

Save to Win! The Smartest Way to Save



**SAVE TO WIN**<sup>®</sup>

Save to Win is a special savings account at Space City CU! Each \$25 deposit into this share certificate earns you an entry into the monthly and quarterly drawings. Visit [www.SpaceCityCU.com/Save-to-Win/](http://www.SpaceCityCU.com/Save-to-Win/) to learn more.

The more you save, the more chances you earn — up to 10 drawing entries per month. Cash prizes will be deposited into the winners' traditional share accounts. Not only is your money insured by the NCUA, but you get to keep every dollar you invest, plus interest. It is truly a win-win.

Check out our \$25.00 winners for May:

- Shuron G.
- Jasmine H.
- Annmarie F.
- Linda M.
- Dora S.
- Martina M.

Enroll in our free Save to Win program today! Its only \$25 to start a Save to Win account.

## SPACE CITY CU FINANCIALS

May 2022

May 2021

Loans	\$97,312,013	\$68,701,016
Shares	\$135,121,148	\$101,638,444
Assets	\$153,448,433	\$111,310,071
Members	12,573	8,939

## CURRENT RATES

DEPOSITS	APY*	LOANS	APR*
Savings	0.10% - 0.25%	Auto	3.49% - 18.00%
Regular CD	0.45% - 1.00%	Personal	9.99% - 17.99%
Jumbo CD	0.50% - 1.10%	Platinum VISA Card	9.90%
Money Market	0.10% - 0.40%	Classic VISA Card	12.90%
Checking	0.02%	Mortgages	See website
IRA	0.50%	Instruments	8.75%

Savings are Federally and Privately insured up to \$500,000.



**ABOVE & BEYOND WINNER**  
May 2022

Kasey Venable  
Audit Clerk

At Space City Credit Union we reward our employees for going above & beyond for our members. We are honoring Kasey for May.

Kasey is a dedicated auditing professional that pays great attention to detail. She keeps the members best interest in mind while helping to safeguard their assets. Keep up the great work, Kasey!

## CONTACT US:

Phone: 713.222.1244 | Fax: 713.222.2604  
Toll Free: 1.800.702.3543 | Web: [SpaceCityCU.com](http://SpaceCityCU.com)

\*APR denotes Annual Percentage Rate and APY denotes Annual Percentage Yield. \$2,000 minimum balance required to open and earn dividend on certificates. Certificates earn and pay dividends MONTHLY. Early withdrawal penalties may apply. Dividends may roll over or be paid monthly to shares or checking, have it your way. Savings accounts pay dividends QUARTERLY. A Jumbo CD is \$50,000+. All accounts federally insured to at least \$250,000 by NCUA, a government agency. With private insurance from Excess Share Insurance Corporation (ESI) we can now guarantee insurance protection for up to \$500,000. Rates may change at any time. The early withdrawal penalty for certificates of deposit is the greater of \$25.00, or 50% of the dividends that would have been earned on the amount withdrawn (over the remainder of the certificate's term).

63052-SCCU-0622

**SPACE CITY**  
CREDIT UNION

# The Buzz

Here's What's Inside:

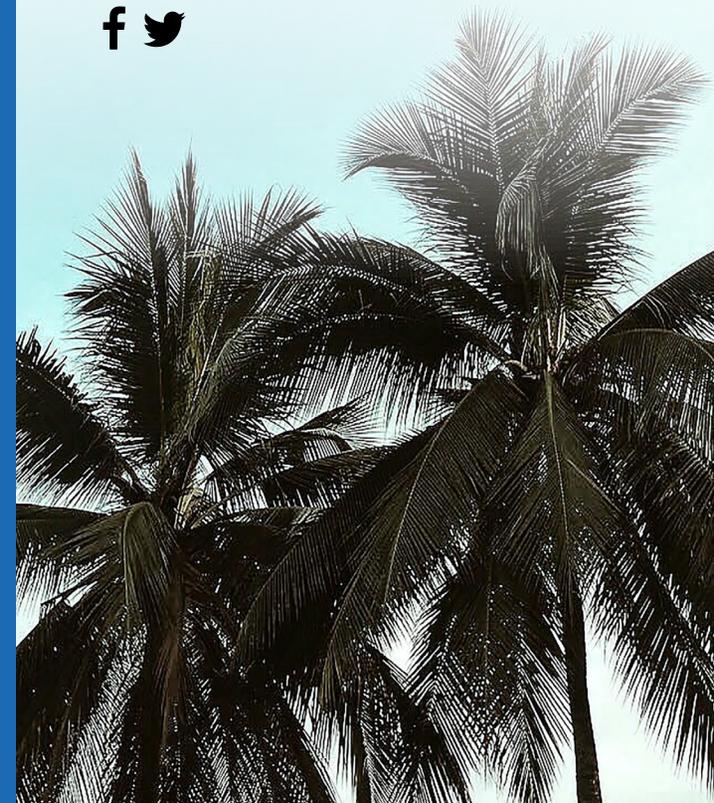
A Message from the President

13th Annual Wolf Scholarship Golf Classic

Transfer an Existing Balance to our Credit Card

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Keep in touch!  
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## A Message from the President



### A Message from the President: How High Will Interest Rates Climb?

There's a lot going on in the world right now - and when I sit down to type an article it's really hard to pick a subject!

From war in Ukraine, to global warming, to cultural revolution, to staggering inflation, the list goes on and on.

When I feel overwhelmed, I'm reminded of the KISS principle. KISS stands for "Keep It Simple Stupid". However, given the cultural revolution I just mentioned, I'll probably be canceled for saying "stupid" because I'm sure I offended someone (I hope not). But KISS is a real thing and was coined by Clarence Johnson, a renowned aeronautical engineer at Lockheed Martin. It refers to systems running best when you keep them simple, and not too complex.

With that in mind, I'll pick a fundamental banking topic: interest rates. Unless you live in a cave (can a say that?), you've probably heard rates have been climbing. Why, you might ask. Because when prices rise (or inflation) it's because people are buying a lot of stuff, so much stuff that demand starts to outpace the supply – then manufacturers charge more for their products. So, the Federal Reserve steps in and raises interest rates.

You might ask, why would the Federal Reserve raise interest rates if prices are already too high? Wouldn't higher rates just make prices higher and things more expensive? If people can't afford things now, how will higher interest rates help? It sounds counterintuitive, I know, but the economy is actually "too good" and people are buying so many products and services that manufacturers can't keep up! So, the Fed raises interest rates to make it harder for people to afford

things, thus, slowing down demand. This is a simplistic view, but I've got limited space here to entertain you.

Take the housing market, for example. Let's say someone wants to buy a new house that costs \$400K. With interest rates at 2.50%, the monthly payments on this house are about \$2,200, including taxes and fees. Now that the Fed has hiked rates, and mortgages are near 5%, the same house costs about \$2,900 per month. Now the house may not be affordable to the person who wanted to purchase it, so the person makes the decision to wait, and the house is not purchased. Thus, the housing market slows down, and the lumber company that supplies the housing market, and the construction crew who builds houses, and on and on.

In theory, this domino effect will re-balance the economy, slowing down the market to the point manufacturers can keep up, even start to warehouse some supply, then prices will come back down to a more 'normal' level.

The problem with this economy, some say, is the Fed waited way too long to raise interest rates, so prices really got out of sorts. Which leads us back to our original question: How high will interest rates climb? That's the million-dollar question, isn't it? And the answer is... "it depends". (I know, a really disappointing answer!).

Predicting how high interest rates will go and for how long is like predicting the stock market, if we KNEW we would all be millionaires. We can make an educated guess, use complicated algorithms, look at past performance, but nobody really knows. I think mortgage rates around five to six percent is as much as the economy can handle, and we're there now. If rates go too much higher, we could end up in a prolonged recession. If mortgage rates don't climb too much higher, I think we will see only a mild recession.

If history is any indication (we are coming off the

longest bull market in history), it would make sense that we are headed for recession. (Some say we are already in it).

If you need advice, we've got it. However, everyone's situation is different, so it would take way too long to give advice to everyone here. But you can send me an email and I'll make sure to provide you with custom advice, specifically tailored for you! Your questions or comments are always welcome... CR@SpaceCityCU.com

Thank you for your membership!

*Craig Rohden*

Craig Rohden, President/CEO

## 13th Annual Wolf Scholarship Golf Classic



### Save the date! October 25, 2022 at Tour 18.

All funds raised from the tournament will be used to help deserving students reach their educational goals. For more information and to register today, visit [SpaceCityCharities.org](http://SpaceCityCharities.org).

## Transfer an Existing Balance to our Credit Card

### Now offering a low balance transfer rate!

Ask us about our special rate offer today. Promo runs June 1, 2022 through August 31, 2022. Visit [www.SpaceCityCU.com/Credit-Cards/](http://www.SpaceCityCU.com/Credit-Cards/) to learn more.