

# MEMBER INSIGHT

SPRING 2025



## Continued Growth, Advocacy for Mid American

By Brad Herzet, President/CEO

At Mid American's recent annual meeting, we shared information about another successful year of growth for the credit union in assets, how we serve our members and community involvement.

While the past five years economically have been marked by pandemic-induced downturns, rising inflation and fluctuations, we have had remarkable assets growth during that time, going from \$315 million in 2019 to \$455 million in 2024 — an increase of nearly 45%.

Along with the continued trust demonstrated by our members, our success is primarily the result of our Board of Directors and its sub-committees, which are made up of volunteers ranging from government administrators to human resources executives to legal experts. We are spotlighting one of those volunteers in an article on page 3.

As representatives of our member-owners, the board provides leadership, oversight and direction in all aspects of the credit union's mission and operations. They ensure we operate with legal and ethical integrity and that the credit union is a good steward of your money and a good neighbor in the community.

My management team and I implement the board's strategic plan, advise the board on enhancing our services and carry out their directives. Some examples of that are the improved digital tools we brought online in late 2023 and an increase in the hours we spend in the communities we serve, ranging from helping with an interactive financial simulation program in area schools to providing more than 225 hours during an all-staff volunteer event that took place on a federal holiday.

Our 2025 projects include remodeling the Arkansas City branch and adding more features to our mobile and online banking platforms.

### Advocate for your credit union

Banks continue to lobby Congress to tax credit unions, with the most recent being a call for a federal income tax on credit unions with more than \$1 billion in assets. While Mid American isn't in danger of being taxed under that shift, it would set a dangerous precedent.

While we pay all other taxes, credit unions don't pay federal income taxes for a couple of reasons: We are not-for-profit cooperatives owned by all our account holders, and unpaid volunteers, elected by member-owners, serve on our boards. Banks are profit institutions with boards representing the bank's investors and shareholders. Credit union profits are cycled back to the members through no- or lower-fee services, lower interest rates and other benefits.

Another distinction between credit unions and banks: Unlike banks, credit unions have never needed government bailouts. Visit [americanscreditunions.org](http://americanscreditunions.org) for more advocacy information.

**It's your journey  
Just tell us what you want to ride**



**MIDAMERICAN**  
CREDIT UNION

**Auto Loans**  
as low as  
**5.74%** APR\*

\*APR= Annual Percentage Rate. Rates subject to change without notice. Final APR is determined based on borrower's credit score, total amount financed, and age of collateral. Loan subject to credit and approval

## Identity Theft Fraud: Reduce Your Risks, Learn How to Report It

In 2023, more than 1 million identity theft cases were reported to the Federal Trade Commission, with the most common being credit card fraud. Opening new credit accounts has become the MO of most thieves because data breaches have made your information more available.

### Ways to Protect Yourself

To help reduce your risk of ID theft, here are some things you can do:

- Don't share your bank account numbers, Social Security number or other types of account and personal information to someone who calls, texts or emails you. Your credit union or bank already has that information, so they wouldn't call, text or email you for that. Avoid responding to emails that ask you to click on links to verify information. Don't give in to callers who make high-pressure demands for that information.
- Store documents securely at home. Don't carry your Social Security card in your wallet; if you need it for a specific reason, put it back in a secure place after you've used it.
- Limit which credit cards you use for online purchases. It's easier to track activity on one or two cards.
- Check your bank and credit card statements regularly to monitor activity. If you get statements by regular mail, note when they are



delivered; if they don't arrive on time, follow up with the company. Choose paperless or e-statements to reduce the risk of paper statements being intercepted.

Many financial and credit institutions have apps where you can get quick, real-time access. Some even allow you to put restrictions on using your debit or credit cards, like Mid American's Credit Manager app.

• Shred receipts, unsolicited applications for cards or loans, bank or medical statements or other such documents.

• Use unique, strong passwords for each online account and a two-factor authentication process for online accounts. To track passwords, use an online password manager or app. With two-factor authentication, you'll need to provide a second type of verification, like a code sent to your email or phone.

### Take Action

If you've been the victim of identity theft, here are ways to take action:

- Report the identity theft to the Federal Trade Commission online at [identitytheft.gov](https://www.identitytheft.gov) or call 877-438-4338.
- Contact the three major credit reporting agencies — Equifax, Experian and TransUnion — to put free fraud alerts and credit freezes on your accounts. With a fraud alert, creditors must verify your identity before opening a new account. With a credit freeze, you can still use your accounts, but no new accounts can be opened in your name. To lift the freeze temporarily (if you're applying for a loan, new job or other reasons), you need to contact each credit bureau and follow the instructions to verify your identity.
- Notify your financial institutions, credit card issuers and any other entity where you have accounts that you've been a victim of fraud.

If you have a checking account with Mid American Credit Union, you have extra protection through our free victim resolution service.

• Monitor your credit reports. You're entitled to one free report every year from each of the three credit reporting agencies. [Annualcreditreport.com](https://www.annualcreditreport.com) is the only federally authorized source for those free reports. If you make a request to a different agency every four months, you can get year-round monitoring.



**Unlock** Your home's *full potential*

Home equity loans as low as **5.99% APR\***

\*APR= Annual Percentage Rate. Rates subject to change without notice. Final APR is determined based on borrower's credit score and loan term. Loan subject to credit and approval.



### New Drive-Through Hours

- 8 a.m.-6 p.m. Mondays-Fridays
- 9 a.m.-noon Saturdays



## Making Your Home's Equity pay off

By Debbie Stang, Home Loan Officer

Your home's equity — the difference between your home's current market value and what is owed on your current mortgage — can turn out to be the payoff you need to reinvest in your home or consolidate debt.

At Mid American, you can borrow as much as 90% of your home's equity through either a traditional second mortgage that pays out a lump sum once your loan is approved or a home equity line of credit that you can tap into when you need it.

With rising material costs, remodeling jobs can be expensive so it can pay to be strategic with the home improvements you make. When it comes to recouping costs, projects that elevate your home's curb appeal provide higher returns, according to the residential industry's 2024 Cost vs. Value Report.

A quality garage door replacement, a new steel front door and manufactured stone veneers have high return values. Resale values of siding, deck and window replacements do well too.

Only two interior remodeling projects — midrange upgrades of a kitchen or bathroom — made the report's list of projects where homeowners can recoup more than 50% of costs.

A home equity loan can also be a good option for paying off high interest debt. With the money you borrow, you can pay off existing balances and streamline multiple account payments into a single monthly payment on your home equity loan.

Another benefit is that you may be able to reduce the amount of interest you'll pay, since home equity loans often have lower interest rates than credit cards or personal loans.

*For your home equity or mortgage loan needs, please call (316) 722-3921 and ask for either me or LeeAnn Marker in mortgages, or email [debbies@midamerican.coop](mailto:debbies@midamerican.coop) or [leeannm@midamerican.coop](mailto:leeannm@midamerican.coop). To view loan rates or start your mortgage loan application process, visit [midamerican.coop/loans/home-loans](http://midamerican.coop/loans/home-loans).*

### Recouping Remodeling Costs

Garage Door Replacement (\$4.5K)	158.4%
Entry Door Replacement   Steel (\$2.2K)	152.5%
Manufactured Stone Veneer (\$11.3K)	112.2%
Midrange Kitchen Remodel (\$26.5K)	83.3%
Deck Addition   Wood (16K)	77.8%
Siding Replacement   Fiber-Cement (\$21.7K)	76.6%
Grand Entrance   Fiberglass (\$11K)	74.1%
Deck Addition   Composite (\$22.2K)	70.1%
Window Replacement   Wood (\$25K)	66%
Window Replacement   Vinyl (\$21K)	64.8%
Midrange Bathroom Remodel (\$25K)	57.7%
HVAC Conversion (\$18.5K)	55%

Source: 2024 Cost vs. Value Report for West North Central region, Journal of Light Construction

## Volunteer Spotlight: John Sherwood

More than 30 years ago, John Sherwood started sharing his expertise and talents with Mid American Credit Union, first as a volunteer on MACU's credit committee and then as a director on the Mid American board.



In March, Sherwood retired from the board but he will continue to hold his longtime seat on the credit committee.

Since earning his law degree from Washburn University in 1965, Sherwood has served in several legal roles: county prosecutor, city attorney, municipal judge, law firm partner and corporate counsel. He continues to serve as a county pro tem judge.

In the early 1990s, Sherwood met then-Mid American president Lowell Richardson, who was visiting Sherwood Construction where Sherwood was the company counsel. Hearing of Sherwood's prior service with a bank board, Richardson invited the lawyer to become a volunteer for MACU.

The rest, as they say, is history.

"The credit union is much bigger now, and I'm proud of what we've done, establishing new branches and merging with other credit unions to continue being of service," Sherwood said.

"Our philosophy is to help people and that's what we do."



# Fixed for Life: What can an Annuity do for you?

By Jessica Brokaw

With stock and bond markets both faltering over the past year, it's easy to see why more near-retirees have a newfound appreciation for fixed annuities, which are insurance contracts that guarantee a specified rate of return in retirement.

## Income for Now or Later

An **immediate fixed annuity** is usually purchased at the beginning of retirement, often with a lump-sum premium. The fixed payments start within 12 months from the date the annuity is purchased and continue for the duration of the contract.

With a **deferred fixed annuity**, you can make a series of premium payments, and the income is delayed until a future date of your choosing. The income payments reflect the value of the premiums paid, the annuity's compounded return, and the length of the payout period (or your life expectancy). The longer you defer your annuity, the higher the payout can be.

Annuities have no annual contribution limits, so you can save as much as you want on a tax-deferred basis. When annuities are purchased with after-tax dollars, only the earnings portion of withdrawals is taxable as ordinary income. You can also invest in an annuity through a qualified (tax-advantaged) retirement plan. In this case, the qualified annuity is subject to the same tax rules as the qualified plan, so there is no additional tax benefit. For both qualified and nonqualified annuities, early withdrawals prior to age 59½ may be subject to a 10% penalty.

## Annuitization Options

Converting annuity funds to an income stream is called annuitization. Before annuitization, you can withdraw some or all the annuity funds in a lump sum or a series of distributions. However, surrender charges may apply. If you die before annuitizing, your heirs will receive the annuity's accumulated funds. After you annuitize, you cannot take lump-sum distributions.

With either annuity, you have three options for the income stream you receive. A **straight, guaranteed lifetime income** will provide the highest monthly payments and help protect against the risk of outliving your savings. But payments will typically end when you die, with no funds going to your heirs. A **period certain income** provides income for a fixed number of years and will go to your heirs if you die before the end of the period, but you risk running out of income if you live beyond that period. **Life with a period certain income** guarantees you a lifetime income along with a time period in which it can pass to your heirs, but payments are generally lower.

*At Mid American, Jessica Brokaw, CFS Financial Advisor, is available to assist you with investment, retirement and legacy planning. She can be reached at [Jessica.Brokaw@cusonet.com](mailto:Jessica.Brokaw@cusonet.com) or (316) 722-3921, ext. 182.*

*Annuities have contract limitations, fees, and expenses, and they are not appropriate for every investor. Withdrawals reduce annuity benefits and values. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing insurance company. Investors should be aware that when they purchase a fixed annuity, they may sacrifice the opportunity for higher returns that might be available in the financial markets, and that inflation could reduce the future purchasing power of their annuity payouts. Annuities are not guaranteed by the FDIC or any other government agency. They are not deposits of, nor are they guaranteed or endorsed by, any bank or savings association.*



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9.00% APR	New Boats/RVs
5.99% APR	Home Equity
9.90% APR	Select Visa
14.90% APR	Everyday Visa
10.90% APR	Signature Loan

APR = Annual Percentage Rate. Rates subject to change without notice. Ask us for further information about the fees, conditions and terms that apply to these loans and rates.



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