

MEMBER INSIGHT

SUMMER 2025



Remind Lawmakers of the Value of Credit Unions

By Brad Herzet, President/CEO

As one of the 142 million Americans who belong to credit unions, you can help remind lawmakers of about the importance of continuing the current tax status of credit unions.

While we pay all other taxes, credit unions don't pay federal income taxes because we are not-for-profit cooperatives owned by all our account holders. Unpaid volunteers, elected by member-owners, serve on our boards of directors, directing credit union executives on how to best serve the members.

The tax status of credit unions is often under the microscope when tax reforms are being considered by lawmakers in Washington, D.C. Often banks lobby for the change, arguing that the tax exemption for credit unions is an unfair competitive advantage.

While credit unions serve 43% of Americans, they hold only 8.8% of assets in financial institutions. The remaining 91.2% of Americans' assets are held by banks.

As member-owned, volunteer-directed and not-for-profit organizations, credit unions promote the economic well-being of all its members. Our mission is to help members, not to make a profit for a select group of investors and shareholders. Credit union profits are cycled back to the members through no- or lower-fee services, lower interest rates and other benefits.

**To find out more about why
your voice matters, visit
donttaxmycreditunion.org.**

Taking away the tax exemption for credit unions would mean taking away the benefits that credit unions provide. Many of our members live within modest means so paying less

toward fees and interest rates is important. As costs for other goods and services continue to increase, the majority of Americans need to find ways to hold on to their money.

Another distinction between credit unions and banks: Unlike banks, credit unions have never needed government bailouts so we have not created a burden on government resources.

When it comes to consumer satisfaction, 91% of credit union members trust their credit union compared to 84% of bank customers trusting their financial institution, according to a recent poll by the trade association America's Credit Unions (ACU).

An economic study by ACU found that removing credit unions' tax exemption would reduce the number of credit unions, which stands at more than 4,600. The resulting tax burden on credit unions could cost consumers \$234.6 billion over 10 years, the study estimated.

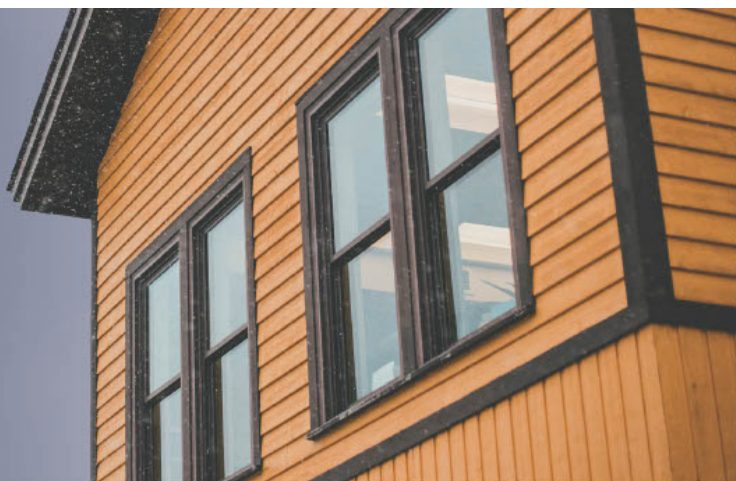
5-Year

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APR* = Annual Percentage Rate. Rate are subject to change without notice. The following example is based on these factors: owner-occupied single-family residence with a loan amount of \$50,000 and up to 90% of the total home loan to value (LTV), and credit score is 680 or above. For a \$50,000 fixed home equity loan for a term of 60 months with a 5.99% APR, the monthly payment will be \$966.41. Estimated monthly payment shown includes principal and interest payment only. All final loan terms, including the final APR, will depend upon specific characteristics of the loan and the credit history through the time of closing. Loan subject to credit and approval.



Volunteer Spotlight: Kathy Jewett

While Kathy Jewett first joined Mid American's Board of Directors 30 years ago because of a job promotion, she has never seen her service as an obligation.

"To me it's an honor and a privilege," said Jewett, who is the board's current secretary. "The values that MACU stands for and its mission of people helping people align perfectly with my own values."

That alignment is behind Jewett's continued involvement with the board.

"I've served on other boards but never as long as 30 years," she said.

She strongly believes in financial literacy, which has become an important service that Mid American provides to its members, business partners and community groups.

"People don't pay enough attention to their financial health," Jewett said. "I strongly believe in physical health, mental health and financial health. If people have challenges with any of those three, it can lead to a rocky situation."

Jewett's nearly 36-year career in human resources reflects the importance she has placed on looking out for others. She started her career at The Coleman Co. — where the promotion to vice president led to her start on the Mid American board — and later served as an HR executive at Foley Equipment Co., Kaman Composites and XLT Ovens. She retired in January 2023.

Her retirement has allowed her to focus once again on her therapy dog service. She adopted Jax, a 102-pound golden retriever, after she retired. Jax earned his certification



Jax and Jewett

through Therapy Dogs International in August 2024. Since then, Jewett and Jax have been visiting schools and senior centers. With her first therapy dog, Ella, Jewett had made more than 100 visits to hospitals, schools and other settings between 2008 and 2017.



Brooks Wins Award

Congratulations to Bethanie Brooks, mortgage loan processor, for winning the 2024 Best in Quality Award from Members Mortgage Services. Owned by a cooperative of credit unions, MMS helps connect members to competitive home loan products.

Pictured left to right: LeeAnn Marker, mortgage loan specialist; Milton Balzer, vice president of lending; Brooks; and Debbie Stang, home loan officer.

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as low as

5.39% 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



Home Values Continue to Appreciate

By Debbie Stang, Home Loan

Data compiled by the Center for Real Estate

at Wichita State University shows that the rate of appreciation for homes in Kansas continues to go up.

Location, market demand and supply, and other economic factors influence home appreciation rates, which refers to the increase in your home's value over time.

Understanding how home appreciation works and what it means to both buyers and sellers is important for current and potential homeowners.

Nationally and in Kansas, "we saw this absolutely astronomical home price appreciation in 2021 and 2022," said Stan Longhofer, a former Federal Reserve economist who founded the Center for Real Estate 25 years ago.

"That rapid appreciation has slowed down to a pace that is closer to normal appreciation rates, but it's still relatively strong and fast compared to historical norms. And the reason is that the inventory of homes available for sale is very limited," he said.

According to quarterly data produced by the agency overseeing the federal Fannie Mae and Freddie Mac systems (which buys mortgages from lenders to free up lenders' funds for more mortgages), home prices in Kansas had appreciated 6.2% by the end of May. In three of the cities where Mid American has branches, the appreciation was 4.7% in Kansas City, 10.8% in Lawrence and 5.4% in Wichita.

For homeowners, a higher home value can mean more equity in your home. That can translate into an opportunity to use a home equity

loan to make improvements in your home for your comfort and enjoyment or to make your home more marketable. Keep in mind that a higher home value also means increases in property taxes and insurance premiums.



For a better homebuying experience in a tight market, here are strategies that Longhofer recommends:

- Work with an experienced Realtor who knows your local market.
- Get preapproved by a lender since that shows sellers you can close the deal you are making.
- Make a competitive offer in anticipation of other buyers.

Longhofer also offered this advice: "I think people need to think about housing purchases as a long-term consumption. Housing certainly has an investment component to it, but when you're focused too much on trying to maximize this investment rate of return, you're really missing the point. A house is a place that you live. If you want to do investment real estate, that's great, but just buy a rental property."

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 or leeannm@midamerican.coop. To view loan rates or start your mortgage loan application process, visit midamerican.coop/loans/home-loans.



Spotting Sponsored Ad Scams

Be vigilant when clicking on sponsored ads, especially those that show up on internet searches and social media platforms. While many legitimate businesses use sponsored ads to reach consumers, scammers are also using them to attract victims.

Here are some tips to avoid sponsored ad scams:

- Verify you are on a legitimate website by checking the URL. Look for <https://> at the beginning of the URL; the "s" indicates the site is secure. Look at the domain extension at the end of the URL; legitimate websites primarily end with .com, .org, .net or .gov. Check if clear contact information is provided rather than a generic contact form.
- Be cautious when buying through social media apps. It can be hard to tell if a retailer is legitimate if you've clicked on products advertised through a social media ad. Search for the retailer outside of the social media app.
- Be wary of deep discounts. If the deal seems too good to be true, it probably is. Remember reviews can also be faked.

If you do make an online purchase, use a credit card rather than a debit card when making purchases online since credit cards offer greater protection if you are the victim of fraud.



Reality Check on Your Retirement Savings

By Jessica Brokaw, CFP®

Whether you're 23 or 35, it's important to know whether you are saving enough for your retirement. There is no time like the present to ensure you are allocating enough funds to your retirement account.

With folks routinely living into their 80s and 90s, it's more important than ever to ensure your money lasts your lifetime. Millennials have the advantage of time. You can benefit from compounding and the long-term trends that can make a real difference over the course of several decades.

A good savings target is 15% of your income. That's a very general target, and in many cases, it's too conservative. That can be a real challenge if you are also saving for a house and/or paying off student loans. The important point is to make a commitment to your retirement savings by contributing a consistent amount with each paycheck (or if you are self-employed, every invoice). The absolute percentage is secondary; more important is to set a goal and stick to it.

How will your lifestyle change? In retirement, you may no longer be drawing a salary, although many folks take up some form of self-employment that brings in an income. It's up to you whether earnings will be part of your retirement plan. If not, your retirement savings should be robust enough to supplement your Social Security without sacrificing your lifestyle. You can check your projected Social Security payments on the Social Security Administration's website.



Time may heal all wounds. Millennials may have unpleasant memories of the Great Recession and the family turmoil it could have caused. A conservative attitude toward risk isn't surprising given those circumstances, but sticking to overly conservative investments has its own risks, such as not keeping up with inflation.

You have time to recover from the inevitable ups and downs of the markets, which means you might want to consider adding some aggressive investments to your retirement account.

Figure out how long your savings will last. To get a reasonably accurate figure, you should derive your annual "burn rate." That's the amount of savings you'll need to live on each year. You then see whether it will last for your estimated life expectancy, which you can check with any number of online calculators. If the answer is no, you'll have to increase the amount you save now and/or cut back on your retirement plans. Your retirement finances are not set in stone. You have options at any age. Call or email me to review those and decide on the best course of action.

Don't put it off — the sooner you understand your financial alternatives, the sooner you can take positive action to protect your golden years.

At Mid American, LPL Financial Advisor Jessica Brokaw is available to assist you with investment, retirement and legacy planning. Contact her at Jessica.Brokaw@LPL.com or (316) 779-0800.

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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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