

1ST QUARTER - PRESIDENT'S REPORT



Happy New Year to all our members! I hope you had a wonderful holiday season.

Each year is a new beginning, and as we reflect on 2023, we are grateful to our members for the "75 Years" Prospectors Federal Credit Union has had the opportunity to serve our member-owners.

Looking Back

This past year, I am proud of our team and their tenacious energy in networking with new businesses and developing new relationships while focusing on retaining and deepening existing relationships with our members. The focus on demonstrating member care to one member at a time has proven to strengthen our relationships with our members.

In 2023, Prospectors remained financially strong as we closed the year with assets exceeding \$97.7 million and a loan portfolio of \$68.4 million, reflecting a 10.81% loan growth. The credit union's strong loan-to-share ratio exceeds 85%, indicating that our members utilize the credit union for their lending needs. Shares have had a modest growth of 2.66% primarily because, for several months, financial

institutions have felt the pressure to attract and maintain deposits due to the rapid interest rate hikes decided by the Federal Reserve to combat inflation. There is some good news we can look forward to after the last Federal Reserve meeting, we can expect rates to decline this year. Another indicator of the credit union's financial soundness is the capital level exceeding 10%, above the regulatory requirement of 7%. Substantial capital is critical to sustainability as it provides the cushion to endure potential losses. Your credit union's longevity has always been built on safety and soundness.

Looking Forward

As we know, technology frequently changes. This coming year will be no different. We will keep pace with new innovative technologies which are essential to efficient, convenient banking. Prospectors FCU looks forward to introducing a Digital Wallet to make your transactions and payments fast, easy, and secure. A Digital Wallet is a financial transaction application. It securely stores your payment information and passwords in the cloud on your mobile device or computer. Digital Wallets may be accessible from a computer or mobile device and are primarily used on mobile devices. When shopping, Digital Wallets allow you to pay using your mobile device so that you do not need to carry your cards around. Once you enter your credit card, debit card, or bank account then you simply use the stored information on your device.

An additional layer of protection and security for our members and Prospectors is the EMV 3-D Secure. This messaging protocol enables the authentication of a cardholder for e-commerce transactions before authorization. EMV 3-D Secure manages the liability for fraud between the merchant and issuer. Three parties are involved in the EMV 3-D Secure process: the merchant where the purchase is made; the network, such as Visa & Mastercard, and the card issuer, the credit union. EMV 3-D Secure provides a behind-the-scenes authentication process that assesses transaction types and determines which are most likely to pose a threat.

On behalf of the Board of Directors, Supervisory Committee, and Team, we are deeply honored by the confidence and trust you have placed in Prospectors for the past 75 years. Our best to you and your families for a prosperous and joyous New Year.

- Debra Barrera, President/CEO

IRA CONTRIBUTIONS AND TERM SHARE OPTIONS

IRA Contributions: The last day to contribute to your IRA account for 2023 is Monday, April 15, 2024. There are many rules for contribution limits based on various thresholds. Always consult your tax preparer or financial advisor for those limits.

Term Share Options: In addition to our special 6.0% for 6-month term for members referring new members we have several other options to help you save. Terms range from 5 months to 18 months with rates from 4.25% - 7.0% APR. Whether you are a new member or a long-standing member of PFCU, we have terms and rates that can meet your saving needs. Come speak with a representative today!!



74TH ANNUAL MEETING

The 74th Annual Meeting is scheduled for March 20, 2024 at the Diamond Bar office at 5:30 PM. The meeting will be limited to Credit Union business only. Space is limited...members are required to RSVP in advance.

Prospectors Holiday Schedule

Monday, Jan. 1 - New Year's Day
Monday, Jan. 15- Martin Luther King Day
Monday, Feb. 19 - President's Day



PROSPECTORS
FEDERAL CREDIT UNION

24/7 Member Service
www.prospectorsfcu.org
(909) 396-9688

Diamond Bar Location • FAX (909) 396-6226

1310 S. Valley Vista Dr, Diamond Bar, CA 91765
M/T/F: 9am - 5pm · W: 10am - 5pm · TH: 9am - 6pm

West Covina Location • FAX (626) 430-7397

1230 Lakes Dr, Suite 108, West Covina, CA 91790
M/T/Th/F: 9am - 5pm · W: 10:30am - 5pm



PROSPECTORS WINTER 2024

5 STAR ★ STANDARD

Delivering Value Enriching Lives... People Helping People Since 1949

MORE PROTECTION WITH MORE CONVENIENCE

MORE ON PG 2

*Auto Loans
Vacation pg. 2*

WIN PRIZES & EARN MONEY
pg. 3



Sandra Arenas

MORE PROTECTION WITH MORE CONVENIENCE



We have always had your protection in mind – Such as watching your debit card account for suspicious purchases. When a charge looked suspicious, our fraud team would reach out to you to confirm the purchase. We also would put a hold on your account until we received confirmation from you.

Now you can be notified in real time right on your phone. Our new system will send an automated alert via text/email for you to confirm or deny the purchase –right away! So, there will no longer be a freeze on your account. All you will need to do is mark “yes” or “no” when notified of the purchase.

Not only can we notify you of any suspicious activity more quickly, but also you can respond immediately without any delay or holds on your account. Watch for more information as we roll out this new service.

How will this work?

Our fraud detection program will send you a real time text and/or email asking you to approve or deny a transaction that seems suspicious and not within your typical purchasing patterns. The fraud detection program is not new. However, our instant notifications are! You will have the power to approve or deny transactions as they are happening, enhancing your ability to thwart fraud and theft from your account.

What do I need to do?

The fraud detection program is not new to Prospectors, but the method of communication will be. In order to take advantage of this updated form of communication, we ask that you maintain your contact information current. Call us or visit our branch and verify that we have your correct email for email notifications and correct cell phone number for text notifications.

What will alerts look like?

Alerts will contain the following information:

- The name of merchant trying to charge your account.
- The dollar amount of the transaction.
- The last four digits of the card being used.
- Text: You will be asked to reply Yes/No.
- Email: You will be asked to Authorize or Not Authorize listed transactions, if more than one transaction is trying to be charged to your account.

What alerts will never ask?

Our alerts will NEVER ask you for personal information. If you receive a text, email or phone call and you feel unsure about the interaction you can hang up and call us directly to verify the legitimacy of the communication in question.

Prospectors FCU values your membership, and we take the safety and security of your financial assets very seriously. We are always looking for new and up-to-date methods of protecting you. If you have any questions or concerns regarding this or any other program, product or service please call us at 909-396-9688 and we will be happy to assist you.

STAFF HIGHLIGHT: SANDRA ARENAS

Sandra started with Prospectors' FCU in April 2022, but has over five years of experience in the financial services industry.

Sandra is our EFT Specialist, she is charged with all duties pertaining to electronic operations including ACH and check processing, card transactions, automated payments, member accounts, online and mobile banking, and variations of other internal duties. Although the majority of her time is taken by electronic services duties, she is also backup support to our teller line and will help the frontline staff with phone calls as needed.

“My favorite thing about my current position is the variety of work. I love that every day presents me with different challenges,” Sandra explains. “I love educating members on our electronic service products. It always feels great when someone thanks me for teaching them how to navigate our online/mobile services.”

When not working at PFCU, Sandra spends time with her family and a “talkative” Siberian Husky. She loves reading, cooking, going on walks, and enjoys promoting sample skincare products on social media.

“I love learning new things... assisting wherever I am needed. I've grown professionally by stepping into new experiences.”

We love that Sandra is here at PFCU with us! She, along with all our staff members, works hard to bring you the service, products, and satisfaction you deserve! Thank you, Sandra, for helping PFCU maintain an elevated level of service!



HOLIDAY EXPENSES?

What credit cards did you use over the holidays? Often to collect miles, or points, or other perks, we use different credit cards. However, since the inflation climb, interest rates on department cards and major credit cards are very high. According to Wallet Hub, the average credit card rate is 22.84%. When those holiday bills start coming in, check the interest rate for each one. Then...

Consider transferring those balances to the PFCU Visa Credit card with a fixed rate as low as 8.99% APR. You can transfer up to your credit limit. Here's an example of how much you can save. If you borrowed \$2500 on a card with a 22% interest rate, and you consistently paid \$200/month – not only would it take you 1 year, 3 months to pay off the balance but you also have to pay **interest totaling \$365.**

The same \$2500 transferred to a PFCU Visa with the same \$200/

month payment would take 1 year, 2 months, but your total interest would be **only \$134.74. That is a savings of \$231.**

If you don't already have a PFCU Visa, today is the perfect time to open an account and transfer balances from those higher rate cards!

Member Testimonial: During the busy holiday season and during all the sales of the season a member received an offer in the mail that she thought was the answer to her holiday shopping blues. The offer was a personal loan with a 35% interest rate! Yes, 35%! Prior to depositing the check from that lender, she called the credit union to inquire about using this check as a deposit. Our VP of Operations was able to intervene and assist the member by informing her that she was preapproved with Prospectors FCU for a Read-i-Ca\$h line of credit with a 10.9% fixed rate. She advised her to destroy the check and to take advantage of our offer instead. The credit union saved the member over \$1,600 in interest.

If you think that you are paying too much on personal loans or credit cards, call us at 909-396-9688! We might be able to help you consolidate your high-rate loans and credit cards into a low rate loan.



Auto Loan Vacation & Better Protection!

If you finance or refinance your auto loan with us through January, we'll give your **auto loan a 60-day vacation!** Meaning you won't have to make a payment for the first 60 days. This auto loan vacation can give you some breathing room as you budget payments from the holidays or other year-end expenses.

Also, have you considered **Guaranteed Auto Protection (GAP)?** If your car is stolen or declared a total loss following an accident, your insurance will cover only the vehicle's value at the time of the accident. Guaranteed Auto Protection (GAP) helps to close that gap – which could be thousands of dollars. It pays all or a portion of the remaining balance due on your loan beyond what your auto insurance pays. This coverage lasts throughout the entire term of your loan and is just a small fee added to your monthly payment. If you purchased GAP through a dealership, bring us your contract and we'll evaluate how to save you money by switching to a program with us.

Credit Insurance may make your loan payments when you can't. There's no way to predict an injury, illness, or other unexpected life events. You can take steps to protect your family if the unforeseen happens.

Credit Disability and Credit Life insurance may help reduce or pay off your covered loan or make your monthly loan payment, up to policy maximum, in a covered life event, injury, illness, or death. Insure your loan payments today so you can worry a little less about tomorrow.

Mechanical Breakdown Protection – With rising new and used car prices it may be in your best interest to call us and get a quote on mechanical protection for your car. At Prospectors FCU we offer a best-in-class mechanical breakdown insurance coverage that keeps your car protected from unexpected repair costs if a breakdown occurs. Did you know that our coverage will cover both new and used vehicles? Having our protection can increase the resale value of your car since this coverage is transferable to a new owner.

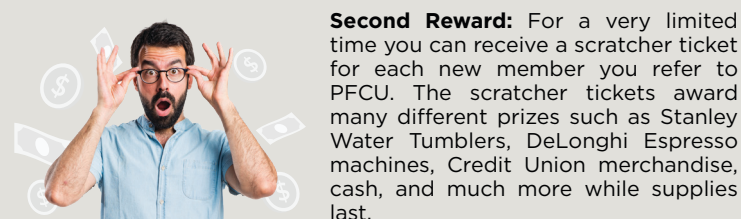
But don't take our word for it! A member purchased mechanical breakdown protection from Prospectors FCU when she financed her Lexus 6 years ago with us. Her cost for the protection was rolled into her loan, so she did not have to pay for this extended protection out of pocket. Fast forward 6 years... her Lexus had a very minor leak, so she took it to the auto shop. She was informed that her car would need a replacement part but that it was not critical so she could hold off on making the repair. Instead of just taking the recommendation she thought to ask if the cost of the replacement was covered under her Credit Union warranty, and sure enough it was! Without the warranty the member would have paid \$2,500 for that repair, but instead she paid \$0. Peace of mind that your car is protected in the event of unexpected repairs...Priceless!

APR=Annual Percentage Rate. APY=Annual Percentage Yield. Auto Loan: Offer expires on 01/31/24. The offer will be honored if the member meets income, asset, no bankruptcy qualifications, collateral is worth the amount of the loan. Income and employment verification is required, not everyone will qualify. Other restrictions may apply. Rates are subject to change at any time. This offer cannot be combined with any other offers. Your payment will be calculated based on your loan amount, rate and term. Interest will continue to accrue during the 60 day no payment period. Interest will be due at the time that payments commence. Mechanical Breakdown Protection is provided by Universal Underwriters Insurance Company. Life Plus Disability and Unemployment Insurance and Guaranteed Asset Protection are provided by Trustage. Refer a friend Promo: Maximum deposit of \$5,000. To qualify for promotion the deposit must be new funds (meaning funds from an external account or funds not on deposit with PFCU for over 30 days). Existing funds can qualify if depositing matching funds of at least 50% from an external source. Deposits made within 30 days of this promotion is considered new money for purposes of opening a term share under this promotion. In addition, the new member who opened their account must mention the referring member by first and last name. The referring member must contact the credit union to activate their offer. Early withdrawal penalties may apply. Offer may end without notice. At maturity the 6-month term share it will automatically roll into a 6-month term. Limit of one term share of this type per member. Members can receive a scratcher ticket when a referral opens a new membership. IRA/Term Share: Always consult your tax preparer or financial advisor for those limits. For full details on all our Term Share Options please visit our website at <https://prospectorsfcu.org/term-share-promotions/>. Offers are subject to end and change at any time.

Share the Benefits of Credit Union Membership *Win Prizes & Earn Money*

That's right! We are offering two rewards to current members who refer either a new family member or friend to join PFCU.

First Reward: A 6-month term share account at 6.0% APY. This great offer requires a minimum of \$1000 up to a maximum of \$5000*. Don't miss this incredible rate and share the benefits of Membership at Prospectors FCU.



Second Reward: For a very limited time you can receive a scratcher ticket for each new member you refer to PFCU. The scratcher tickets award many different prizes such as Stanley Water Tumblers, DeLonghi Espresso machines, Credit Union merchandise, cash, and much more while supplies last.

Now is the best time to help your friends and family realize the benefits of credit union membership, get a great rate on a term share and win!

NEWLY APPOINTED CHAIRMAN OF THE BOARD, JOHN FORREST



Prospectors FCU Board of Directors has appointed John Forrest as the new Chairman of the Board, following the retirement of Douglas Blankenship.

Mr. Forrest has been a member since 1971 and began his volunteer service with Prospectors FCU six years ago. Mr. Forrest is a United States Navy Veteran. He became a Credit Union Member while employed by the General Telephone Company. During his tenure at GTE/Verizon Telecommunications, Mr. Forrest held the position of Area Operations Manager, where he was responsible for completing major projects within established timelines. In his management position, he managed and directed over one hundred Management, Staff, and Contractors. During his time at GTE/Verizon, he pursued and earned his Bachelor's Degree in Business and his Master's in Business Management from the University of Redlands.

John has been an avid supporter of Prospectors FCU for over 52 years. As the Chairman of the Board, he appreciates the many benefits offered to members and their families. He often advocates for youth accounts to ensure they learn how to build credit and become financially knowledgeable.