



Winter 2017

### Dividend Rates Remain Good

Regular shares remained at .70% (.702% APY) during the entire fourth quarter while IRA accounts earned .95% (.954% APY). As always, our goal continues to be to distribute as much of our income as possible to our members while maintaining a healthy capital ratio.

For current rate information, call us anytime or visit our website at [www.railroadfcu.com](http://www.railroadfcu.com). Please check out our website; we think you'll find some good information there.

### Charter Application Approved

The members' vote on November 7<sup>th</sup> for the state charter conversion was in the affirmative. The vote totals were 374-yes to 24-no. And, the Alabama Credit Union Administration approved our application on December 19<sup>th</sup>. Hence, we are moving forward with this plan.

Because of the federal-to-state charter conversion, once the NCUA has approved our final documents, we will be required to remove the "federal" from our name. But, **this does not affect the federal share insurance coverage for our members' deposits.** The National Credit Union Administration (NCUA) which is an agency of the federal government will continue to protect member deposits.

The Board of Directors voted at the December meeting to change the credit union's name to **RAILROAD COMMUNITY CREDIT UNION**. By mid-2018, you will be seeing this name on correspondence from us.

FYI, there are almost 60 state-chartered credit unions in Alabama and about 60 federally-chartered credit unions remaining. The two biggest differences between the charters for our credit union are how services can be offered to new groups and the cost of the supervision fee. Under the state charter, our supervision fees will be reduced. And, we can offer membership to other groups without closing the invitation to new employees of our existing group.

While this plan will not change the day-to-day operation of the credit union, our goal is to be able to invite other groups to join us and, hopefully, be able to see our loan demand increase. Being on the outskirts of Birmingham, we are in a very competitive financial market. We know that our lending rates are very competitive with other financial institutions, but the demand for loans from our existing members is very low and has been for a number of years.

### 62<sup>nd</sup> Annual Meeting – Friday, March 2<sup>nd</sup>

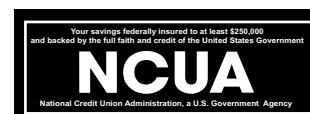
Yes, it's almost here again! Our annual meeting is always held on the first Friday in March. So, mark your 2018 calendars now for March 2<sup>nd</sup> at 7:00 p.m. It will be at the same location as last year's meeting:

**McElwain Baptist Church located at 4445 Montevallo Road, Birmingham, AL 35213.**

This year we have three positions on the Board of Directors to serve for three years each. These positions are currently held by James Adams, Mary Wade-Greer and Marshall Walk. This year we will also be holding elections for the Supervisory Committee. Currently, the Supervisory Committee members are Alvin Ash, Linda Gable Bass and Glenn Fortenberry. These committee positions are various terms.

The Board and committee members you elect are responsible for overseeing that the credit union is operated in a safe and sound manner. Their duty requires a lot of time and dedication, but offers no monetary reward.

If you would like to place a name in nomination for one of these Board or committee positions, please mail the nomination to: Nominating Committee, c/o Railroad Federal Credit Union, P.O. Box 100185, Irondale, Alabama 35210. These nominations should be received before March 1<sup>st</sup>. At the meeting, nominations from the floor will also be accepted.



(continued)

The agenda is short and simple; the business meeting is held first, then drawings for some nice prizes and concluding the session by enjoying refreshments. As always, only **primary** account members (the member under whose Social Security number the account reports) will be eligible to participate in the drawing for the prizes. And, in an effort to be fair to everyone, we ask that members only accept one prize per household so that more families have an opportunity to win.

Please come join us on Friday, March 2, 2018.

### Tax Information

**Year-end Tax Statements:** Please be on the lookout for your 2017 tax forms from the credit union. All tax statements (1099-I, 1099-R and 1098) will be mailed no later than January 31, 2018. In most cases, the tax form is not required (only required if you had withholding) to be attached to the return so if you need this information earlier, please call us and we will be glad to give you the information over the telephone.

Of course, this information is printed on your year-end statement for share accounts, but if you had certificates of deposit that closed during the year, we need to provide you with the dividend amounts or wait until the tax form arrives.

**Direct Deposit for Tax Refunds:** If you are receiving a tax refund, you can have your refund directly deposited to your credit union share account. Federal and state refunds can now be direct deposited which means a faster refund. You will need to fill in your credit union account number on your tax form, give the credit union's routing number (262283843) and specify that your account is a savings account; note **only credits to regular share accounts can be accepted. Of course, if you have a credit union checking account, you may receive credits or debits to the account.**

**IRA Deposits:** Ask your tax preparer about an IRA contribution. In many cases, your contribution could be tax deductible. Deposits can be made up to the **tax filing deadline of April 17, 2018** for the tax year of 2017. Yes, you have a few extra days this year to file! Why the April 17 deadline? The regular tax return filing deadline is April 15. However, due to April 15 being on a Sunday and the Washington D.C. Emancipation Day holiday being observed on April 16 instead of April 15, 2018, Tax Day is on the following Tuesday, the 17<sup>th</sup>.

The maximum contribution is \$5,500 for persons under the age of 50 and \$6,500 for persons age 50 or older. The credit union offers both traditional IRAs and Roth IRAs. IRA rules are somewhat complex, so if you have questions or need more information about IRAs, give us a call.

### Quick Notes...

**Credit Union Toll Free Number:** Call us toll-free at 855-320-6767.

**EMV Chip VISA Cards.** By now, you've been using your EMV debit and/or credit chip card. This chip card is designed

to help prevent card fraud, especially card skimming. Merchants' EMV compliance is being gradually phased in so a lot of merchants are not yet equipped for this new technology, but in a few years, all merchants will be chip compliant.

However, our best fraud prevention tool is YOU, our cardholder. Be vigilant and attentive when using your card. And, don't shop online unless you see the security lock in your browser address line. And, keep your computer's malware and virus protection software current.

**Fraud...Be Cautious.** Because of recent credit card breaches, card transaction monitoring has gotten stricter because of these fraudulent events and also due to higher card usage volumes. This means that your account might be temporary blocked due to suspicious activity based on your purchasing history.

Should you receive a **computer generated call** inquiring about your credit card usage, please listen to the entire call before hanging up; it could be our fraud monitoring department. The system will ask only for the last four digits of your Social Security number, not the entire number and not your card number. Or, you may receive a short text message asking you "yes or no" about a transaction. If unsure, call our credit fraud monitoring department at 800-437-9392; this number is valid 24/7 or the debit fraud department at 800-889-5280. As always, call our office with any concerns.

**Important Card Contacts.** Here are the telephone numbers to report any card issued by the credit union lost or stolen: RFCU VISA Credit Card: 800-808-7230; RFCU VISA Debit: 800-528-2273; reloadable VISA Prepaid: 866-909-4170. These numbers are listed on our website as well.

**Inactive Share Accounts.** FYI, as stated in earlier newsletters, we have now begun charging a fee for inactive accounts. For members that have not had any activity on their account during the past five years and whose account balance remains less than \$100, your account will be charged **\$7.00 each month** until it is brought to an active status or closed. We hope that you understand our reasoning for this action as we continue to search for ways to efficiently maximize our resources.

**Bad Addresses.** Every quarter, we have way too many returned statements for incorrect addresses. This is a lot of extra expense for the statement being returned and then having to re-mail the statement if we can obtain an address. Accounts will be charged a **\$5.00 monthly fee** for incorrect addresses after the first attempt at re-mailing to a forwarding address. So, please let us know when your address changes.

### FINANCIAL REPORT

November 30, 2017

Assets.....	\$107,808,200.51
Shares.....	94,642,298.67
Loans.....	13,634,325.96
Net Worth.....	13,171,444.87