December 2021

Member Insights

MERCK EMPLOYEES
FEDERAL CREDIT UNION

From the desk of the President/CEO:

Strength in Any Economic Environment



At the time of this writing it was Nov. 26th and the world woke up to news of a new covid variant coming out of Africa. So what immediately happened? Global markets and markets here in the U.S. moved considerably lower. The Dow was set to open off by about 800 points and the U.S. Treasury market was rallying, pushing yields lower.

While U.S. Treasuries may seem boring for personal investing, globally they are still the ultimate measurement as they are the preferred choice for countries and institutional investors around the globe and are an excellent indicator of market sentiment.

So what does the market swoon coming from one headline tell us? Markets are incredibly sensitive still to anything covid related and we will need to get used to this happening. While more and more economists and market watchers are saying the world is getting accustomed to living with covid and it is here to stay, one big headline can still take down markets at any time.

It's a good reminder about the power of safety and soundness. Here at the credit union we take a measured, consistent approach with all that we do financially so as not to be concerned about major events. We are prepared at all times to be here for our members as they seek a safe haven and a market leading savings yield. This has never been more true than during the covid pandemic.

Last year, the year covid came into our lives, the credit union absorbed approximately $280 million of new member deposits. This year thus far we have absorbed approximately $220 million. For a credit union, when deposits flow in so strongly your capital ratio goes down. As not for profit financial cooperatives credit unions can only raise capital via retained earnings,

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Credit Union Supports Local Food Bank



Merck Employees Federal Credit Union lives the credit union system philosophy of "People Helping People" and recently helped support the local food bank, Rahway Food for Friends, which helps thousands of those in need with food as well as many household and personal care items. Rahway Food for Friends needs support from the community now more than ever as a few nearby food banks have closed due to the pandemic and their reach of service has only grown.

In photo at left, from left: Merck EFCU Director Charles Orgelfinger, Merck EFCU President Paul Gentile, Merck EFCU Director Doug Christie and Rahway Food for Friends Administrator/Board Member Latoya Washington.



Featured Loan & Deposit Rates

Auto Loans as low as 2.75% APR*	E-Checking as high as 0.25% APR*	Credit Cards as low as 8.25% APR*
Savings as high as 1.00% APR*	IRAs as high as 1.50% APR*	Home Equity as low as 3.25% APR*

**Annual percentage rate. Visit www.merckcu.com or visit a branch for more information.*

New Trend in Romance Scams

Since the Coronavirus pandemic began, the Federal Trade Commission (FTC) noted that Americans lost more money to romance scams than any other scam and the situation is getting more serious.

Romance scams occur when a criminal adopts a fake online identity to gain a victim's affection and trust. The scammer then uses the illusion of a romantic or close relationship to manipulate and/or steal from the victim. The criminals who carry out romance scams are experts at what they do and will seem genuine, caring, and believable.

The scammer's intention is to establish a relationship as quickly as possible, endear himself to the victim, and gain trust. Scammers may propose marriage and make plans to meet in person, but that will never happen. Eventually, they will ask for money.

Scam artists often say they are in the building and construction industry and are engaged in projects outside the U.S. That makes it easier to avoid meeting in person—and more plausible when they ask for money for a medical emergency or unexpected legal fee.

In the first seven months of 2021, the FBI reported receiving 1,300 romance scam complaints that cost victims more than $130 million and these numbers are most likely understated because many victims do not report falling for these scams.

The latest trend in romance scams, according to the FBI, is one in which the scammer tells his victim that he has inside knowledge about cryptocurrency investing and directs the victim to a phony website that purports to be a legitimate cryptocurrency trading site. Not long after "investing" in the cryptocurrencies provided, the victim soon finds that there is no investment and that she or he has lost all of the invested money.

The first tip to avoid falling victim to a romance scam is to always be skeptical of anyone who falls in love with you quickly online without ever meeting you and early into the relationship then asks you to send money to assist them with a wide range of phony emergencies.

Other tips include:

- Profile pictures that look too professional or like a model. Doing a reverse image search can help you determine if the photo is legitimate.
- Particular phrases, such as "Remember the distance or color does not matter, but love matters a lot in life" often turn up in many romance scam emails
- Be on the lookout for bad spelling and grammar as many romance scammers claim to be Americans, but are actually foreigners lying about where and who they are.
- Many scammers will ask you to use a webcam but will not use one themselves.
- Ask the person to take a picture of themselves holding up a sign with their name on it or ask for a lot of photos of the person. Ask for a photo of them at a particular place that you designate to further test them.
- Be wary if you meet someone through a dating website and they ask you to leave the dating service and go "offline".
- Military personnel are a favorite disguise for scammers. Be cautious with anyone claiming to be military personnel.

It is also important to remember that regardless of the scenario, you should never invest in something that you do not completely understand. If you have questions about a particular investment, check out the SEC's investor education website at www.investor.gov.

Scammers can be very convincing and it may sound like there is a great opportunity for someone to make some money, but you must be careful that the person making money is not the scam artist taking yours



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unlike banks and other FIs that can issue stock and go to the capital markets. While this capital restriction acts as a governor on credit union growth, it is also a tremendous tool for ensuring the health of the credit union system and is why credit unions as a whole perform tremendously well even in tough economic times. This is what makes a credit union unique. I am pleased to report that even after absorbing a half a billion dollars in new deposits, MEFCU's capital level remains incredibly strong and above its peer group at over 10%. More importantly, we paid a market leading rate on our deposits and were able to maintain such a strong capital level.

During times of economic uncertainty, many members will ask about the health of the credit union. I urge members to measure our credit union against any metric and you will find a credit union that is built for all economic climates and can weather any economic storm. As a reminder, at any time you can view the credit union's latest financial statement by clicking this link https://www.merckcu.com/resources/about-mefcu/financial-statement/ from our Web site.

Thank you for your continued support and best wishes for a healthy and happy holiday season.

Paul Gentile, President/CEO

MERCK EMPLOYEES FEDERAL CREDIT UNION
Your Prescription to Financial Health.

Member Services: 732-594-3317
Loan Department: 732-594-3018
Debit Card Lost/Stolen: 800-554-8969
Credit Card Lost/Stolen: 800-237-6211

Established in 1936, Merck EFCU is federally-chartered and federally insured by the National Credit Union Administration.

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