

# Money Matters

Member Newsletter - December 2016

Metro  
Credit Union



## A Little Perspective on Interest Rates

Mike McDermott,  
President/CEO

There is a lot to love about Millennials. They are great at multitasking, and they're incredibly tech-savvy. They are extremely well-connected to other people through various forms of social media many Baby Boomers have never even heard of. And, something that benefits Metro members in a big way, Millennials are motivated by helping people. Those are all really good things, but one disadvantage Millennials have is that they've grown up in an interest rate environment that may not be representative of what they're likely to see in the future. I think that's why I had to talk a 26 year old off a cliff this week about rising mortgage rates.

Upon learning I managed a credit union, the young man asked me what mortgage rates were going to do next year. I thought about telling him the truth; that his guess was as good as mine. But, having two Millennial age children of my own, I kind of enjoyed the thought that one actually thought someone as old as me might know something they didn't. I told him about an article I read this week that projected 30 year rates could be in the high 4's in 2017.

I saw a look of disappointment come over his face. He told me his best friend bought a house two months ago and got a rate of 3.5%, and then, he went straight to the edge of that cliff I mentioned. He said, "Just my luck, when I buy a house next year I'll be getting the worst interest rate in history."

I started to smile at the over-dramatization, and that's when it dawned on me that he was serious; in this young man's entire adult life, mortgage rates have been below 4.5%. He was a sophomore in college the last time rates



averaged above that. In fact, the last time mortgage rates were above the 40 year average, the oldest Millennial's were too young to drive.

They say that in less than ten years, 75% of the work force will be Millennials or younger, and none of them have ever experienced what Gen Xers or Baby Boomers would consider normal interest rates. So, for all them, I will share what I told my new young friend to assure him that, even if mortgage rates go all the way up to 4.875% next year, he would still be buying near the bottom of the interest rate market.

The first thing I told him was that higher long-term rates mean that investors are worried about inflation. So, if inflation does cause rates to go up, there's a good chance it will cause wages to go up as well, so he'll probably be making more money to pay for that really high 4.875% interest rate. Then, at the risk of sounding like an old guy who walked three miles up hill to school both ways in the snow, I told him my first mortgage loan was for 8%, and we have an employee who

works at Metro who got a rate of 18% for his first home. Interest rates are cyclical; they move up and down over time. And, for the past 15 years, we've been in a really low interest rate environment. But, during that time, we've also not seen a lot of growth in real wages. Interest rates moving up over time are not necessarily a bad thing, even if you're at a borrowing age in your life. Chances are, if we have a cycle of higher interest rates for a period of time, it will mean the economy is growing, there are more job opportunities, and people will be making more money.

It will also mean a whole generation of retirees might start earning a little more interest on their savings. And, there will be an increase in demand for homes as a whole generation of young people can finally afford a home of their own.

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# 2017 Metro Credit Union Annual Membership Meeting

This year, the Metro Credit Union Annual Membership meeting is scheduled for **Friday, March 10th** at the **Embassy Suites Hotel in LaVista, Nebraska**.

Each year this meeting is held to give Metro Credit Union members the opportunity to participate in guiding the direction of their institution.

Attendees will have the opportunity to learn more about the credit union's past performance, plans for the future, and to participate in electing the volunteer leaders who shape our procedures and policies.

The meeting is open to any and all Metro members and their guests. Tickets are \$15.00 and will be available at all Metro branch offices beginning Tuesday, January 3, 2017.

Your ticket provides you with an enjoyable and educational evening, a terrific meal and the opportunity to win prizes in our always fun Annual Meeting game.

Each year elections are held to fill three expiring positions on Metro's Board of Directors. In 2017, the terms of Directors: Rick Boldt, Joe Eckley and Larry Ludwig are scheduled to expire.

Each of these current Directors have expressed the desire to serve an additional three-year term if elected. As a result, the Nominating Committee has placed these three names in nomination.

According to Credit Union Bylaws, in the event that no other qualified candidates are identified, and the number of open positions is equal to the

number of candidates, no actual ballot election will be held. Bylaws do not allow for nominations from the floor.

Current Metro Credit Union members in good standing who have an interest in running for a position on the Board of Directors may submit a petition signed by 1.00% of the membership to the Nominating Committee by Friday, January 20, 2017.

Metro's Board of Directors are unpaid volunteers elected from within the membership. They meet monthly, and are required to make themselves available for training throughout the year.

Biographies for the three current Directors who have expressed interest in serving another term are shown on page 3.

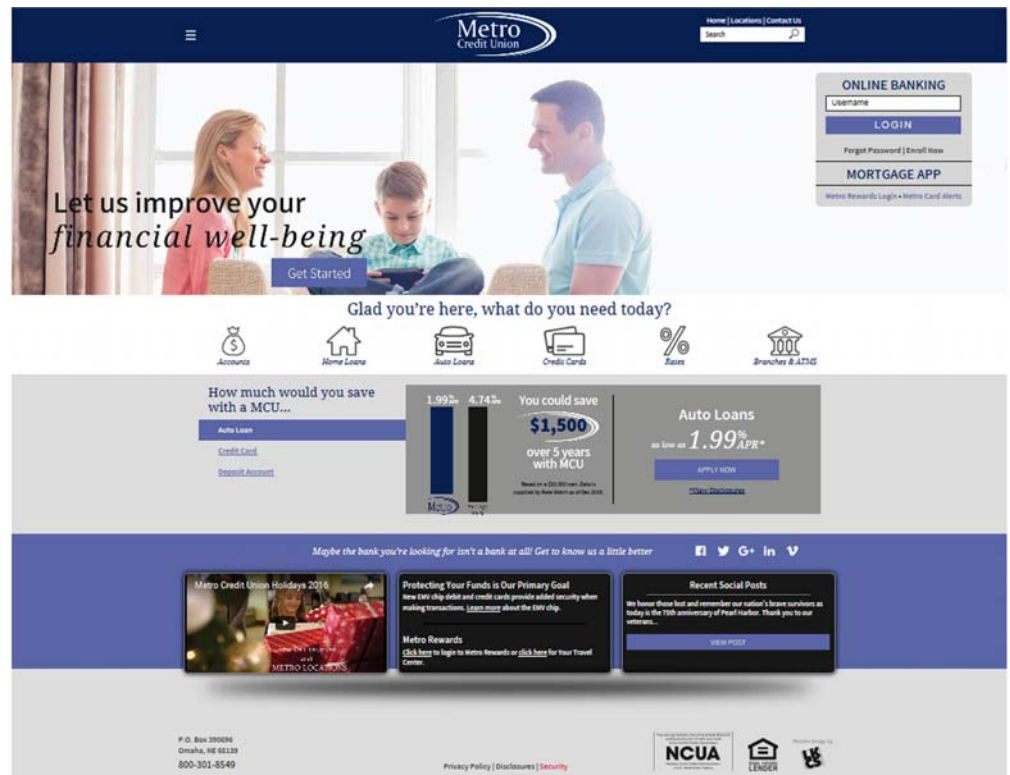
## Metro's New Look Web Site

It's been quite a while since we've updated the look of our web site, and frankly speaking, we were a bit overdue. With that in mind Metro members can look forward to a re-designed Credit Union web site coming soon.

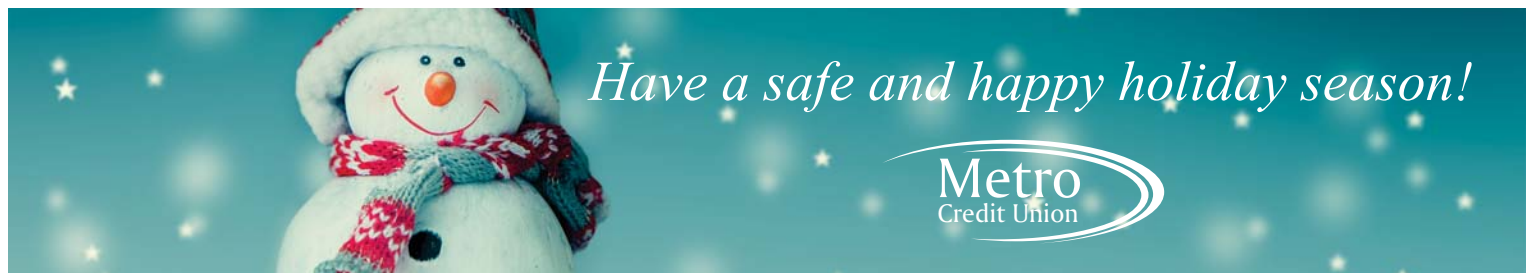
Our goal in updating the site, was to create a clean, modern look, while maintaining the functionality that our members have always enjoyed.

Members will also enjoy that the new site features "responsive technology," meaning the web page will automatically re-size itself to appropriately fit different electronic devices, such as your smart phone or iPad.

Once the new site is launched, we encourage members to take some time and navigate through the different features that are available.



Screen shot of Metro Credit Union's newly designed web page. [www.metrofcu.org](http://www.metrofcu.org)



# 2017 Volunteer Director Candidates



**Rick H.  
Boldt**

Metro Credit Union member: 32 years

Mr. Boldt has served as a Metro Credit Union volunteer board member for nine years and has previously served as a member of the Supervisory Committee. In addition, Mr. Boldt has served on a number of boards in the community including: Ronald McDonald House, Meyer Foundation for Disabilities, Nebraska Coalition for Lifesaving Cures and others.

Mr. Boldt is employed as the Manager, Disaster Planning, Assistant Manager, Safety Environmental Services Liaison Transportation & Recycling for the University of Nebraska Medical Center. "I am committed to continuing the unique family environment that we have created at the credit union. Our members and employees have been the key to the success enjoyed by our organization. My commitment to family, combined with my 34 years of experience with UNMC, will continue to influence the decisions I make as a Metro Credit Union Board member"



**Joe  
Eckley**

Metro Credit Union member: 20 years

Joe is a graduate of Gross High School and has been in the auto sales and finance business for over 27 years. He has been a part owner of Eckley Auto Brokers since 1993. Joe and wife Corrina have three children (Megan, Rachel and Joey). In addition to doing work for Catholic Charities, Joe and his family enjoy spending time at the family cabin located in Cedar Creek, Nebraska. Joe says, "there isn't a better feeling than walking into a place of business where everyone knows your name. This has been my experience with Metro and it has impressed me so much. I actually use my experience with Metro as the foundation for great customer service when training our employees." Joe feels that his experience in the auto industry and more specifically the area of higher-risk lending would serve him well as a Metro Credit Union volunteer director.



**Larry  
Ludwig**

Metro member: 24 years

Mr. Ludwig, in addition to serving as a Metro Credit Union volunteer Director, is active in a number of community organizations (Big Brothers/Big Sisters, Veteran Administration, Habitat for Humanity and Toys-for-Tots). Mr. Ludwig served in the United States Marines and is a Persian Gulf war veteran. "I've found my time serving on the Metro Board to be extremely satisfying, particularly when you consider that we are all working toward the same goal of improving our members' lives"



**Metro Credit Union**  
**Annual Membership Meeting**  
**Meeting**

Friday, March 10, 2017  
Embassy Suites, LaVista  
Meeting/Dinner/Great Prizes

Purchase your tickets  
at any Metro office  
beginning Tuesday, January 3rd

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Maybe the bank you're looking for, isn't a bank at all.

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We do business in accordance with the Federal Fair Housing Law and the Equal Housing Opportunity Act.



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