



First Choice
Federal Credit Union

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The New Direction - January 2024

AUDIT VERIFICATION

This is your notice that the enclosed statement is an audit verification. Please check your statement carefully to make sure it agrees with your records.

What should I do if I do not agree?

Please contact Supervisory Committee Chair, Brian DeVivo, via letter at PO Box 1645, New Castle, PA 16103. Your accounts are all treated with complete confidentiality. Your communication with the Chairperson will be private and confidential. This audit will not be repeated for two years so this is your time to make sure everything is in balance. Please do NOT send checks to the PO Box.

A Letter from our CEO - I hate this part

I am not a fan of my birthday. I know that I am not unique in this, but my reasons are not the typical ones. I don't fear getting older, or worry about wrinkles or that the salt is conquering what is left of the pepper in my hair.

Without turning you all into my counsellors, ONE of the reasons I don't like my birthday is that it is in the very beginning of the year. You see I LOVE Christmas. I always have. It is not really the presents. I love the decorations and the lights and the concept of peace on earth and good will toward all men. I enjoy everything about the holidays. I don't own "ugly" sweaters. I own "festive" sweaters that perhaps others wouldn't wear out of some commitment to fashion.



But each year, by my birthday, and by the time you read this newsletter, the lights will all be down. The room will look bigger... less cozy. No more magic, no more wonder. What do we have to look forward to? Grey skies? President's Day? Whoopie!

I have to follow my **plan** to **meticulously** take off each ornament and try not to break any. Gotta stuff that tree back in the bag. Why is it so heavy? Take down each of those heirlooms and mementos that the kids have made or the relatives have passed down. It is so important to **save** all of those memories... you can't buy that history. Why *did* I buy this? Where is this going to go? Now I have to find new places to **store** them in their own **compartments**. And oh these needles! What a **residual mess**! I will be vacuuming these up until March. And that's just the first room.

But guess what, it won't stop me from putting up the decorations next year. Because it is part of who I am... and

part of what I need to do to enjoy the holidays.

So our economy is in a bit of a flux. Things aren't going to be the way they have been for the last 7-8 years. Money is not likely to "flow" as freely as it has. Interest rates are on the rise making it easier to save, but harder to borrow.

Additionally, the value of owned assets are on the decline. Through no change of yours, your home and vehicles have lost value. If you went to sell your home or borrow against it, there is less value there as well as the rates increasing.

The vehicle that you leased is now worth less, so the buyout is more. Also your owned vehicle trade-in is lower than expected. This is a double edged sword, because we are still dealing with lingering effects of the old supply line issues, or what many economists are calling the "supply line hangover". So there is still a demand problem and cars are still priced higher than in a normal down economy.

If you watch the joblessness market stats you will see that they are "fixed", but the real measure of this is the type of jobs that are generated and the skills of workers required or the average salaries of those jobs.

It all adds up to one thing... **I hate this part.**

Recovery is hard. You have to have a **meticulous plan**. You have to properly **store** your budgeted items in each of their **compartments**. We have to be willing to put-off what we want to buy and **save** for it. And we have to be ready to deal with cleaning up missteps from the past that may have **residual effects** for some time to come.

But it won't stop us. We will continue to move forward. We recognize that it will take some work, but all things worth having, or worth doing, are.

I wish you a wonderful New Year as we all forge ahead into 2024 and beyond!

Board of Directors

Pamela Miller *President*
 Brian DeVivo *Vice-President*
 Russ Carley *Treasurer*
 Marilyn Wehr *Secretary*
 George Fiacco
 Jenny Flannery
 Michael Vatter

Meet Our Staff

Michael Vatter **CEO**
 William Wehr **CFO**
 Brayden Ayres
 Lillian Charles
 Maureen Dierfield
 Beth Ferguson
 Erica Holian
 Susan Kanary
 Kathy Lorello
 Mary Lou McPheron
 Connie Million
 Rebecca Rice
 Lauren Skolnik
 Charlotte Sonntag
 Sharlene Warner
 Bonnie Williams

Hours of Operation

Monday - Friday (All Offices)
 9:00AM - 4:30PM
 Drive-Thrus open at 8:30AM
Saturday (Neshannock Office)
 9:00AM - 12:00PM

Proud Member of



Accounts Federally insured

How was your 2023?

My nephew is now 23 years old and for a large portion of his life, I had the good fortune of seeing him almost every day. When he came home from school, I would ask him, “How was your day?” Without fail, with a big smile, he would proclaim, “It was good! No problems.” The kid never had a bad day. I admire him for many reasons.

I was told a long time ago



How was your 2023? It rarely is all roses. Few of us have the perspective that every day is “good” with “no problems.”

We at the credit union had a few rough patches over the year. We had a few repos... which we absolutely hate doing, not just because it is financially burdensome to all of our members, but it also means that a specific member probably went through something traumatic that caused them to stop making payments and us to take back their vehicle.

Because of the economics, we had to postpone certain projects or products and services that we wanted to get out to our membership to enhance your banking experience.

We lost some long-time members that had been with us from the beginning. Some of them had been pillars of our foundation and friends that we will sorely miss.

In the past 365 days = 8,760 hours = 525,600 minutes... it is impossible to label the year as just “good”. It is more complicated than that, right? We would

just be ignoring the bad.

On the other hand, it is a fact that statistically, we are the largest we have ever been from a Balance Sheet perspective. We have earned the most from a revenue or Profit and Loss perspective. Almost all of our Key Ratios show us as a strong company. Which most financial institutions would define as a “good” year.

As of the printing of this newsletter:

- We welcomed 764 new relationships to the nearly 8,000 members we serve in this Community.
- We wrote over \$26 Million dollars in loans. Which is a really big number and by far the most we have ever done, but it is said better this way...
- We helped fulfill 1,154 dreams. People that didn’t have the ability to buy what they wanted at the time and we helped them accomplish it. We helped them get maybe their first car... maybe their 15th car... maybe a safer car... or the car that they deserve after all that time of putting others first and they finally treated themselves... but one things for certain... we did it at the lowest rate in town. We helped put on that porch; or consolidate those bills or any number of home improvements.

What is the measure of a “good” year? Perhaps, it is the best measured in the new friends we have made; the new relationships formed; and the number of people we have helped. How much we learned. It is less about statistical analysis and more about growth. The growth we have made as people. The growth we have made as a company.

How was your 2023? We don’t bury our heads and pretend that bad things didn’t happen, but instead, we hold our heads high and keep our perspective on the good things that happened and anticipate more good things to come.

How was our year? Pretty great!

Passing on Some Advice

So the only thing on the rise faster than my cholesterol in 2023 was the Fed Rate. They did that to hold off inflation despite pressure from Administration in a sluggish economy with unemployment (now called Joblessness) on the rise. You know when else that happened? Most recently 2008-2011. And prior to that it was 1978-1982. It also happened in Europe in 1991-1995.

The former Federal Reserve Chair, Paul Volcker, made a wildly unpopular and seemingly drastic Hail Mary of an attempt to quash unbridled inflation when we raised the Federal Reserve Rate well into double digits in 1977.

What does that mean? Well in 1979 an average Joe could have bought a middle class 3 bedroom, 1.5 bath home for \$50,000. However, his rate could be an incredible 17.50%. With the median earned income at the time, that left a perspective home buyer spending nearly 54% of their take home pay just on their mortgage... that is too much. You don't have enough money if your budget for everything else like car payments, medical insurance, credit card payments, savings, food, etc.

As of the printing of this newsletter the Fed Rate is 5.25% and people are going crazy with it being **so high!** So high? In 1978 it was 17.50% and today it is 5.25%, how can that be considered so high? Remember it was essentially 0.00% since the pandemic.

On December 14, 2023 the Fed came out and lowered rates. Which brought the market into a tale-spin. That is GREAT... we must want that right? That means that prices will fall, the plan against inflation is working... we are going to get out of this recession... if we were ever really in one to begin with.

Let's hold on a sec. I am admittedly not an Economist. I am not a Stock Broker, and I am not the world's foremost authority on... anything. So what gives me the right to pass

on advice to you? Maybe I do not, I will present the advice and you can choose to accept or reject it. But, I believe that there is "nothing new under the sun", meaning history tends to repeat the same patterns again and again. Additionally, we at the credit union have been doing this for years. This organization is over 77 years old. We have a combined 250+ years of banking experience among our employees.

The number one thing that the market likes is **Stability**. It values predictability. I do not care what your political alignments are, but there is no clear cut winner coming in 2024 and it doesn't promise a seamless transition of political philosophies. The world is not at peace with the biggest and most financially influential Countries taking center stage in the proceedings. Consumer confidence is down in part because of the continuing effects of an imbalanced supply chain issue. Finally, we have not recovered from the great talent drain that occurred when the Pandemic forced or aided many to exit the workforce

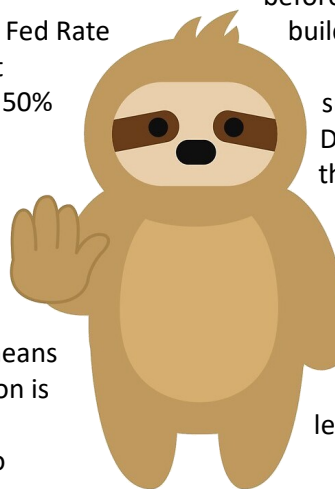
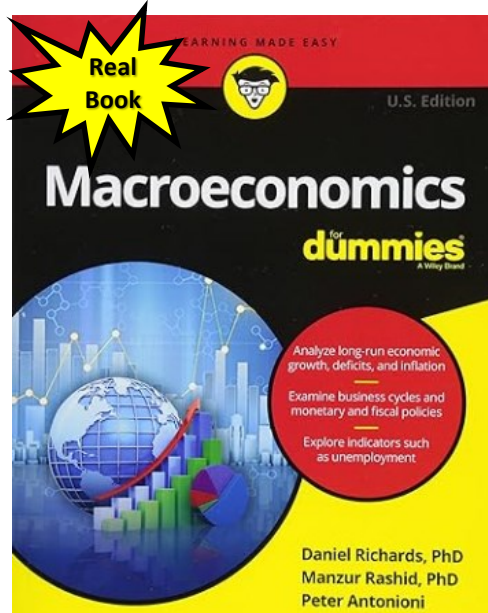
and replacement jobs were either not created, or not filled with the same level of talent or experience.

So what is the advice? I already gave it. **Slow down.** Now may be the time to go back to the beginning. To build yourself up from being over-extended. To Save... To Train... To Grow Bone (Infrastructure) where you had just added Muscle before. Let your assets appreciate. Let the equity build up.

Buy a car and hold it. Leasing may not be the smart play. You may not be able to go to Disneyland at the same frequency as you had in the past. Coupon clipping may become a reality. Crafting may not just be a creative outlet, but also a great way to save some money on gifts.

Saving up to buy is almost a lost art now. The credit union does a lot of lending. The number of vehicles that we do with positive equity or money down to reduce payments are less and less frequent.

It is not easy to change a mindset. It is not easy to create Stability. But if we do it for ourselves and create it in our lives, if the rest of the world is still chaotic... we will be prepared. Let us help you.



SLOW DOWN

In order to Avoid Scams... Use the Triple A Method.

Life is not like a movie. In the movies, it is very easy to identify who the bad guy is. He just “looks” bad. Sometimes he or she may even have an evil laugh; a henchmen or twenty; dress with cutting edge fashion; and probably have a great catch phrase. They are pursued by the quirky “good guy” who has to overcome some obstacle of epic proportion and through many explosions and death defying acts, wraps up this global domination scheme in about 90-121 minutes.

In reality, truly “bad guys” are faceless. They prey upon not just the weak, but on everyone. They are good at what they do. They have no mercy and they are rarely, if ever caught, even if evidence is presented, because the legal system is overworked and overextended.

Scam artists come in every shape and size... so how can you protect yourself? The number one rule is: **IF IT IS TOO GOOD TO BE TRUE... IT PROBABLY IS.** That is not cynicism, it is common sense.

The second rule of thumb is to employ the Triple A method when applying to scams. Be **ALERT, AWARE,** and always **ASK** Questions. Here are some things



that you should always remember:

- You will NEVER be asked to send money in advance of winnings to pay for taxes or for processing fees.
- Always be wary if someone tells you not to discuss things with friends or family. What right does a stranger have to shield you from your own support system? What is their motivation from keeping you from discussing legitimate business deals with people that you trust?
- You will NEVER be asked to pay for ANYTHING with gift cards over the phone or in person... to receive any sort of discount or to dodge questions.
- Guard your personal information. If someone calls you, watch the information you share with strangers.

We are here to help, but you need to be the first line of defense by being prepared... **Alert... Aware...** and don't be afraid to **Ask** a lot of Questions.

Loan & Savings Rates

Loan Rates in APR*, Savings APY**
Effective 1/1/24

Rates start as low as...

Personal:	
Up to \$4,000	7.24%
Up to \$10,000	10.49%
Share Secured:	3.24%
Untitled Autos:	
Up to +40 Mo.	4.74%
41-52 Mo.	5.24%
53-64 Mo.	5.74%
65-76 Mo.	5.99%
77-88 Mo.	6.99%
Used Autos: 2024-2022	
Up to 40 Mo.	4.99%
41-52 Mo.	5.87%
53-64 Mo.	6.24%
65-76 Mo.	6.49%
77-88 Mo.	7.24%
Used Autos: 2021-2020	
Up to 52 Mo.	5.99%
53-64 Mo.	6.49%
65-76 Mo.	6.99%
Used Autos: 2019-2018	
Up to 52 Mo.	6.49%
53-64 Mo.	6.99%
65-76 Mo.	7.49%
Used Autos: 2017-2012	
Up to 48 Mo.	9.24%
Up to 60 Mo.	9.99%

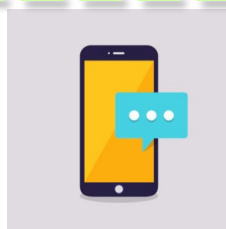
Home Equity: (1st Position)	
1-5 years	6.49% Fixed
6-9 Years	7.24% Fixed
10-14 Years	8.24% Fixed
15 years	8.99% Fixed
(2nd Position)	
1-5 years	6.99% Fixed
6-9 Years	7.94% Fixed
10-14 Years	8.74% Fixed
15 years	9.49% Fixed
Members pay costs	

** Rates impacted by credit score.

ALL RATES REFLECT A 0.50% DISCOUNT FOR AUTO PAY

Have a Loan Question?

Call when you can.
Text when you can't
to **724-856-0997** or contact the loan rep directly.



- Erica's Team at **724-740-8400**
- MaryLou's Team at **724-856-0926**
- Maureen's Team at **724-856-0976** or
- Susan's Team at **724-761-2828**

VISA Cards - No Annual Fees
Platinum - 12.90% Fixed
Rewards - 15.90% Fixed

Share Accounts 0.100%
Loan Collateral 0.100%
IRA Accounts 0.750%

Club Accounts
Christmas Club 0.200%
Vacation Club 0.200%

Escrow Accounts 0.100%

Unless tied to a CD
Interest paid on share accounts with a balance > \$100.
Inquire about rates for Motorcycles, ATVs, RVs, Watercraft, and Other Titled Vehicles.

Anyone who lives, works, volunteers, or attends church or school in Lawrence County is eligible to become a member and take full advantage of belonging.