

BOPTI Bulletin

April 2020

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Deposits Are Safe in Federally Insured Credit Unions

ALEXANDRIA, Va. (March 19, 2020) – The National Credit Union Administration is reminding credit union members of the safety of their deposits in federally insured credit unions. The NCUA also reminds individuals to remain vigilant against COVID-19-related scams.

Federally insured credit unions offer a safe place for credit union members to save money. All deposits at federally insured credit unions are protected by the National Credit Union Share Insurance Fund, with deposits insured up to at least \$250,000 per individual depositor. Credit union members have never lost a penny of insured savings at a federally insured credit union. Additional information on NCUA share insurance coverage for consumers is available at [MyCreditUnion.gov](https://www.ncua.gov/MyCreditUnion.gov).

Credit union members can calculate the amount of insured funds at a federally insured credit union using NCUA's Share Insurance Estimator. The Estimator can be used for personal, business, or government accounts. Personal accounts include individual ownership, joint ownership, payable-on-death (accounts with named beneficiaries), living trusts, and IRAs. The Estimator also includes an extensive Glossary of Terms and Frequently Asked Questions.

For questions about the NCUA's share insurance coverage, call 1.800.755.1030, option 1, Monday through Friday, 8 a.m. to 5 p.m. Eastern, or send an email to DCAMail@ncua.gov.

The NCUA is also reminding individuals to remain vigilant against scams related to the coronavirus. Cyber actors may send emails with malicious attachments or links to fraudulent websites to trick victims into revealing sensitive information or donating to fraudulent charities or causes. Exercise caution in handling any email with a COVID-19-related subject line, attachment, or hyperlink, and be wary of social media pleas, texts, or calls related to COVID-19. Visit NCUA's Fraud Prevention Center for more information about frauds and scams, including how to report a scam.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the United States, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions. At [MyCreditUnion.gov](https://www.ncua.gov/MyCreditUnion.gov), NCUA also educates the public on consumer protection and financial literacy issues.



Credit Union Holidays

May 25, 2020	Memorial Day	Closed
July 4, 2020	Independence Day	Closed

Supervisory Committee Corner

The Supervisory Committee would like to report the annual BOPTI FCU meeting was held on February 8, 2020 at the Old Ranch Country Club in Seal Beach, CA. During the business meeting, reports on the credit union for 2019 were shared, along with the 2019 financial statements. The meeting concluded with the announcement of the Board of Directors election results. The committee would like to congratulate Tom Morris and Sandra White on their reelection to the Board of Directors. Both will serve a 3-year term on our Board.

Thank you to everyone who attended the meeting.

The Supervisory Committee is here for BOPTI FCU members. To address any concerns or suggestions, please contact us at:

BOPTI FCU Supervisory Committee
P O Box 17421
Long Beach, CA 90807

Board of Directors

Frank Calderon
Jeremy Jones
David Moore
Tom Morris
Sandra White

Supervisory Committee

Jenny Castro
Ken Russell
Courtney Williams

DIVIDENDS

Due to the sudden and massive cuts of 1.5% in interest rates by the Federal Reserve, BOPTI Federal Credit Union is forced to cut dividend rates paid to members on deposits effective April 1, 2020. See Projected Rates chart below for 2nd quarter 2020 dividend rates.

March 3, 2020 - Fed Cuts Rates

The Federal Reserve lowered the target range for its federal funds rate by 50bps to 1-1.25 percent during an emergency move on March 3rd, saying the coronavirus poses evolving risks to economic activity. The Fed reiterated it is closely monitoring developments and their implications for the economic outlook and will use its tools and act as appropriate to support the economy. It is the first emergency rate cut since the 2008 financial crisis.

March 15, 2020 - Fed Slashes Rate to 0%

The Federal Reserve lowered the target range for its federal funds rate by 100bps to 0-0.25 percent and launched a massive \$700 billion quantitative easing program during an emergency move on March 15th to protect the US economy from the effects of the coronavirus.

US Treasury Rates as of 3-20-2020:

2 Year Treasury @ 0.37%
3 Year Treasury @ 0.46%
5 Year Treasury @ 0.57%
7 Year Treasury @ 0.86%
10 Year Treasury @ 0.98%

And It Continues...

The mayhem from the COVID-19 virus has escalated as the severity of the outbreak sunk in for most people. Schools at all levels closed indefinitely, college graduations scheduled for May were cancelled, people were told to work from home until further notice, small and large metropolitan cities all but closed down entirely, all while the virus continued to spread and empty hospital beds were hard to find. The government continues to work feverishly on an aid package that will help families and workers as well as big and small companies.

The list of industries seeking help from the government grows each day, ranging from airlines to restaurants. The Federal Reserve stepped in to help mitigate dysfunction in the credit markets brought on by a lack of liquidity. At last count, the Fed bought over \$300 billion of Treasury and mortgage-backed securities at the time of this writing, almost double the amount during the financial crisis. Unfortunately, it feels like we are still at the beginning of this crisis, with more Fed and government intervention necessary.

We assure you that BOPTI Federal Credit Union will remain open and continue to serve your financial needs. Members will be kept up-to-date on changes brought on by Covid-19, as well as any happenings at the credit union either via email or through our website. These are trying times, but do not lose hope. We will get through this together.

Rates Paid for 1st Quarter 2020					Projected Rates for 2nd Quarter 2020				
<u>Account Balance</u>	<u>IRA Rate</u>	<u>IRA APY</u>	<u>Share Rate</u>	<u>Share APY</u>	<u>Account Balance</u>	<u>IRA Rate</u>	<u>IRA APY</u>	<u>Share Rate</u>	<u>Share APY</u>
\$25.00-\$9,999.99	1.25%	1.26%	0.75%	0.75%	\$25.00-\$9,999.99	0.75%	0.75%	0.25%	0.25%
\$10,000-24,999.99	1.50%	1.51%	0.875%	0.88%	\$10,000-24,999.99	1.00%	1.00%	0.375%	0.375%
\$25,000-\$49,999.99	1.75%	1.76%	1.00%	1.00%	\$25,000-\$49,999.99	1.25%	1.26%	0.50%	0.50%
\$50,000-\$99,999.99	2.00%	2.02%	1.25%	1.26%	\$50,000-\$99,999.99	1.50%	1.51%	0.75%	0.75%
\$100,000 and above	2.25%	2.27%	1.50%	1.51%	\$100,000 and above	1.75%	1.76%	1.00%	1.00%
Club Accounts	n/a	n/a	0.75%	0.75%	Club Accounts	n/a	n/a	0.25%	0.25%
Share Draft Accounts	n/a	n/a	0.75%	0.75%	Share Draft Accounts	n/a	n/a	0.25%	0.25%