wishing to use the petition process should contact Gladys Garcia at the Credit Union at 323.209.6006. A posting of all nominees will be made at each Credit Union branch by Wednesday, March 22, 2017.

Please note that there will be no nominations from the floor at the Annual Meeting because nominations are only permitted by petition or by the Nominating Committee.

Voting Procedure

As noted above, the Nominating Committee has nominated one (1) candidate for each position to be filled on the Board of Directors. If the Credit Union receives one (1) or more additional valid petitions for nomination, there will be more nominees than positions to be filled. In that case there will be an election.

An election, if necessary, will be determined by plurality vote and will be conducted by mail ballot, which would be mailed/emailed on or about Wednesday, April 5, 2017.

The following individuals have been nominated by the Committee.

Each nomination to the Farmers Insurance Federal Credit Union's Board of Directors should include: nominee's name, number of years with Farmers or other select employer group that is eligible for Credit Union membership, job title and duties, current responsibilities, and information related to how this experience would serve the Credit Union Board and members. Nominations should be limited to a maximum of 200 words.

Qualifications for the three incumbent and three appointed nominees are listed below.



Incumbent Marilyn Huntamer has been a Farmers Insurance Agent for over 30 years, taking over her father's agency in 1982. Ms. Huntamer has achieved Topper's Club 25 years, President's Council 4 times, and Life Championship 6 times. Marilyn's experience as a top agent has provided the Credit Union with invaluable information specifically related to how the Credit Union can continue to help agents achieve business and financial success. **Appointed to the Board: March 2005**



Incumbent Lewis Williams is Head of IT Finance for Farmers, a position he has held since 2007. Before that he served in various finance leadership roles within Farmers Corporate Finance. Lewis earned his BS from Long Beach State, CA, and his MBA from the University of Phoenix. Before being appointed to the Board (given the Board's expansion to 11 from 9), Lewis served as the Chair of the Credit Union's Supervisory Committee. Lewis's personal interests include biking, basketball, golf, and reading. **Appointed to the Board: August 2015**



Incumbent Danny Davison began his career with Farmers Insurance in 1976 as an agent in the Aurora, IL region. In 1981, he sold his agency and became a career agent in Eugene, OR. In December 1983, Danny became a District Manager in Portland, OR, his current position with Farmers. Danny has developed numerous DMs for the company and currently has one of the largest districts and staff in the Pacific Northwest. He has won many awards and made achievement clubs numerous times during his tenure. Danny has served on various boards, including the NW Preferred Credit Union. **Appointed to the Board: April 2015**



Incumbent Michael Ashe has been a resident of Las Vegas since 1965 and a Farmers Agent since 1973. He is a CQA Agent, Gold Card Agent, and has been a member of Toppers Club for 38 years and the Presidents Council for 25 years. Mike has been a member of the Commercial Round Table, Commercial Masters, Life Round Table and Life Masters. He has been awarded the distinguished Blue Vase. In 1998, Mike was named Agent of the Year. He was also recognized with the Election to President's Council Hall of Fame. Along with all his accomplishments as an agent, Mike has served on the Credit Union Board since March of 2002 and continues to support the Credit Union through the eyes of an agent. **Appointed to the Board: October 2001.**



Linda Sanazaro is currently the CFO of Non-Insurance Business and Corporate Services. In her previous role, Linda served as the Head of Enterprise Operations and was responsible for the following areas: Strategic Sourcing and Procurement, Enterprise PMO, Real Estate & Office Services, Fleet, Customer Relations, Print and Operations Finance and Communications. Prior to joining Farmers, she was an auditor at Deloitte for several years. Linda is a licensed, active CPA in California. She and her husband Steve have two children, and she enjoys traveling, water sports and USC football. **She was named a Credit Union Director in August 2016 to fulfill Karyn Williams' unexpired term.**

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	3.99%
60 mo.	1.74%	Fixed	5.24%
72 mo.	2.24%		
		AGENCY SECURED LINE OF CREDIT	
TYPE	Rate (APR ¹ as low as)		
Variable	4.99% 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.

Calendar

Annual Meeting



When:
Wednesday,
April 26, 2017
12:30PM PT

Where:
Farmers Insurance
Federal Credit Union
 4601 Wilshire Blvd.,
 Suite 110
 Los Angeles, CA 90010

Upgrade your mobile benefits.

Get a discount on select Sprint monthly data service because of where you work.

Sprint Discount Program **18%** Discounts for members of Farmers Insurance Federal Credit Union
 Applies to select regularly priced Sprint monthly data service.



Use this Sprint Discount Program code. Corporate ID: NAFAR_FCU_ZZZ
 Questions about the offer? Call 858.526.7507 or send an email to maria.c.aparicio@sprint.com

Activ. Fee: Up to \$30/line. Credit approval req. SDP Discount: Avail. for eligible company employees or org. members (ongoing verification). Discount subject to change according to the company's/org's agreement with Sprint and is avail. upon request for select monthly data svc charges. Discount only applies to data svc for Better Choice Plans, Sprint Family Share Pack and Unlimited, My Way plans. Not avail. with no credit check offers or Mobile Hotspot add-on. Other Terms: Offers and coverage not available everywhere or for all devices/networks. Restrictions apply. See store or sprint.com for details. © 2016 Sprint. All rights reserved. Sprint and the logo are trademarks of Sprint. Other marks are the property of their respective owners. NC65159

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- BOARD OF DIRECTORS**
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Michael Ashe, Agent
Frank Ceglar, Retired
Paul Crosetti, Director, Head of Sales and Agency Management
Danny Davison, District Manager
Marilyn Huntamer, Agent
Ed McMahan, District Manager
Linda Sanazaro, Head of Enterprise Operations
Jim Snikeris, Retired
Rudy Trevino, Chief Compliance Officer, FGI
Lewis Williams, Chairman, ZFUS Director of IT Finance

- Supervisory Committee**
Leeann Badgett, Controller, Farmers New World Life
Derek Ferrendelli, Head of Personal Lines Finance
Mary Monesi, Director, Corporate Finance, Expense Analytics

NCUA Your non-IRA savings are federally insured to \$250,000, IRAs to \$250,000 by the NCUA, National Credit Union Share Insurance Fund, an arm of the NCUA, National Credit Union Administration, a U.S. government agency.

Equal Housing Opportunity We do business in accordance with the Federal Fair Housing Law and The Equal Credit Opportunity Act.

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*APY= Annual Percentage Yield. Yields are subject to change anytime. Fees could reduce the earnings on an account.