

Serving all people living, working, attending church or school in Blue Earth, Brown, Carver, Cottonwood, Faribault, Kandiyohi, Le Sueur, Lyon, Martin, McLeod, Meeker, Murray, Nicollet, Redwood, Renville, Sibley, and Watonwan Counties in Minnesota



Board of Director Elections for the 2017 Annual Meeting

All member's December 31, 2016 statements contain an insert regarding the amendment to SouthPoint's elections bylaws that will be in effect for the 2017 Annual Meeting. This amendment enhances the election process by giving all eligible voting members earlier notice of nominees from the Nominating Committee and also provides for a petitioning process for members to be a part of the election ballot.

The end of year statement insert contains more detail related to the elections, including the petitioning process and information regarding the nominees for the

2017 Annual Meeting. The petitioning process is date sensitive, so please see your 2016 year end statement for more information. There will be no nominations from the floor at the Annual Meeting if there are sufficient nominations from the Nominating Committee or through the petition process.

Your Board of Directors is very interested in making the elections process open and we hope you find these changes add value to your membership.



Opening Our Doors in North Mankato

by Troy Diedrich, Vice President of Marketing and Development

You are welcome to stop and visit our newest full-service office open in North Mankato. Joel Heitner, our Branch President of St. Peter and North Mankato, in combination with our retail leadership team, has assembled a dynamite member service experience. Joel is joined by Lori and Cory both experienced SouthPoint team

members, plus Joe and Heather, two new additions to the SouthPoint family.

We look forward to the North Mankato office being a hub for new members in 2017. We are proud to be the first community chartered credit union office in that community.



INSIDE

Home Loan Basics
Courtesy Pay
Community Partners.....2

My Point of View
New Online Banking3

The ABCs of IRAs
Indirect Lending
Milestones4

Helpful Tools for 2017
Turbo Tax
2017 Chain of Hearts
FIC Scholarship5

CALENDAR

Chain of Hearts
January 16 - February 28

Annual Meeting
April 18, 2017



Home Loan Basics for buying a house!

by Shelly Heiderscheidt, Loan Service Representative

I recently visited the website "The Truth about mortgage." I learned from the site that in the French language the term 'mortgage' is literally defined as "death pledge"- 'mort' means death & 'gage means pledge. Peasants would work until they died for their dream of owning a home. The debt "died" when paid in full or a payment was missed. At SouthPoint we know the process you go through for your home loan doesn't feel like a grueling march to your death pledge. For each home loan that is taken out the application & closing piece are very similar. However, the steps taken between the two as well as needed documentation can vary tremendously based on each home buyers circumstances.

The very basic steps to take out a home loan when buying a house and what we do behind the scenes are:

Buyer: Apply On-Line, in person or over the phone for preapproval.

SouthPoint: Assigns your application to a loan officer & contacts you within 24 hours. Request your credit report.

Buyer: Gather supporting documentation (to show income & assets) & forward to your loan officer.

SouthPoint: Analyze documentation & possibly request clarification or additional information. Submit to underwriting for preapproval & contact you with the decision.

Buyer: Forward Purchase Agreement to us.

SouthPoint: We can now proceed in processing your application. We will order documentation for your loan including (but not limited to) the appraisal, title work, written credit, income and asset verification. Review documentation as it comes back to us. Submit to Underwriting for Final Approval. Work with closing agent and realtors to set closing time & date. Forward a Closing Disclosure to you a minimum of 3 business days prior to closing.



Buyer: Review, sign & return the Closing Disclosure that details final loan terms, closing costs and purchase transaction.

SouthPoint: Prepare documents and coordinate a wire transfer of funds to closing company.

Buyer: Meet with the closing agent to sign your loan & title documents.

When this is complete – congratulations! You're a homeowner! If you would like to start the process of owning your own home, give us a call today at 877-794-6712 or visit us online at www.southpointfinancial.com



Courtesy Pay

by Missy Haugen, Deposit Manager

Have you ever been in line at the grocery store and had your debit card declined? Or maybe it hasn't happened to you but you've seen it happen to others. Either way, you get a sinking feeling in your stomach and are embarrassed, or feel bad for the person in front of you. We get it, Life Happens.

SouthPoint offers a service called Courtesy Pay that gets attached to your checking account and can help you or someone you know in situations like this. The way it works is that if you write out a check or use your debit card for a purchase or to pay a bill and you don't

have enough funds in your account at the time it processes, Courtesy Pay kicks in and allows the transaction to go through.

If you do not have the Courtesy Pay attached to your checking account right now, I encourage you to give us a call, send us a web chat or stop in to one of our branches. Whether you want more information about the service or are ready to add Courtesy Pay to your account, our knowledgeable staff are here to help you out. Why not say yes to a financial tool that can put your mind at ease!

Community Partners

Have you checked out our Community Partners page on our website lately? There are over 60 area businesses that either offer a discounted product/service to SouthPoint Members. Check out bit.ly/SouthPointCommunityPartners for a full listing.



Saint Peter LAUNDRY Co.

Turn Laundry Day Into Laundry Hour!



My Point of View

This letter will find us ringing in 2017. It is with great excitement and appreciation that we have achieved many new milestones, they in themselves give us the opportunity to bring new and enhanced services to you the member owner.

In 2016, we surpassed \$300 million in assets, continued to grow income to maintain our capital at over 14%, welcomed over 1,000 net new members and increased our loan portfolio by \$15 million. We also remodeled the Sleepy Eye retail office to provide an enhanced and more efficient experience to members.

In 2017 you will see changes in products, delivery channels and branches. In 2016, remote/electronic loan applications increased from 25% of all applications taken to over 50%. As these trends continue in the marketplace, we will continue to offer more electronic services such as e-notices and real time notifications. Coming soon, we will be converting to a new 'online banking' product that will provide you more functionality, information and ease of use. We also have plans for a new website to be deployed in 2017 that will bring more functionality and ease of use.

We have been preparing for the opening of a branch in North Mankato in January of 2017. Along with this new branch we are in the planning stages of opening a branch office later this year in Hutchinson. Why do we continue to expand? The simple answer; many new services and features need large numbers of users to make them cost effective, and so to continue to deliver added value to existing members it requires growing numbers. North Mankato and Hutchinson bring similar demographics as our existing membership and communities, these new markets will contribute to the future success of the entire credit union.

As the President of your cooperative financial institution I want thank you for your continued support and loyalty. We are here to be your financial partner helping you achieve your success in 2017.

Dick Nesvold
CEO

New Online Banking Platform Coming Soon!

In our efforts to bring you the best possible member experience, we will be upgrading our Online Banking, and Mobile Banking solutions. The new solution will be introduced to members the middle of February.

This enhancement will come with more flexibility, reliability and control for you, but it also will come with a few important changes that will temporarily affect the way you use Online Banking. We've summarized these key points below and suggest that you keep this summary on hand for quick future reference.

What can I expect?

- The upgrade requires that Online Banking, Bill Pay and Mobile access will be unavailable from Friday, February 10th to Monday, February 13th. However, rest assured that we have adequate staffing available in our call center and branches to assist you in all your needs.
- When you log in to the new system, you will no longer use your current username or password. Instead, you will receive instructions on an alternate initial login process, followed by the requirement to change the username and password for future use.
- For Online Bill Pay, all of your account information, your scheduled automatic payments and six months of your payment history will seamlessly transition to the new system.

• The new Online Banking system will feature FREE innovative solutions, such as integration with all Intuit products (i.e. Quicken, QuickBooks) and Finance Works, a tool that allow you to see your complete financial picture, track your spending habits, set budget goals and more — all on one screen.

What steps should I take?

- Ensure that we have your current email address on file so you do not miss any important reminders or notifications we will send you via email in the coming weeks.
- Bill Payments – Please make sure to schedule any payments that will be due between February 10th – February 13th prior to February 9th to help ensure that they are paid on schedule.
- Visit southpointfinancial.com for more information and watch for email notifications in the coming weeks.

While we are confident that this new service will greatly enhance your overall online banking experience, we apologize for any short-term inconvenience the upgrade may cause you. We are here to answer any questions, so please feel free to contact us at 877-794-6712 or email us at member.solutions@southpointfinancial.com





The ABCs of IRAs

This popular retirement savings vehicle comes in general varieties.

What don't you know? Many Americans know about Roth and traditional IRAs ... but there are other types of IRAs. Here's a quick look:

Traditional IRA (or deductible IRA) is an individual savings plan for anyone who receives taxable compensation. IRA assets may be invested in any number of vehicles, and contributions may be tax-deductible. Earnings in a traditional IRA grow tax-deferred until withdrawal, but will be taxed when withdrawal begins - and withdrawals must begin by the time the IRA owner reaches age 70½.

Roth IRA offers you tax-free compounding, tax-free withdrawals if you are older than age 59½ and have owned your account for at least five years, and the potential to make contributions to your IRA after age 70½.

SIMPLE IRAs are qualified retirement plans for businesses with 100 or fewer employees.

SEP IRA stands for Simplified Employee Pension. These traditional IRAs are set up by an employer for employees and funded by employer contributions only. Spousal IRA is actually a rule that lets a working spouse make traditional or Roth IRA contributions on behalf of a non-working or retired spouse.

Inherited IRA is a Roth or traditional IRA inherited by a non-spousal beneficiary.

Education IRA (Coverdell ESA) provides a vehicle to help investors save for a child's education.

For more information on investment options, contact Bob Skillings, Financial Advisor with SouthPoint Financial Services, at 507-233-5624, 877-794-6712, or bob.skillings@southpointfinserv.com to set up an appointment and review your personal situation. Located at SouthPoint Financial Credit Union 706 North German St. New Ulm, MN 56073.

Securities and advisory services offered through Cetera Advisor Networks LLC, member FINRA/SIPC. Investments are:

- Not FDIC/NCUSIF insured May lose value
- Not financial institution guaranteed
- Not a deposit
- Not insured by any federal government agency.

Cetera is under separate ownership from any other named entity.

This material was prepared by MarketingLibrary.Net Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information should not be construed as investment, tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy.



Holiday Club

by Kristin Schwarzrock, Member Advisor



SouthPoint has you covered when it comes to preparing your pocketbook for the inevitable purge during door buster and cyber deals.

With our Holiday Club savings plan you can take advantage of our member-best .40% APR dividend rate to help bolster your holiday reserves in advance. All you need to do is decide how much money you'd like to save leading into the holiday seasons and SouthPoint will help you get there.

Members can choose between weekly, biweekly, or monthly contributions to their Holiday Club account. Then we'll set up automatic, recurring deposits directly from your checking here or with another financial into your Holiday account. We begin the process November first, and keep it rolling until Oct 31st of the following year. So it's not too late to jump on board.

This takes the hassle and stress out of savings, and rewards your preparedness with a fantastic dividend rate.

Maybe you're planning a family trip next year. For less than \$95/week (if you start January 1) you'll have over \$4000 ready and waiting for you when the time comes to fly south. Maybe you've got your eye on new snowboards for the kiddos. For less than \$37/week you'll have over \$1400 in hand before there's even snow on the hills.

Another way to save more is getting a credit card with rewards. You can redeem rewards for gift cards for Christmas, birthday or just because gifts. We offer a credit card as low as 9% for rewards and you know you can't beat that deal. On average a credit card will be anywhere from 14-18% so we are looking at saving double with interest rate and rewards. What do you have to lose, come on in and ask about these products.

Open your Holiday Club account online today at southpointfinancial.com.



SouthPoint Offers Indirect Lending

by Jeff Anderson, Indirect Lending Officer

At SouthPoint Financial Credit Union, we're committed to helping you find and finance the perfect vehicle, so we can get you and your family on the road to saving more money. Part of the equation to finding a great deal on a vehicle is securing your financing with a low-rate auto loan from SouthPoint. Another is finding a dealer you can trust. We're bringing both these pieces together for your

convenience through our 14 -dealer partners, the list continues to expand – check back periodically to see the most recent dealer partners: bit.ly/SouthPointIndirect.

When you work with an SPFCU Preferred Dealer, you can:

- Shop the dealership for your perfect vehicle
- Apply for an SPFCU auto loan on-site
- Close your loan and purchase protection for

your vehicle, like GAP and other warranty products

We live in a culture where convenience and saving time is a major priority for you as a consumer, and feel the new dealer partnerships will allow you and your family's access to the same great auto loan products in a one stop transaction. You can still apply for your auto loan in branch or online.

SouthPoint Celebrates Milestones



Sandy Rueckert
20 Years



Michelle Strate
15 Years



Mindy Domeier
10 Years



Marlayna Evers
5 Years



Helpful Tools for 2017

by Randy Reinarts, Sleepy Eye Branch President

In December I had the opportunity to attend an agriculture lender's conference sponsored by the Center for Farm Financial Management at the University of Minnesota.

Below are tables on some net income projections for corn and soybeans on cash rented acres for 2017 based on various yields and prices. The projected cost per acre for corn is \$696 which includes \$212 for rent. For soybeans the projected cost per acre is \$481 which includes \$210 an acre for cash rent.

Corn, Cash Rented

FINBIN Database, Southern MN

| | 2016 Estimated | 2017 Projected |
|------------|-------------------|-------------------|
| Yield | 200 | 190 |
| Price | 3.00 | 3.50 |
| Value | 600 | 630 |
| Total cost | 740 | 696 |
| Net return | -140 | -66 |

• Does not include potential government price support payments which might vary from \$0 to \$80 per acre
• Farmers need about \$55 per acre returns to cover family needs

Soybeans, Cash Rented

FINBIN Database, Southern MN

| | 2016 Estimated | 2017 Projected |
|------------|-------------------|-------------------|
| Yield | 57 | 50 |
| Price | 9.00 | 9.00 |
| Value | 513 | 450 |
| Total cost | 500 | 481 |
| Net return | 13 | -31 |

• Government price support payments are projected to be minimal for soybean acres
• Farmers need about \$35 to \$50 per acre returns to cover family needs

One website you may find helpful is www.fairrent.umn.edu. This tool will allow you to estimate a break even rental rate at various yields and prices for corn, soybeans and other commodities. All you need to do is enter your direct input expenses per acre and the program will calculate how much money remains to pay for cash rent. If you don't know your direct expenses per acre another tool you can use to find this information is at www.finbin.umn.edu. Here you will find what other producers are paying for various expenses.

If you have questions using these tools please call me at 507-794-8811 or email randy.reinarts@southpointfinancial.com.

Turbo Tax

Save up to \$15 on TurboTax, the smarter way to get your taxes done right

File your taxes the smarter way and save! SouthPoint Financial Credit Union members can get up to \$15 off TurboTax federal products. TurboTax® translates taxes into simple questions about your life, so you don't need tax knowledge – or an appointment – to get your taxes done right. TurboTax SmartLook™. **Get started today and save!**

- **Get your maximum refund.** TurboTax searches over 350 deductions and credits to make sure you get your biggest possible refund, guaranteed.
- **Be sure nothing gets missed.** TurboTax CompleteCheck™ reviews every detail in your return, walks you through any final changes, and gives you the green light to file.
- **You're never alone.** Connect with an expert live, on-screen to get answers when you need them with

More Savings with Love My Credit Union Rewards!



LOVE MY CREDIT UNION REWARDS

The TurboTax credit union member discount is just one of many member discounts available with the Love My Credit Union Rewards program. Members have saved nearly \$2 billion with exclusive offers Sprint, ADT, TruStage, and cash back shopping with Love to Shop. **The more offers you take advantage of, the more you save. Visit www.southpointfinancial.com today to start saving!**

State filing charges apply. Limited time offer for TurboTax 2016. Terms, conditions, features, availability, pricing, fees, service and support options subject to change without notice. Intuit, TurboTax and TurboTax Online, among others, are registered trademarks and/or service marks of Intuit Inc. in the United States and other countries. Other parties' trademarks or service marks are the property of their respective owners. Visit <http://turbotax.intuit.com/lp/yoy/guarantees.jsp> for TurboTax product guarantees and other important information.

2017 Chain of Hearts



SouthPoint has joined other CU's around the state to raise funds for their annual "Chain of Hearts" Campaign. The campaign is an annual fundraiser organized by the MN Credit Union for Kids program to benefit Gillette Children's Specialty Healthcare. Purchase a link or a heart and help us grow our chain. Visit southpointfinancial.com for more information.

Can you help us reach our goal of \$10,000 by February 28, 2017?

\$10,000

IN SCHOLARSHIPS AVAILABLE
Past scholarship member winners



Amber H. - 2015



Jacob G. - 2015



Harley B. - 2016



Any individual attending post-secondary school in the fall of 2017/spring 2018 is eligible. Visit southpointfinancial.com for more information.



924 East Main Street
Sleepy Eye, MN 56085

Please note:
SHRED Day is changing from quarterly to annually. Watch our website for details.

Savings Rates: Effective Date: 9/17/2014

| Type of Account | Annual Percentage Yield (APY) |
|---|-------------------------------|
| Share Savings | .25% |
| EzStart/Ez\$ (up to \$5,000) | 2.53% |
| EzStart/Ez\$ (exceeds \$5,000) | .40% |
| Money Market | .25% - .50% |
| Holiday Club (max balance \$5,000) | .40% |
| IRA (\$1,000 minimum deposit) | .75% |
| Share Certificates | |
| 3 Month | .30% |
| 6 Month | .50% |
| 12 Month | .75% |
| 18 Month | .80% |
| 24 Month | .85% |
| 36 Month | .90% |
| Step Up Certificate (\$1,000 minimum deposit) | |
| 24 Month | .80% |
| 36 Month | .85% |
| IRA Certificate (\$2,500 minimum deposit) | |
| 24 Month | .85% |
| IRA Step Up Certificate (\$2,500 minimum deposit) | |
| 24 Month | .80% |

Loan Rates: Effective Date: 1/1/2017

| Type of Loan | Annual Percentage Rate (APR) |
|---|------------------------------|
| VISA (as low as) | 7.00% |
| New Car (as low as) | 2.99% |
| Used Car (as low as) | 2.99% |
| Camper (as low as) | 3.99% |
| Ag Operat. (as low as) | 4.00% |
| Ag Real Estate (as low as) | 3.75% |
| Ag Resid. Rental (as low as) | 4.00% |
| Ag Building (as low as) | 4.75% |
| Ag Mach/Equip (as low as) | 3.75% |
| Member (as low as) | 6.99% |
| Share Savings Secured (as low as) | 3.75% |
| Ready Reserve | 15.00% |
| Mortgage Loans | |
| 15 Year, 30 Year Fixed Rate and other programs available. | |
| Home Equity Line of Credit (as low as) | 1.99% |

*APR = Annual Percentage Rate
**Interest rates are subject to change based on the type of loan, the collateral, loan to value, borrower's credit history, account relationship, and automatic payments. Rates disclosed are the lowest rates available at SouthPoint Financial. Other conditions may apply.

All rates are subject to change. All rates quoted are listed in percent. Payment Examples: Consumer Loan: \$1,000.00 borrowed for 12 months with an APR of 6.00% would have a monthly payments of \$86.07. Mortgage Loan: \$100,000 borrowed for 360 months (30 years) with an APR of 6.00% would have a monthly payment of \$599.55. The payment example does not include amounts for taxes and insurance premium, if applicable, and that the actual payment obligation will be greater. The terms listed are the maximum term available for qualified borrowers.

Sleepy Eye
920 East Main St.
Sleepy Eye, MN 56085

Springfield
975 West Central St.
PO Box 80
Springfield, MN 56087

New Ulm
706 North German St.
New Ulm, MN 56073

North Mankato
1800 Commerce Dr
Suite A
North Mankato, MN 56003

Lobby Hours:
M-F 8:30am - 4:30pm
S 8:30am - Noon

Drive-Up Hours:
M-F 8am - 5pm
S 8am - Noon

St. Peter
105 South Third St.
Suite #100
St. Peter, MN 56082

Lobby Hours
M-Th 8:30am - 5pm
F 8:30am - 5:30pm

Member Solutions
M-F 8am - 6:30pm
S 8am - Noon
membersolutions@
southpointfinancial.com

Office Numbers
877-794-6712 - Toll Free
507-794-5540 - Fax
Call 24 (24hr Banking)
877-794-5355

To report a lost/stolen debit card, call main office during business hours or 800-554-8969 after hours.

To report a lost or stolen credit card, call 877-221-6947

