

2ND QUARTER - PRESIDENT'S REPORT



In 2023, we yielded another prosperous year. We experienced steady growth in lending, but most importantly, we reached a significant milestone: \$100 million in assets.

While asset growth is a crucial measure of our financial institution's strength, it's not the sole indicator. We proudly report that we continue outperforming our peers with record-low delinquency and loan loss ratios. Moreover, Prospectors Federal Credit Union has again received the esteemed 5-star rating from Bauer Financial. This independent rating agency, Bauer Financial, has honored Prospectors FCU with this accolade for 30 consecutive years, positioning us among the top 4% of federally insured financial institutions. Such consistent recognition underscores the robustness of our capital position and the security of our Credit Union's financials.

Our journey back from the pandemic still resonates with the repercussions we are living through four years later. In February 2021, the inflation rate was 1.7% and escalated, peaking at 9% in June 2022. Today, the inflation rate is at 3.2%, and although it has trended downward, we are still experiencing the inflated costs of food, gasoline, childcare, and housing, along with the higher mortgage and consumer lending rates.

Banks and credit unions face the challenge of retaining and attracting deposits amidst this economy's 11 Federal Reserve rate hikes that occurred from March 2020 to July 2023. As interest rates rise, the cost of funds—representing the dividends earned on deposits—increases faster than the income derived from loans and investments. Prospectors FCU is carefully navigating this landscape, aiming to maintain competitive lending rates while also seeking to enhance income yields. Despite this challenge, Prospectors FCU has sustained competitive loan rates through gradual adjustments over the year. Overall, credit unions continue to show superior pricing performance compared to conventional banks.

In these uncertain economic times, we assure you that your credit union is viable and ready to face the challenges head-on. We're here to partner with you on your financial journey. Now is the time for you, our valued members, to take action and overcome any financial hardships you may be facing. Take a moment to assess your situation, plan your next steps, and seek professional help. Remember, we're just a call away, ready to assist you!

When you think of your credit union, always remember that Prospectors FCU is big enough to serve you and small enough to know you!

Thank you for your membership, continued loyalty, and support.

- Debra Barrera, President/CEO

April is National Credit Union Youth Month



In today's world, where financial independence and responsibility are paramount, equipping teens with the necessary tools to navigate the intricacies of personal finance is essential. Youth accounts and comprehensive financial literacy education are powerful ways to foster these

skills. As we mark National Credit Union Youth Month, we underscore the importance of these initiatives, emphasizing the benefits they bring to families in securing their teens' financial futures.

Prospectors FCU invites its members to open youth accounts for their children and teenagers. By choosing Prospectors FCU, your loved ones gain access to a reliable financial partner dedicated to fostering the financial growth of teens.

One key feature of youth accounts is the sense of security they provide through parental oversight. Parents have access to monitor their teen's account activity, providing an opportunity for guidance and teaching moments. By involving parents in the financial journey of their teens, youth bank accounts promote healthy financial habits from an early age, giving families peace of mind.

Prospectors FCU offers a variety of youth financial products and services, including debit cards, ATM cards, and online banking. We equip teens with the tools and resources to embark on their financial journey, from no-fee checking accounts to savings accounts with competitive interest rates. Take the first step today by visiting our branch and opening a youth account for your child!

Prospectors Holiday Schedule

Monday, May 27 - Memorial Day
Wednesday, June 19 - Juneteenth



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 SPRING 2024

5 STAR ★ STANDARD

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

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Eva Rueda

Simplify Your Car Buying Journey in 2024:

GET **PREAPPROVED** WITH OUR CREDIT UNION TODAY!

Are you in the market for a new car? If you are, keep reading... According to recent reports, 2024 is shaping up to be a fantastic year to purchase a new car or truck. A combination of factors, including increased production rates, improved supply chains, and a shift in the market, is expected to lead to a substantial increase in vehicle inventory. This surge in inventory, as reported by ABC News, could result in a buyer's market, where competition among dealerships may drive down prices and improve the negotiating power of consumers.

Before diving into the world of car shopping, you must arm yourself with one powerful tool: preapproval from Prospectors FCU. With a preapproved loan – you're in the know! You'll know your interest rate and how much you're already qualified to borrow.

Advantages of a preapproval:

- Budget Clarity:** Knowing your loan amount upfront helps you understand your budget better, allowing you to focus on cars within your price range and avoid the temptation of overspending.
- Negotiation Leverage:** With a preapproval, you walk into the dealership as a cash buyer, giving you more negotiating power. The dealer knows you're serious and have the financial backing to complete the purchase.
- Lower Interest Rates:** Prospectors FCU often offers lower interest rates than dealership financing, plus we match our competitor's rates. A lower rate can result in significant savings over the life of your loan.
- Streamlined Process:** Preapproval can speed up the buying process. Once you've chosen your car, you can bypass the dealership's financing department and move straight to finalizing the sale.



- Skip-A-Payment Benefit*:** Prospectors FCU allows you to skip a car payment when you need to find that extra wiggle room in your budget. You could skip making your car payment during the holiday season for a small fee. In fact, from now until the end of April, you could also gain three additional payment skip opportunities that you can use at any time during the term of your car loan.

You can skip your payment without impacting your credit.

Remember, buying a car is a significant decision, and taking your time and exploring all your options is essential. By getting preapproved and understanding the benefits of increasing car inventory, you can confidently navigate the 2024 car market and secure the best possible deal.

Call us at 909-396-9688 and speak to a loan officer today. Happy car shopping!

Unlock the Potential of Your Home:

Tap into Your Equity for Smart Improvements and Income Generation

As a homeowner, you've likely spent considerable time and resources making your house a home. But did you know that your home can also be a powerful financial tool? One way to tap into this potential is through a Home Equity Line of Credit (HELOC). This financial instrument can open up many possibilities, from home improvements to generating additional income.

Home Improvements without Breaking the Bank

A HELOC allows you to borrow against the equity in your home, providing a revolving line of credit that you can use for various purposes. One of the most popular uses: home improvements!

Whether considering a kitchen remodel, a bathroom upgrade, or even a significant addition, a HELOC can provide the funds you need at competitive interest rates. Plus, your interest may be tax-deductible** if the funds are used for home improvements, making it a cost-effective way to enhance your home's value and livability.

Building an Accessory Dwelling Unit (ADU)

One particularly innovative use of a HELOC is funding the construction of an Accessory Dwelling Unit (ADU) on your property. An ADU, often called a "granny flat" or "in-law suite," is a separate living space that generates income in the form of rent. An ADU could be a standalone structure or a converted garage.

By using a HELOC to build an ADU, you're improving your property and creating a new income stream. The rent you collect can help offset your mortgage payments, contribute to your savings, or even fund your next vacation. Plus, an ADU can increase the overall value of your property, providing a double benefit.

Preserving Your Low Mortgage Rate

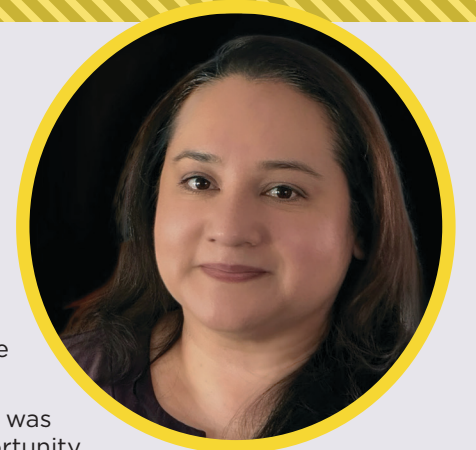
One of the significant advantages of a HELOC is that it allows you to tap into your home's equity without disturbing your existing mortgage. You won't have to refinance to access your equity if you've secured a low-interest rate on your first mortgage. A HELOC means you can continue to enjoy your low rate on your first mortgage while benefiting from your equity's flexibility and financial power. Whether you're looking to make home improvements, generate additional income, or access the equity in your home, a HELOC could be the solution you're seeking.

Call us at 909-396-9688 and speak to a loan officer today.

*APR=Annual Percentage Rate. APY=Annual Percentage Yield. All rates presented are our lowest rates. Not all members will qualify. Your rate and loan amount will be determined by your credit worthiness, income, and value of the collateral. Rates are subject to change at any time. Income and employment verification required at funding, not everyone will qualify for a loan. Not everyone will qualify for the best rates. Other restrictions may apply. Payment Skips: To qualify for our Skip a Payment feature, your account must remain in good standing and your loan must have a payment history of at least six months and original loan term cannot exceed 72 months. An accompanying \$40.00 fee is assessed in the instance where the Skip a Payment feature is used. Skip-A-Pay cannot be used consecutively (back-to-back months) with any other loan payment skipped offered on this auto loan. This feature is available on loans financed through Prospectors Federal Credit Union. Interest will continue to accrue during the skip period. Youth Accounts: Debit cards are issued to teens at least 14 years old and with a qualifying parent/guardian to open the account. The fee is only \$1 and requires an opening amount of \$50.

** Tax-deductible disclosure - HELOC interest may be tax deductible when used exclusively for home improvement purposes. Always consult with a tax advisor on any tax deductibility options and exclusions.

STAFF HIGHLIGHT: EVA RUEDA



Since I graduated from UC Riverside in 2000, I have dedicated my career to the Credit Union industry. My journey began with a valuable internship at Riverside County's Credit Union, now Altura CU, where I was a Manager Trainee. This experience introduced me to the world of Credit Unions and instilled a deep appreciation for their local community contributions. Upon completing the program, I was thrilled to join Altura's Marketing Department, where I was tasked to analyze data and devise metrics to measure the impact of our promotions and outreach. My time at Altura was a stepping stone to my genuine passion for Credit Unions.

I found my calling at San Bernardino School Employees FCU, a small credit union, where I was hired as their Marketing Manager. The beauty of working for a small credit union is the opportunity to wear multiple hats and contribute to various aspects of the organization. Soon after joining the team, I used the skills and knowledge I had learned at Altura to help the team execute projects, streamline processes, and promote our products and services. While at SBSEFCU, I had the opportunity to return to school and earn my MBA from UC Irvine.

Prospectors FCU initially sought my assistance to aid in the implementation of special projects when extra support was required. Today, I'm involved in various roles: Marketing, IT, and Special Projects. What I find most rewarding about working for Prospectors FCU is the team spirit. The Credit Union team is always ready to support each other and fearlessly takes on new challenges.

While my professional life is fulfilling, my personal life brings me equal joy. I am a proud mother of two wonderful teenagers, and my leisure time is dedicated to quality moments with my family. These moments are precious to me, whether it's watching movies with my husband and kids, engaging in board games, or simply going for a walk.

I am grateful for the opportunity to work alongside the dedicated team at Prospectors FCU.

Stay Safe Online: Best Practices for Securing Your Identity and Slamming the Scam this March 7

In today's digital age, protecting your personal information online is more important than ever. With the rise of cybercrime and identity theft, it's crucial to stay vigilant and informed about fraudsters' latest scams and tactics. In light of this, the Social Security Administration has designated March 7 as "Slam the Scam Day" to raise awareness about scams and provide resources to help you recognize and avoid them.

Here are some best practices for keeping your identity secure online and avoiding scams:

- Be cautious of unsolicited emails, calls, and texts: Scammers often use these methods to try and obtain your personal information. Be wary of any communication that asks for your personal details, especially if it seems urgent or threatening.
- Use strong, unique passwords: Make sure to use a different password for each of your online accounts, and use a combination of letters, numbers, and special characters to make them harder to crack.

- Keep your software up to date: Regularly updating your software, including your operating system, web browser, and antivirus software, can help protect you against the latest security threats.
- Be careful what you share online: Be mindful of the information you share on social media and other online platforms. Scammers can use this information to impersonate you or guess your passwords.
- Verify before you trust: If you need clarification on the legitimacy of an email, call, or text, you should verify it with the supposed sender or organization. Look up the direct number.

Remember, legitimate organizations will never ask for your password or sensitive information via email or text. If you suspect a scam, do not respond. Even if you think it might be real, look up the company/organization number and call them directly. Never give any information to someone who has initiated the conversation. Hang up and call directly.

Staying vigilant and informed is the best defense against online scams. Following these best practices can significantly reduce the risk of falling victim to identity theft.

Stay safe online!



Simplify Your Debt with Our Low Fixed Rate Credit Card with Rates as low as 8.99% apr*

Do you have to budget to pay multiple credit card bills? And how many of those credit cards have high interest rates? We can help.

Transferring your balances to our fixed-rate credit card simplifies your debt by consolidating your payments into one manageable monthly payment. Transferring your balances can help you stay organized, can reduce how much you pay in interest each month, and reduce the stress of juggling multiple credit card payments.

Our fixed rate option offers an attractive interest rate as low as 8.99% Annual Percentage Rate (APR). A low fixed rate means you could save a significant amount on interest payments, making it easier and faster to pay down your debt.

If you're interested in taking advantage of this offer or have any questions, please don't hesitate to call us at 909-396-9688. We're here to help you navigate your financial journey and maximize your credit union membership.