Dear Members,

Happy New Year! This is the time of year many of us will make resolutions to improve our health and happiness. You may resolve to set and stick to a budget. According to Business Insider, 80% of us who resolve to budget will break that pledge by February. But there is good news: a simple formula that can help you make a budget and keep it year-round. It’s called the 50-20-30 rule. A Forbes Magazine article published in 2016 explained the rule as follows:

- 50% of your income should go to living expenses and essentials. This includes your rent, utilities, and things like groceries and transportation for work
- 20% of your income should go to financial goals, meaning your savings, investments, and debt reduction payments (if you have debt, such as credit card payments)
- 30% of your income should be used for flexible spending. This is everything you buy that you want but don’t necessarily need (like money spent on movies and travel)

Keep in mind the percentages for essentials and flexible spending are the maximum you should spend. Falling under those guidelines can leave more money for other financial goals. – Forbes July 11, 2016

SCE FCU’s products and services are here to make it easier for you to fulfill your goals. Our no fee checking account eliminates banking costs from your budget and it’s easy to meet the requirements for incurring no fees. For short-term goals, opening a Vacation Club or Holiday Club account will help to ensure you’re ready for next summer’s getaway or the 2019 holiday season. When savings is taken care of automatically, you’ll be less likely to think about it, be tempted to skip putting the money aside, or spend what you planned to save.

To improve your return on savings, consider putting some funds into an SCE FCU Certificate or Money Market account. Those products pay higher dividends than basic savings accounts and as the Federal Reserve Bank has been increasing short-term rates, Certificate and Money Market account rates have also been rising.

If you want to accelerate your savings, focus on that 30% used for flexible spending. These things can be important, they can be fun, and can even be thought of by some as necessary. Still, this is the category where we can usually find savings if we look hard enough. How many subscriptions or apps are you paying for? Do you still have a land line telephone service plan? Can you eat out a little less – perhaps pack a lunch for work? Every dollar you cut from this category can go to savings, including paying a little extra on your debt – that’s savings, too!

One last important piece of advice: make sure your budget allows you to have some fun and treat yourself during the year. Budgets are more successful if they leave enough available to do the things that bring you joy. Be practical, not miserable. As a member of SCE FCU, you have access to excellent savings and investment products. Always know we have your best interests in mind.

Here’s to a healthy and prosperous year for each of our members, our team, and our communities.

Sincerely,

Dan Rader
President / CEO
What are the best vehicles out there for 2019? There are a lot to choose from, but as is always the case, it depends on what you need, what you want, and of course, what you can spend. Safety is always a good place to start. According to the National Highway Traffic Safety Administration, the Subaru Impreza, Acura TLX, and Kia Optima are the top rated 2019 sedans when it comes to safety. The Nissan Pathfinder, Ford Escape and Honda Pilot top the SUV list.

For overall quality we compared lists compiled by Edmunds, Road & Track and Motor Trend. Among the highest rated mid-size sedans for 2019 is the Honda Accord. The Honda Odyssey is considered the best minivan. For electric plug-in hybrids, the Chevy Volt gets good reviews. The top two trucks are the Ford F-150 series (also the most popular vehicle) and the Dodge Ram 1500. The Porsche 911 gets the nod as 2019’s top luxury sport coupe.

What caught our eye and surprised us was the Cullinan, introduced this year. It’s the most expensive ($325,000 base price, $400,000+ with options) and most lavishly appointed off-road-capable vehicle ever built. It’s a four-wheel drive Rolls Royce. We kid you not.

Whatever you choose, SCE FCU can help put you in the driver’s seat. We have three auto buying services: Groove Car, Enterprise Car Sales and CU at the Wheel. Each has its own special benefits and all are available, at no cost to you, just for being a member. And when you’re ready to get the loan for your car, we’re here for you – offering new and pre-owned vehicle loans, at very competitive rates. We also provide low-rate refinancing of your auto loans at other institutions, which very often results in lower payments for you. Get preapproved today!

scefcu.org/loans/auto-buying-services

Make April 15th Less Taxing

Remember you have through April 15th of this year to make a contribution for 2018 and defer taxes. The IRA contribution limit for the 2018 tax year is $5,500 (or $6,500 for those age 50 and over), or your total earned income, whichever is less.

Check with your tax consultant to find out what’s best for you.

Bidding a Fond Farewell to The Source

This issue will be the last newsletter we’ll send out. In the age of effective digital communications, we’ll be utilizing our website, email blasts, statement messages, social media posts, online banking notices, etc. to get information to you. So if you’ve opted out of our emails in the past, you may want to have us opt you back in. And remember to follow us on Facebook, Twitter, Instagram, and/ or Linkedin. Be sure you’re in the know!
DOWN PAYMENT ASSISTANCE PROGRAMS NOW AVAILABLE!

Those who fund a mortgage loan with us through one of the programs listed above will receive a $350 limited time offer as a credit to the final closing costs. Applications must be originated between 1.1.19 and 6.30.19 and funded by 7.31.19. All loans are subject to credit approval. Limit one $350 closing cost credit per transaction. Offer is valid for any length loan term offered by SCE FCU; programs and offers subject to change without notice. Ask for full details on the down payment assistance programs. SCE FCU NMLS# 456631, CMF NMLS# 266418. Community Mortgage Funding (CMF) is our credit union owned mortgage company. CMF is licensed by the following states: Department of Business Oversight, California Finance License #6039200; Nevada Exempt Company Registration #4721. Equal Housing Lender.

Plus, an extra special offer...

We're providing down payment and closing cost assistance for California and Nevada homebuyers through several new programs to help you get into a new home with little or no down payment.

And for a limited time, earn a $350 closing cost rebate when you close your loan with us through one of these programs!

Want to save even more? Ask us about our real estate service “CMF Home Rewards”.

- CalHFA FHA & CalHFA Conventional
- CalPLUS with ZIP
- MyHome Assistance Program
- School Teacher & Employee Assistance Program (STEAP)
- Home at Last
Follow Us This Year!

Make it a New Year’s resolution to follow us on social media!

When you follow SCE FCU on social media, you’ll have access to immediate updates not available anywhere else. We also provide details on the products, services, and promotions we offer.

Plus, you can get a firsthand look at the team behind SCE FCU. See how they work directly with high schools to bring financial literacy to students. Learn how they volunteer with local organizations to strengthen the communities we serve. We love recognizing members of the team and the wonderful work they do.

Recently, members of our Southern California team joined the Tour de Cure L.A. to raise awareness of diabetes. Members of our Southern Nevada team frequently volunteer with Three Square, an organization determined to end hunger in Las Vegas. We’re honored to sponsor these events and privileged to have team members dedicated to these causes.

Learn more about the team that’s here to help you with your all your financial needs. Give us a like or follow us on Facebook, Instagram, Twitter and LinkedIn!

facebook.com/scefcu
instagram.com/scefcu
twitter.com/scefcu
linkedin.com/company/sce-federal-credit-union
Please Join Us...

Annual Meeting & Nomination of Officials • Wednesday, April 24, 2019
Registration 5:30pm, Annual Meeting 6:00pm
DoubleTree by Hilton, 924 W. Huntington Drive, Monrovia, CA 91016

The annual meeting will feature a report from the CEO, the Board Chair and the Supervisory Committee. We will also conduct an election for two (2) Board positions, each with a term of three (3) years. Members who wish to be nominated to serve on the Board of Directors may do so by submitting a petition signed by at least one percent (1%) of the total Credit Union membership (approx. 578) to the Chair of the Nominating Committee, Ms. Sue Mitchell (c/o Kathleen Cardenas, SCE FCU). This petition must be received by 5:00pm on Friday, February 1, 2019. Nomination questions may be directed to 800.866.6474 x2254. The names of all nominees will be posted at the SCE FCU Corporate Office on Wednesday, March 20, 2019. The election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. Election results will be announced at the Annual Meeting on April 24, 2019.

Kenji has demonstrated experience serving and leading nonprofit organizations and currently serves on the Board of Directors for the nonprofit founded by SCE Federal Credit Union, the Center for Financial Empowerment. Other nonprofit experience includes the California Governor’s Office of Emergency Services Earthquake Safety Program Steering Committee, Businesses for Social Responsibility Board, the Asian American Professional Association Board.

M. Kenji Coleman (for a term of three years)
Kenji has been a Credit Union member since 1998 and a volunteer at SCE FCU since 2000. Kenji served as a Supervisory Committee member for 2 years and on the Board of Directors for 16 years. He currently serves as Vice Chairman of the Board. Past executive Board positions include Treasurer/Financial Officer, and Secretary. In addition, he has served on the following Board Committees: Budget, Governance, Board Development, Nomination, Investment, Legislation, and CEO Compensation & Succession.

Kenji brings to the Board his 28 years of experience at Southern California Edison in the areas of strategic planning, corporate governance, finance, internal controls and disaster recovery. He currently works in SCE’s Transmission Department as Senior Manager of Project Development and Management.

Kenji earned his Bachelor of Science degree at the University of Redlands (U of R), and Master of Business Administration at Cal Poly Pomona. At U of R he graduated Magna Cum Laude and received the Wall Street Journal Business Award. At Cal Poly Kenji graduated in the top 4% of his class. He also earned certificates in Project Management and Emergency Planning and Preparedness.

Warren E. Lehmann (for a term of three years)
Warren has been a Credit Union member since 1972. He was serving as Chairman of the SONEPCO Federal Credit Union Board of Directors at the time of the merger with SCE FCU in 2012 and then appointed to the SCE FCU Board of Directors. During his eighteen years as a Board Director he has served as Treasurer, a member of the Finance Committee, the Employee Benefits Committee, Investment Committee, CEO Compensation & Succession Committee, Nominating Committee, Chair of the Supervisory Committee, and is the current Financial Officer of the SCE FCU Board.

Warren had a 35-year career with NV Energy (Nevada Power Company) prior to his retirement in 2005. While at NV Energy, he was Supervisor of the General Accounting Department and Financial Analyst in the Treasury Department. For 21 years Warren was a member of the Institute of Management Accountants and served on the local chapter’s Board for seven years and as Treasurer for one year.

Warren earned his Bachelor of Science degree in Business Administration from Midland Lutheran College in Fremont, Nebraska. He has completed additional course work in several areas: 1) Board Financial Literacy Training Parts 1 and 2 - California Credit Union League; 2) Performance Systems in Strategic Planning, Understanding Statement of Condition, Fiduciary Responsibility, and Credit Unions: the Banking Alternative – BVS Performance Systems.

Warren completed the Credit Union National Association (CUNA) Volunteer Certification Program requirements in 2012 and holds the Certified Credit Union Volunteer (CCUV) designation.
Some of us share a common experience. You’re driving along when a police cruiser pulls up behind you with its lights flashing. You pull over, the officer gets out, and your heart drops. “Are you aware the registration on your car has expired?” You’ve experienced one of the costs of procrastination. Procrastination can cause missed deadlines, missed opportunities, and just plain missing out.

Procrastination is avoiding a task that needs to be done – postponing until tomorrow what could be done today. Procrastinators can sabotage themselves. They often put obstacles in their own path. They may choose paths that hurt their performance.

Though Mark Twain famously quipped, “Never put off until tomorrow what you can do the day after tomorrow.” We know that procrastination can be detrimental, both in our personal and professional lives. Problems with procrastination in the business world have led to a sizable industry in books, articles, workshops, videos, and other products created to deal with the issue. There are a number of theories about why people procrastinate, but whatever the psychology behind it, procrastination potentially may cost money – particularly when investments and financial decisions are put off.

As the illustration below shows, putting off investing may put off potential returns.

If you’ve been meaning to get around to addressing some part of your financial future, maybe it’s time to develop a strategy. Don’t let procrastination keep you from pursuing your financial goals.

**Early Bird**

Let’s look at the case of Cindy and Charlie, who each invest $100,000.

Charlie immediately begins depositing $10,000 a year in an account that earns a 6% rate of return. Then, after 10 years, he stops making deposits.

Cindy waits 10 years before getting started. She then starts to invest $10,000 a year for 10 years into an account that also earns a 6% rate of return.

Cindy and Charlie have both invested the same $100,000. However, Charlie’s balance is higher at the end of 20 years because his account has more time for the investment returns to compound.

Our wealth management advisors are available to help SCE FCU members. Call 800.866.6474 or visit scefcu.org/savings/investment-services for more information or to schedule a complimentary consultation.

This is a hypothetical example of mathematical compounding. It’s used for comparison purposes only and is not intended to represent the past or future performance of any investment. Taxes and investment costs were not considered in this example. The results are not a guarantee of performance or specific investment advice. The rate of return on investments will vary over time, particularly for longer-term investments. Investments that offer the potential for high returns also carry a high degree of risk. Actual returns will fluctuate. The types of securities and strategies illustrated may not be suitable for everyone.

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2018 FMG Suite.
Attention Parents & Grandparents of Southern California Teenagers!

The Center for Financial Empowerment is hosting a special Mad City Money event for teens from the Southern California community.

That's right… You asked, and we've answered! This is a chance for your teen to participate in the popular interactive learning activity we provide for local high schools!

Mad City Money is a 3-hour simulation event that teaches teens the value of money. They are assigned a life scenario complete with career, income, debt and insurance payments… even a spouse and child. The challenge? To purchase housing, transportation, food, clothing, child care needs and other necessities without running out of money. It’s the financial “wake-up call” every teen needs!

Who's invited: Ages 14*-19

Event date: Saturday, February 9, 2019

Time: 9:00am - 12:30pm

Location: SCE FCU Corporate Office
12701 Schabarum Ave
Irwindale CA 91706

Fee: $10 per individual (fees cover a portion of the cost of materials and lunch)

Registration deadline: February 2, 2019

Space is limited. Preregister your teen today at... bit.ly/mcm-ca-register

Blue & green text:

Savings & Loan Rates

Checking & Savings

All deposit rates quoted below are Annual Percentage Yields as of January 1, 2019 and are subject to change without notice. Contact the Credit Union for additional information on applicable fees and terms, special promotions, and other accounts we offer.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards Checking</td>
<td>0.30%</td>
</tr>
<tr>
<td>Prime Savings</td>
<td>0.12% (5 min. to open)</td>
</tr>
<tr>
<td>Super Saver</td>
<td>0.22%</td>
</tr>
<tr>
<td>Money Market</td>
<td>$0 - 24,999.99 0.25% $50,000 - 99,999.99 0.65%</td>
</tr>
<tr>
<td>IRAs &amp; Certificates</td>
<td>91 days 1.00% 24 months 1.70%</td>
</tr>
<tr>
<td>Vehicle Value Loans</td>
<td>As low as 4.49% - 14.24% for terms from 1 - 6 years Estimated Monthly Payment per $1,000 = $85.31 - $18.15</td>
</tr>
<tr>
<td>New &amp; Used RV, Travel Trailer, Boat &amp; Off-Road Motorcycle or Vehicle Loans</td>
<td>As low as 5.49% - 12.99% for terms from 3 - 15 years Estimated Monthly Payment per $1,000 = $100.19 - $12.54</td>
</tr>
</tbody>
</table>
| Lines of Credit               | Adjustable rates from 12.75% - 18.00%
| Signature Loan                | As low as 8.50% - 18.00% for terms from 1 - 5 years Estimated Monthly Payment per $1,000 = $87.20 - $25.39 |
| Visa Platinum                 | 12.00% - 18.00% variable. This APR will vary based on the Prime Rate. No annual fee |
| Visa Platinum Rewards         | 13.00% - 18.00% variable. This APR will vary based on the Prime Rate. No annual fee. Includes points program toward travel and gifts |
| Home Equity Loans             | Fixed rates from 5.50% - 9.00% |
| First Trust Deed Loans        | Adjustable rates as low as 5.50% |

Loans

All loan rates quoted below are Annual Percentage Rates as of January 1, 2019 and are subject to change without notice. Rate and finance amount is based on member loan qualifications, and vehicle or property value as applicable.

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>New &amp; Used Auto Loans</td>
<td>As low as 3.49% - 15.24% for terms from 1 - 7 years Estimated Monthly Payment per $1,000 = $84.81 - $13.90</td>
</tr>
<tr>
<td>Classic Auto Loans</td>
<td>As low as 3.99% - 8.74% for terms from 1 - 7 years Estimated Monthly Payment per $1,000 = $85.14 - $15.59</td>
</tr>
<tr>
<td>Vehicle Value Loans</td>
<td>As low as 4.49% - 14.24% for terms from 1 - 6 years Estimated Monthly Payment per $1,000 = $85.31 - $18.15</td>
</tr>
<tr>
<td>New &amp; Used RV, Travel Trailer, Boat &amp; Off-Road Motorcycle or Vehicle Loans</td>
<td>As low as 5.49% - 12.99% for terms from 3 - 15 years Estimated Monthly Payment per $1,000 = $100.19 - $12.54</td>
</tr>
</tbody>
</table>

Business Solutions

We offer a full suite of business products and services including several checking options, money market, certificates, loans, lines of credit and Visa cards, and merchant services. We’re an approved SBA Lender.

Dividends are calculated on the Daily Balance Method for all accounts. 'Rate' will change if you move in or out of a deposit tier. '1' $1,000 minimum balance to open. Penalty for early withdrawal may be imposed. Dividends compound monthly for all terms except the 91-day term, which compounds at maturity. The Annual Percentage Yield is based on the assumption that the minimum balance requirements will be met. '2' All loan rates quoted are annual percentage rates. DNF processing fee, if applicable, is $35. '3'Appraisal required on Classic Auto. ‘Inspection required on Vehicle Value Loan. '4' We add between 6.75% to 14.75% to the Prime Rate to determine the Visa APR, and electronic repayment discounts do not apply. Cash advance, balance transfer and letter check fee is 3% (min $10, no max). late payment fee is $25 if paid after due date. ‘5’Sample payment on a $10,000 fixed rate Home Equity Loan for 20 years at 6.50% APR would be $53 per month. Rate and terms are subject to change without notice. Property must be in California or Nevada. Borrower of non-owner occupied property loans pays all fees. '6'Annual percentage rate may vary based on the Prime Rate. No annual fee. Includes points program toward travel and gifts. '7' First Trust Deed Loans are not available for properties other than residential. '8'Adjustable rates as low as 5.50%.

In the event of a disaster, if you’re unable to reach us by phone, visit our website at scefcu.org for information on how to access your accounts. Rest assured, we have plans in place to allow us to continue to serve you.

*Younger teens may have difficulty understanding some of the financial concepts covered in this activity. Parents/guardians are encouraged to pair up with younger teens (ages 14-15) for the activity, to help explain concepts they may not be familiar with.

Special Hours (Credit Union closed)

New Year's Day - January 1
Martin Luther King Jr. Day - January 21
Presidents Day - February 18

You can access your accounts 24/7 online at scefcu.org, through our mobile banking apps, by phone at 800.866.6474, by calling our FastLine phone teller at 800.866.6575.

CU Stats as of November 30, 2018

Members: 57,795
Assets: $736,208,000

Serving members since 1952

Credit Union Federally insured by NCUA.
We do business in accordance with the Federal Fair Housing Law & the Federal Credit Opportunity Act.