

“I have always felt valued, respected, and informed at UFCU.”

“I love being a UFCU member because of the amazing, personalized member service I receive. Whether opening a savings account, taking out an auto loan, or re-financing an existing loan, UFCU’s member service representatives are always helpful, courteous and thoughtful.”

Member  
**Robyn S**

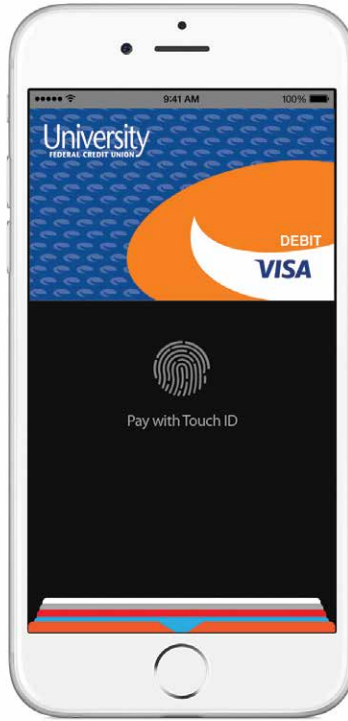
Member Since  
**2012**

Services  
**Checking, Savings,  
Credit Card,  
Auto Loan**

Representative  
**Joseph W**



Summer 2015



# UFCU & Apple Pay™

## Shop Safe & Secure On-the-go.

You now can enjoy a new level of security and the convenience of Apple Pay™ with your personal UFCU VISA® credit and debit cards!

### *Simple.*

Simplify the way you shop, with Apple Pay™. You now can check out at many of your favorite retailers with just the touch of your finger through your Touch ID™ thumbprint.

### *Secure.*

You no longer need to share your card number with the merchant as Apple Pay™ replaces it with a secure digital account number. This technology makes an easy, secure, and private way to pay using your personal UFCU VISA® credit and debit cards.

Enjoy the convenience of making purchases with your personal UFCU VISA® credit and debit cards securely with a single touch at thousands of stores and in participating apps!

Need more details on getting set up? Visit [UFCU.org](http://UFCU.org) for more details.



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# President's Report

## Have you seen the construction site of the new Dell Medical School at The University of Texas at Austin campus in downtown Austin?

On the corner of I5th Street and Red River---near IH-35 and the Erwin Center---there are eight computer-coordinated construction cranes crowded together, furiously building a world-class medical school and the Seton Healthcare Family's new Level 1 trauma center teaching hospital.

According to industry experts, this is the first time both a tier-one medical school and a major teaching hospital have been built together in more than 30 years. It's a big deal for Central Texas and we're proud to be actively engaged in the effort.

**Why is UFCU involved?** Since our founding by 12 UT faculty members in 1936, UFCU has been guided by the principal embodied in our mission statement: **"To provide for the well-being of our Members."** What could be more fundamental than good health? For, without health, financial success is a hollow thing. In fact, our observation is that few things devastate personal finances more than unexpected or serious health events.

**Secondly**, we've been involved in supporting the healthcare community for many years---by virtue of our long-standing relationship with The University of Texas Medical Branch in Galveston. In Galveston County alone, we serve more than 2,500 healthcare households---nurses, doctors and all levels of support staff required to make a modern healthcare system work. We're excited to be able to do the same here in Central Texas.

**Finally**, I am reminded of a comment made at the groundbreaking ceremony for the new teaching hospital, Seton Medical Center at The University of Texas. While I can't remember the exact words, in effect it was: "Something this big is never the result of one person, or even one organization, but rather the coming together of

a community---OUR community---to make something this important happen." Well said. Many of you, together with the majority of other residents in Travis County, voted for

Proposition 1 back in 2012 that made funding of the medical school possible. Clearly, many UFCU members find quality healthcare to be an important facet of life and community here in Central Texas.

In a discussion between the UFCU leadership team and Clay Johnston, M.D., Ph.D., the new dean of the medical school, it became evident that the intersection of healthcare and finance is in dire straits and needs attention. He asked if our cooperative is willing, together with other community groups, to explore thoughtful solutions, and of course we are! We look forward to partnering with Dr. Johnston, his UT colleagues, and our friends at Seton on this critical initiative, one that stands poised to greatly boost the quality of life in Central Texas for generations to come.

Stay tuned as we work together to make the quality of your health and personal finances better and, as always, thank you for the opportunity to be of service to you and your family.

Warmest regards,

**Tony C. Budet**  
**President/CEO**

# Ever Been to the Privacy Rights Website?

*Do you have a camera on your computer?*

*Ever use Skype?*

*Like social media?*

*Ever browse car sites online? (Or for that matter ever browse any sites online?)*

You probably already know that a lot of your personal information is shared by a lot of companies online. That's not necessarily a bad thing when responsible companies are using your information.

But here's the problem. Many irresponsible companies also are receiving your information—and manipulating it in ways that could hurt you.

You have more control over this problem than you know. For instance, if you only buy a camera for your computer that has an encryption feature—and if you activate that feature—the chances of your camera being hijacked are very small.

If you actually take the time to set all your social media settings to their most private, you're less likely to have your favorite picture show up in an advertisement for a product you'd never buy.

The Privacy Rights Clearinghouse has a modest website when it comes to design, but a powerhouse website when it comes to value for you. After reading the newsletter today, why not visit their website and do a little exploring? [www.privacyrights.org](http://www.privacyrights.org).



A handwritten signature in black ink that reads "Remar Sutton".

**Remar Sutton**  
Independent  
Consumer Advocate

## “Money Flipping” Scams on Social Networks

Ever heard of a “money flipping” scam? Hundreds of young people fall prey to money flipping scams on social media every day on Facebook, Instagram, Twitter, you name it. If you use any social media, you need to know about this ploy. Your money is at stake!

According to Scambusters.org, money flipping scams have been around forever. You receive a message on social media about a quick tip to double or triple your money—if you just give it to the contact. Needless to say, the scammer makes a run with your money.

It looks appealing to participate: Pictures of pretty people swimming in money. Appealing headlines such as “double or triple your \$20 investment in minutes!”

You take the bait. After all you need some quick cash, right? You “friend” or “follow” the scammer on the social network. He/she gives you their email or phone number, and you connect. You talk and it is pretty simple: Go get a prepaid money card and credit some money to it, say \$200.

You then provide the card details to your contact, who says he/she will use this info to work around the money system and double your cash. The scammer asks for the card number, PIN number, time of receipt of transaction, etc.

The next thing you know, you're unfriended or blocked on the social network and never hear from the scammer again. You lose all the cash on the prepaid money card.

### So what can you do to avoid getting scammed like this?

Just like the scam itself, the solutions are pretty simple:

- *The cliché comes into play: If it sounds too good to be true, it probably is.*
- *If someone offers you free cash, it's probably a scam.*
- *Never give out personal or financial information to a request online or on the phone. If it appears to be a company you know, sign off or hang up and contact them using a verified number.*
- *Be very stingy with your prepaid card details. Research the person or company online. It's probably a scam.*
- *Don't ever give out PIN numbers. Ever.*



A handwritten signature in black ink that reads "Will from Holland".

**Will deHoo**  
Independent  
Consumer Advocate



# Opening Soon!

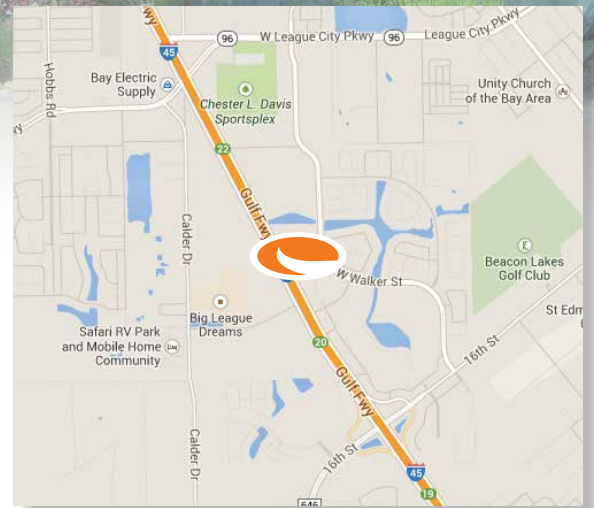


The construction of the second UFCU location in Galveston County, an Interactive Financial Center in Victory Lakes, is moving right along and scheduled to open later this year. UFCU has served Galveston island residents since 1982 and now, members will have access to a brand new mainland UFCU location where they can access a multitude of UFCU products and services.

Located at 2500 S. Gulf Freeway in League City (off of IH-45) the newest UFCU Victory Lakes Interactive Financial Center will feature 4,800 square feet of space where members will be able to choose the style of service they prefer. Members will have the option to quickly access cash or make a deposit through the financial kiosks; apply for a loan at the online center; and talk to a UFCU representative regarding life events such as purchasing a vehicle, buying their first home, planning for retirement or meeting other financial needs. Victory Lakes has much to offer the residents of Galveston County:

- Free Checking
- Free ATMs across Galveston Island
- Mortgage services
- Insurance Services
- Retirement Services
- Self-serve coin-counting machine
- And, much more!

“Our members’ well-being is at the heart of everything we do and opening this new location is just one more way we can deliver convenience and accessibility to Galveston County members,” said Tony Budet, President and CEO of UFCU. That being said, we are looking forward to seeing our Galveston members, and growing our membership, at the new Victory Lakes Financial Center.



## More Great UFCU Services Coming To Galveston County

Our newest location:  
Victory Lakes  
2500 S Gulf Freeway  
League City

# Member Education Seminars & Events

Visit [ufcu.org](http://ufcu.org) to register or for complete event details.



DATE



TOPIC



TIME



LOCATION

AUG  
12

**Planning for Long Term Care -  
Protecting Your Life Savings\***

6 PM

Whitestone

AUG  
19

**Estate Planning (Basic Topics)\***

6 PM

North Guadalupe

AUG  
26

**Social Security - When Should  
You Start Receiving Retirement  
Benefits?\***

6 PM

Brodie

SEPT  
8

**First-Time Home Buyers**

6 PM

UFCU Event Center

SEPT  
10

**Estate Planning 101  
(Basic Topics)\***

6 PM

UFCU Event Center

SEPT  
16

**Social Security - When Should  
You Start Receiving Retirement  
Benefits?\***

6 PM

Lakeline

SEPT  
16

**Money Management 101**

6:30 PM

University

SEPT  
19

**Shred Day**

10 AM – 12 PM  
(or until truck is full)  
Weather Permitting

North Guadalupe

SEPT  
22

**Investment Basics\***

6 PM

Highway 79

SEPT  
23

**Small Business Security**

6 PM

UFCU Event Center

SEPT  
24

**Insuring Your Home\*\***

6 PM

UFCU Event Center

OCT  
7

**Investment Basics\***

6 PM

Steck

NOV  
17

**Money Management 101**

6:30 PM

University

DEC  
12

**Shred Day**

10 AM – 12 PM  
(or until truck is full)  
Weather Permitting

N Guadalupe Financial Center

# Seminar Descriptions

## TOPIC

## DESCRIPTION

### Estate Planning 101 (Basic Topics)

Many people believe that estate planning is only for the wealthy. Nothing could be further from the truth. This educational workshop will help you and your family learn basic techniques to become better prepared for life's unexpected events. The workshop will cover wills, trusts, powers of attorney, medical directives, gifting and other important estate planning tools. Join us to learn more about this vital topic, one that is relevant to us all.

### First-Time Home Buyers

It is time to own your first home! UFCU is here to help. Come learn how to buy your very first home. UFCU is offering advice and information on how to qualify for a loan, what to expect from your REALTOR®, the benefits and pitfalls of purchasing a foreclosure, and the meaning behind all the mortgage terminology and costs.

Learn how to stop renting and enjoy all the financial and personal benefits of owning your own home. Equal Housing Lender. 8303 N MoPac Expy, Austin, TX 78759. NMLS # 441215

### Insuring Your Home

All home insurance policies are not the same. It is important to know what you are buying when you are insuring your home. Topics discussed will be:

- How home insurance rates are determined
- The different types of home insurance policies
- The correct dwelling limit for your home
- Basic home insurance coverages
- Optional home coverages
- Liability and the homeowner

### Investment Basics

What are some of the basics of investments? A few of the topics discussed in this seminar are:

- General fundamental investment concepts
- Effects of inflation and compounding
- Identifying goals and time horizons
- Relationship between risk and return
- Types of investment options available
- General investment strategies
- Asset allocation
- Dollar cost averaging

### Money Management 101

Join us for a fun and informative seminar which covers aspects of personal finance including:

- Credit
- Debt Consolidation
- Savings and Budgeting
- Financial Reviews

You also will be shown useful tools offered by UFCU to help you manage your money and achieve your financial goals.

### Planning for Long Term Care - Protecting Your Life Savings

What's your Long-Term Care plan? Find out how to protect yourself and your family from one of the most costly services not covered under general medical care plans.

- Learn how Long-Term Care Insurance protects you in the event of prolonged physical illness
- Discover the advantages of purchasing a Long-Term Care policy while you are young

### Shred Day

Criminals need very little information to steal identities, and garbage cans offer an abundance of information from paperwork. Bring up to two file boxes of paper per household for free confidential shredding. Commercial high-volume shredders, courtesy of Iron Mountain, will be on-site to shred your records.

GES (Global Environmental Recycling) will be on-site to collect and recycle your electronics. For more information regarding GES and for a list of acceptable recycling items visit [www.GESRecycles.com](http://www.GESRecycles.com).

UFCU's Risk Manager Chris Miller also will be available to answer any questions and/or concerns about ID theft and other fraud issues. Mark your calendars now!\*

\*Weather permitting

### Small Business Security

Small businesses are especially vulnerable to fraud from both internal and external sources. This seminar provides information you need to know to protect your business from emerging threats. If you're a small business owner, or thinking of opening a small business, this seminar is for you!

### Social Security - When Should You Start Receiving Retirement Benefits?

As you approach retirement, one of the biggest financial decisions you'll need to make is when to begin receiving your Social Security benefits. Should you begin receiving a smaller Social Security benefit early, or should you opt to wait until full retirement age or even longer in order to receive a larger benefit?

\* 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. UFCU has contracted with CFS to make non-deposit investment products and services available to credit union members.

\*\* Insurance products and services are offered through CUSO Financial Services, Inc. ("CFS"). Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, **are not guarantees or obligations of the credit union, and may involve risk including possible loss of principal.** Investment Representatives are licensed through CFS. The credit union has contracted with CFS to make certain insurance products and services available to credit union members.



# Is Austin an Overvalued Market?

Prices seem to be soaring in Austin. Has our market become “overheated” and are we headed for a bursting of the bubble? Let’s consider several factors





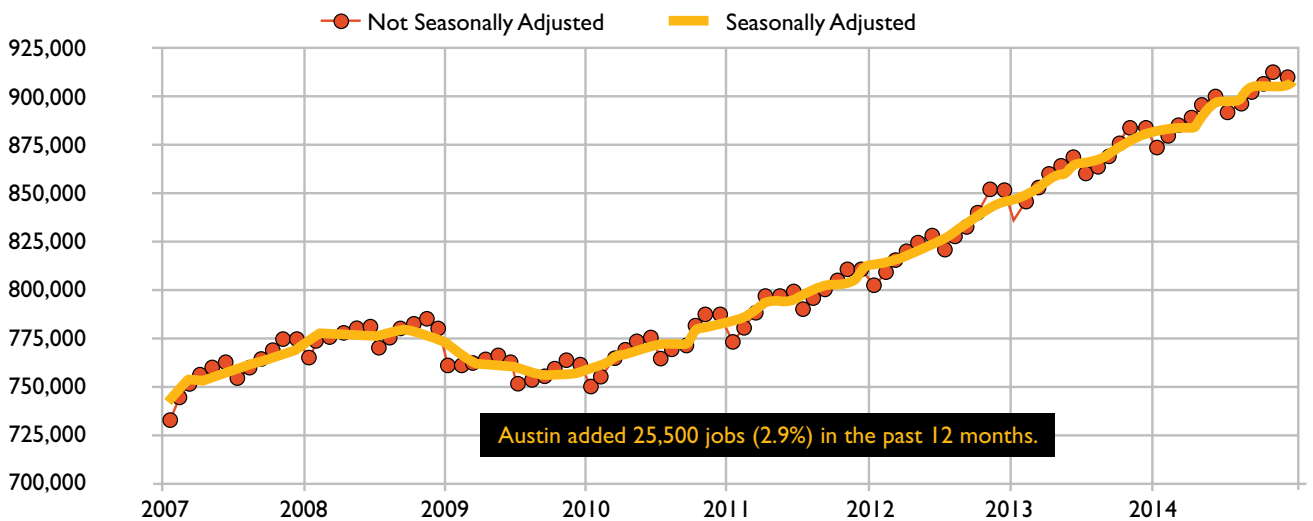
## SUPPLY AND DEMAND:

While the median price of a home has increased from \$200,000 in 2010 to just under \$250,000 in 2014, the supply of homes available for purchase has decreased from a six-month supply to a 2.4 month supply in 2014. Basic economics tell us that when demand outstrips supply, prices will rise. In 2014 Austin did indeed have an over-supplied, overvalued market, yet we did not experience the large correction seen by other parts of the country. The reason for this was job creation.

## JOB CREATION:

The Austin metropolitan area added 25,500 jobs in 2014. Employment in the Central Texas area been on a steady increase since 2010.

### NONFARM PAYROLL JOBS AUSTIN MSA



Source: Texas Workforce Commission, CES

It makes perfect sense that the people in these new jobs are looking for housing, and Austin's new home construction volume has not been sufficient to fill the gap.

For 2015, predictions are for 11,200 new home starts, with annual new job creation of 30,600 and annual immigration of 60,000 people. Together with resale home inventory at 5,077, and available rental units at 17,360, the Austin area simply does not have enough housing units to meet the demand created in 2014 and 2015.

## REASONABLE APPRECIATION AND HOME SALES:

Austin's annual appreciation has been a modest 2.8% since 1979. While the past few years have seen a significant uptick of average prices, the real danger mark could be viewed as double digit appreciation extending over three years in a row.

The number of home sales over the last 12 months has shown no sudden surges which historically indicates an overheated market. The same approximate number of homes sold in April 2014 as in March 2015.

For both buyers and sellers, this should be comforting information. Buyers, while struggling with the lack of supply, are not paying outrageously over-inflated prices that will doom them to equity-failure in the near future. And sellers are enjoying steady value growth based on the influx of new Austinites and the scarcity of homes.



## Board of Directors/ Senior Leadership

### Board of Directors:

- Ellen E. Wood, Chairman
- John A. Martin, Vice Chairman
- Cynthia A. Leach, Secretary
- D. Michael Harris, Ph.D., CPA, CITP, Treasurer
- Thomas J. Ardis
- Neal E. Armstrong, Ph.D.
- Carl E. Hansen
- Laura J. Kilcrease
- C. Cale McDowell, J.D.
- David W. Niesel, Ph. D.
- Mary A. Seng
- George K. Herbert, Ph.D., J.D., Director Emeritus
- Frank J. Peters, Director Emeritus

### Supervisory Committee:

- C. Brian Cassidy, J.D., Chairman
- Chris A. Plonsky, Secretary
- Ned H. Burns, Ph.D.
- Brady M. Cole, RADM USN SC (Ret)
- Faraz Khan

### Principal Officers:

- Tony C. Budet, President/CEO
- Yung V. Tran, CPA, Executive Vice President
- Denise M. Cheles, VP, Virtual Retail Services
- Michael E. Crowl, CPA, VP, Finance/CFO
- Heather M. McKissick, VP, Human Resources/  
Organizational Development
- John C. Petrey, VP, Information Technology/CIO
- Aaron M. Persons, VP, Retail Services
- Laurie A. Roberts, SVP, Lending, CLO
- Ellen S. Simpson, VP, Enterprise Risk Management
- Sheila Jo Wojcik, Ph.D., SVP, Communications/  
Corporate Affairs

# Chip Card 101

Did you know there is a type of debit and credit chip card technology that U.S. financial institutions are switching to, known as EMV? Over time, UFCU will be adopting the chip card technology and we'd like to provide you with general chip card education and what to expect.



## What is EMV? What is a Chip Card?

EMV is an acronym that stands for Europay, Mastercard & Visa. It is a global standard for credit and debit cards based on chip card technology.

A chip card is a security-enhanced debit and/or credit card which has a microchip embedded into the card. With traditional cards, the magnetic stripe contains data that does not change, making the data easy to replicate if it is stolen. The small, metallic square microchip on a chip card is the heart of the difference. Unlike traditional cards, when a chip card is used, the chip generates a unique transaction code that cannot be used again.

## What can I expect when I use my chip card?

Initially, chip cards will continue to feature a magnetic stripe, in addition to the embedded microchip. The magnetic stripe will allow you to continue to make card purchases by swiping your card at a sales terminal.

However, if you are visiting a retailer that has an active chip card terminal, be prepared for a new chip card transaction experience. At the register, instead of swiping your chip card, you will do what is called "card dipping." Card dipping simply means inserting your chip card into the terminal slot; the terminal retains it for the duration of the transaction, and then returns it to you once the transaction is complete. This is different from the typical quick swipe with which you probably are familiar. In fact, don't forget to take your card from the terminal before you leave!

Are you concerned you won't know what to do? Don't be! If you find yourself at a register and you are not sure whether to swipe or dip your chip card, rest assured the terminal or the retail associate will prompt you to take the correct action to complete your transaction.

## So why the change and what are the benefits?

The move to EMV technology is for two reasons:

- to adopt latest card technology standards; and
- to mitigate counterfeit card fraud.

The biggest benefit of EMV technology is the reduction in card fraud resulting from counterfeit cards. The chip on the card plays an active role in the transaction encryption. Because the chip technology is incredibly difficult to crack, in-person transactions are much more secure.

Chip cards also allow you the convenience of being able to use them for payments on any chip-compatible terminal anywhere in the world.

## Do Chip Cards prevent all fraud?

Although the embedded chip does make fraud more difficult, it will **not** prevent all fraud.

Chip cards used at chip-enabled terminals encrypt card data, virtually eliminating the ability to grab card data used to counterfeit cards. There is still a possibility for online fraud to occur as the chip is not utilized during online transactions.

## Stay tuned!

As we approach the UFCU chip card launch, watch for more information from us. For general chip card FAQs please visit [UFCU.org](http://UFCU.org).



# Why Do I Need Flood Insurance?

Homeowners insurance does not cover flooding due to rising water outside your home. There are many factors that can contribute to flooding, such as rapid rain accumulation, poor drainage systems and broken water mains.

The reality is that everyone lives in a flood zone. The question homeowners should ask is whether they are willing to risk paying for flood damage themselves? Even people who live on a hillside can suffer flood damage by mudflow, which is covered under the flood insurance policy. A flood certificate will determine the likelihood of flooding for your home. The lower the risk of flooding, the lower your flood insurance rate will be.

We recommend that you purchase a flood insurance policy for the replacement value of your home. The National Flood Insurance Program only covers homes up to \$250,000 and contents for \$100,000. For homes valued at more than \$250,000, we recommend that an excess flood insurance policy be purchased to bridge the gap between the NFIP policy and replacement cost.

Flood insurance rates for low-risk zones are very inexpensive. However, don't wait until a rain event to purchase a policy. There is a mandatory 30-day waiting period for policies that are not required by your lender.

## We Want To Hear From You

At UFCU, our mission is to provide for the well-being of our Members. You, the Member, are at the heart of all we do. Your well-being, and the well-being of your family, is what drives our decision-making.

In January 2015, we initiated an ongoing survey program to gather your feedback. Your survey responses provide us with valuable information to improve the products and services we offer and how we deliver those services to you and your family.

In future editions of *Currency Affairs*, we will highlight changes made and plans for improvement as a result of your feedback. Our goal is to simply make your experience with UFCU an even better one.

Thank you in advance for your input. We look forward to receiving your feedback.







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## HOLIDAY CLOSINGS

UFCU will close in observance of the following holidays:



Labor Day ..... Monday, September 7, 2015

Columbus Day ..... Monday, October 12, 2015

Veterans Day ..... Wednesday, November 11, 2015

Thanksgiving Day ..... Thursday, November 26, 2015

Christmas Eve ..... Thursday, December 24, 2015 at 2 PM

Christmas Day ..... Friday, December 25, 2015



## LOCATIONS

Ben White ..... 130 E Ben White Blvd, Austin, TX  
 Brodie ..... 9925 Brodie Ln, Austin, TX  
 Downtown ..... 201 W 7th St, Austin, TX  
 Galveston ..... 428 Postoffice St, Galveston, TX  
 Highway 79 ..... 120 Palm Valley Cv, Round Rock, TX  
 Lakeline ..... 13860 US Hwy 183 N, Austin, TX  
 N Guadalupe ..... 4611 Guadalupe St, Austin, TX  
 Pflugerville ..... 15116 FM 1825, Pflugerville, TX  
 Scofield ..... 1500 W Parmer Ln, Austin, TX  
 S MoPac ..... 5033 US Hwy 290 W, Austin, TX  
 Steck ..... 3305 Steck Ave, Austin, TX  
 Teravista ..... 571 University Blvd, Round Rock, TX  
 University ..... 2244 Guadalupe St, Austin, TX  
 Westlake ..... 701 Capital of Texas Highway S, West Lake Hills, TX  
 Whitestone ..... 3200 E Whitestone Blvd, Cedar Park, TX

### MORTGAGE SERVICES

UFCU Plaza ..... 8303 N MoPac Expy, Suite A105, Austin, TX  
 Lakeway ..... 1213 Ranch Road 620 S, Lakeway, TX

### YOU CAN REACH US BY DIALING

Austin ..... (512) 467-8080  
 Galveston ..... (409) 797-3300  
 US Toll-free ..... (800) 252-8311  
 TDD Number ..... (512) 421-7477



### MAILING ADDRESS

PO Box 9350  
Austin, TX 78766-9350

### WEB ADDRESS

UFCU.org

### UFCU PLAZA

8303 N MoPac Expy  
Austin, TX 78759