

expanding Horizons

It has come to our attention that a new scam, known as the "Phantom Hacker," is targeting senior citizens. We want to ensure that our valued members are informed and equipped to protect themselves against this deceptive threat.

Understanding the Phantom Hacker Scheme

The Federal Bureau of Investigation (FBI) has issued a warning about the Phantom Hacker scheme, which unfolds in three distinct phases. First, scammers pose as tech support representatives, persuading victims to download seemingly innocuous software. In the second phase, they impersonate representatives from the victim's financial institution. Finally, the scammers claim to be employees of a federal agency, further manipulating trust.

The ultimate goal of this scam is to convince individuals to transfer their funds into an "alias" account controlled by the perpetrators. This insidious plot employs various channels, including emails, texts, phone calls, and even letters sent through the mail.

Protect Yourself

In light of this growing threat, it is crucial for all to exercise extreme caution when encountering unsolicited communications. Here are some essential tips to safeguard your financial well-being:

1. Be skeptical of unsolicited communications:

If you receive unexpected emails, texts, phone calls, or letters, especially those urging immediate action, proceed with caution. Scammers often use these methods to gain access to your personal information.

2. Verify the source: Before divulging any personal information, take a moment to verify the legitimacy of the communications. If in doubt, contact your financial institution directly using a known and trusted phone number.



3. Avoid downloading unknown software: Resist the urge to download any software prompted by unsolicited callers. Legitimate financial institutions or tech support representatives will never request such actions without proper verification.

4. Stay informed: Keep yourself informed about the latest scams and fraud tactics. Knowledge is a powerful tool in protecting yourself and your assets.

Our Commitment to Your Security

At Patriot, your security is our top priority. We employ advanced security measures to safeguard your financial information, however, your vigilance is equally important. If you receive a suspicious communication claiming to be from us, please contact us immediately at 888-777-9982.

We will never ask you for sensitive information, such as passwords or account details, through unsolicited communications. Your safety is of the utmost importance to us.

Remember, your vigilance is the first line of defense against scams like the Phantom Hacker. By staying informed and taking precautionary measures, we can collectively prevent these malicious attempts to compromise our community's financial well-being.



A Message from the CEO

Happy New Year - a big welcome to 2024.

Before we get too far into the new year, let's take a moment to reflect on 2023 and some of the challenges and successes that it has brought. From a financial perspective, there is plenty to be thankful for as our financial metrics remain very strong. Assets

grew by over 6.5% to surpass the \$1 billion mark, shares were up by over \$60 million (7%), and we had loan growth that exceeded 9%.

In 2023, Patriot was blessed to receive some special recognition as we were named one of the best credit unions in Forbes' "Best in State Credit Union 2023". We were also selected "Best Credit Union" and "Best Service Provider" in the Tri-State by listeners of Ver Standig Media (radio stations WAYZ, WBHB, and WIKG), and we received a 5-Star Rating from Bauer Financial, the highest safety and soundness rating, which we have maintained for over 30 consecutive years. Additionally, we continue to receive positive feedback in surveys and reviews from our members - the true measure of how we are doing.

During the past year, the credit union saw an increase in memberships from businesses, some joined to meet their borrowing needs and some for managing their money. As consumers increasingly find digital access to their liking, Patriot rolled out internal ACH so that members could more easily make auto loan payments, enhanced our online account opening for an improved member experience, and introduced an optional multi-factor authentication for online and mobile banking users for an added level of security and your peace of mind.

Last year was far from ordinary. The higher interest rates were a welcome sight for savers, and like many other financial institutions, Patriot experienced strong growth in share certificates. On the flip side, higher rates on loans made it more difficult for borrowers to fit a monthly payment into their budget for a new car or home. And many families were impacted by the highest interest rates on credit cards since 1994 along with inflation relative to costs of goods and services impact their budgets, adding to or creating financial hardships.

While we didn't experience the recession that some economists predicted, there has been a deterioration in credit quality across the financial services sector resulting in higher delinquencies and charge-offs. The Federal Reserve's policy is to temper inflation and avoid a recession through monetary tightening. The Fed has set a target of 2% inflation, and while they have made great strides in unwinding inflation, it is a delicate balancing act to control yet grow with some lagging elements. The biggest challenge appears to be in unemployment and jobs.

On that front, the November jobs report supported economic stability, as the unemployment rate fell to 3.7%, a level that is near a half-century low. And on a positive note, the unemployment rate fell because more people were getting jobs as opposed to a decline of people in the workforce. However, there are still about 1.4 job openings per unemployed persons. The Conference Board Employment Trends index, a job market leading indicator, is down suggesting the labor market is weakening. On a year over year basis, the measure is down 3.2%. There have been seven other times the index has seen declines equal or greater than this drop, and each time the economy has been in or fallen into recession.

Similarly, the recent jobless claims show that displaced workers are finding it more difficult to find new jobs. Continuing claims for unemployment benefits are over 27% higher than a year ago. An increase of this magnitude has occurred eight times going back to late 1960, and each time pointed to the economy being in or on the verge of a recession.

Another recessionary red flag warning is consumer confidence. Consumer sentiment increased for the first time in months, supported by lower gas prices and slowing price increases in the services sector, but in general, the majority of consumers are pessimistic thinking that a recession is coming. Some economists agree, suggesting that the cycle of interest rate increases may ultimately end in a recession. In a nutshell, while we remain optimistic, there remains plenty of uncertainty about the US economy in 2024, without even considering the political turmoil and conflicts occurring throughout the world.

At Patriot, we pledge to continue to focus on offering the financial products and services to meet your needs, to make accessing our services convenient for you, and supporting the individuals, families, and organizations in our communities. To support that, we recently added Corinne Sherman to our team as Senior Vice President - Payments and Delivery Channels. She brings with her over 25 years of credit union leadership experience in payments and card services.

Some of the initiatives that we are working on and that you will see come your way in 2024 include ensuring that our digital services, like our website and online banking, are accessible to visually impaired community members using assisted technology. We'll also be adding new security features in our online and mobile banking, as well as provide tools and information to help our members better protect themselves from fraud.

To better serve our diverse communities, we have built a staff that is made up of individuals who are fluent in a second language, particularly Spanish speaking. However, as our communities continue to grow with immigrants from eastern Europe, Asia, as well as the Caribbean islands, particularly those who speak Haitian-Creole, we want to be able to better communicate with members who may not speak English or speak English well. To do that we are adding interpretation and translation resources to assist our staff. This includes the ability to serve deaf or hearing-impaired individuals versed in American Sign Language. And there's much more in store for 2024. Please watch for more details in communications throughout the year.

As I wrap up my first 9-months here at Patriot as your CEO, my time can be summed up in a single word - WOW!!! The people, the organization, and the community have been nothing short of amazing, as advertised and then some, as I like to say. For that, and in the spirit of the season, I am truly grateful!

In closing, let me extend a huge 'thank you' to you, our members, for your patience and understanding as we make changes and enhancements to our services to better serve your needs, both today and well into the future. Change is rarely easy, but remaining stagnant is not an option in business or for YOUR credit union. With that in mind, kudos to our staff who serve our members and manage this change on a daily basis.

As always, we appreciate the opportunity to serve our members and our communities.

Ron Celaschi
CEO - Patriot Federal Credit Union

Your Opportunity to Get Involved

Patriot Accepting Applications for Volunteer Positions

We are seeking qualified candidates to apply for volunteer positions on the credit union's Board of Directors and supporting committees. Interested candidates must have been a member of Patriot for two or more years, or served in an official capacity with another credit union, and possess or demonstrate the following qualifications:

- Organizational Skills
- Future Oriented
- Planning Abilities
- Areas of knowledge, experience or interest pertinent to the credit union's future
- Commitment of time and self to fulfill the responsibilities and duties of a credit union volunteer, as outlined in the Volunteer Recruitment Kit.

Interested parties may request a Volunteer Recruitment Kit by contacting Cheryl Schnebly at 717-262-4301 or cschnebly@patriotfcu.org. The deadline for applications is February 15, 2024. Candidate biographies will be published in the July 2024 member newsletter. The election will be held at Patriot Federal Credit Union's 2024 Annual Meeting.

Scholarship for College Bound Students

2024 Baumunk Scholarship Competition

Patriot is committed to assisting young adults who would like to continue their education. Each year, the Richard E. Baumunk Memorial Scholarship is awarded to a high school senior who will be attending an institution of higher learning immediately after graduation.

The winner will receive a \$2500 scholarship awarded over 2 years, with the second year's distribution contingent upon a first year GPA of 2.5 or higher. The scholarship was established in the memory of Richard Baumunk, a former educator and member of the board of directors.

To qualify for the scholarship, you must meet the following requirements:

- Be a member of Patriot with at least \$5 in a share savings account
- Be a 2024 graduate with a GPA of 2.5 or higher and be accepted as a full-time student at an institution of higher learning carrying 12 credit hours or more
- Submit a 300 to 500 word typed essay entitled, "My Credit Union is important to me because..."

To enter this year's competition, submit a cover sheet with your name, address, telephone number and Patriot account number, along with your essay to:

Patriot Federal Credit Union
Scholarship Competition
Attn: Marketing Department
P.O. Box 778
Chambersburg, PA 17201-0778

Essays must be received by Patriot's Marketing Department no later than Friday, April 5, 2024.

Money Market Dividend Changes

Effective April 1, 2024, dividends on the Credit Union Insured Money Market Accounts (CUIMMA) will be paid monthly instead of weekly. This change will only impact the frequency on which dividends are paid and not the overall return to our members. In addition, the dividend rate and annual percentage yield (APY) for Money Market Accounts will be subject to change at any time as determined by the Board of Directors, which is an adjustment from the current disclosure which indicates they may change weekly.



Important Changes to Your Consumer or Business/Non-profit Membership Fee Schedule

Effective 02/15/2024, the following changes will be made to the fee schedule for your Consumer or Business/Non-profit Membership. If you have any questions, please contact the credit union.

Account Service Fees:

Counter Check Fee	\$5.00 per page (4 checks)
Incoming Wire Fee	\$15.00 each
Christmas Share Early Withdrawal Fee	\$12.00 each
Dormant Account Fee (after one year of inactivity)	\$5.00 per month
Escheat Fee	\$50.00
Paper Statement Fee	\$3.00 per month

Electronic Service Fees:

Debit or Credit Card Expedited Delivery Fee	\$50.00
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Safe Deposit Box Fees:

Safe Deposit Box Annual Fee 3x5	\$40.00
Safe Deposit Box Annual Fee 3x10	\$60.00
Safe Deposit Box Annual Fee 5x10	\$70.00
Safe Deposit Box Annual Fee 10x10	\$110.00



Saving for Retirement: IRA Need-to-Knows Seminar

Patriot Financial Services, through CUSO Financial Services* invites you to our next seminar.

Thursday, March 14, 2024 | 5:30 - 6:30 pm

Waynesboro Financial Services Center
10933 Trail East, Waynesboro

Thursday, March 21, 2024 | 5:30 - 6:30 pm

Patriot Corporate Center
1330 South Seventh Street, Chambersburg

In these sessions our CFS advisors will cover:

- Why its important to save for retirement
- Explain what a Roth and Traditional IRA are and how they can help you research your retirement goals
- Discuss what a rollover is and if it might be right for you

Sign up today by visiting <https://www.patriotfcu.org/sign-up-for-seminars/> or click on this QR code



*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

DID YOU KNOW?

Did you know that you get free services with your Patriot membership such as:

- Notary Services
- Signature Guarantee
- Instant Plastic Card Replacement
- Check Registers
- Night Deposit (*drop off deposit or loan payment*)
- Faxing

Updated Bylaws

To enhance the safety and security of our members and employees, Patriot Federal Credit Union has updated its Bylaws to include expulsion for cause clauses. Please review the information below for details.

Important Information Concerning Your Patriot Federal Credit Union Membership

We may terminate your membership in Patriot Federal Credit Union in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the credit union for cause.

Cause is defined as follows:

- (A) A substantial or repeated violation of our Membership and Account Agreement;
- (B) A substantial or repeated disruption, including dangerous or abusive behavior, to the credit union's operations; or
- (C) Fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to us, including in connection with our employee's conducting business on behalf of us.

Before the board votes on an expulsion, we must provide written notice to your mail address (or email, if applicable) on record or personally provide the written notice. We must provide the specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you choose. It is your responsibility to keep your contact information with us up to date and to open and read notices from us. Unless we determine to allow otherwise, there is no right to an in-person hearing with the Board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled. You may submit any complaints about your pending expulsion or expulsion to NCUA's Consumer Assistance Center if the complaint cannot be resolved with the credit union.

We will confirm any expulsion with a letter with information on the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the credit union, and we may demand immediate repayment of the money you owe to us after expulsion, subject to any applicable contract terms and conditions.

For additional information on expulsion and a copy of our expulsion policy, see Article XIV of our Bylaws located in Patriot Federal Credit Union's online banking platform, eBranch www.patriotfcu.org, or contact the credit union directly at 888-777-9982.