



Dollars & Sense

September 2010 Volume 8 Issue 3

Established 1959

COME RIDE THE WAVE TO FINANCIAL SUCCESS

Make the move to reduce your mortgage

So you've given up your daily latte, your weekly dinner date, and your monthly massage to save money. But, if you're looking to save *big* money, look no further than your mortgage. That loan most likely is your biggest monthly expense--while interest rates remain at record lows. SD3FCU offers terms up to 15 years and Centennial Lending offers terms to 40 years.

Here are ways to reduce your home loan expense:

- *Refinance*--Refinancing at a lower rate can cut your monthly payment by hundreds of dollars. And if you can afford to refinance to a shorter term, you could save thousands of dollars in interest over the life of the loan.
- *Automate it*--Many financial institutions offer an even lower rate if you set up automatic mortgage payments. It's an easy step and one less check to worry about writing each month, or one less bill to pay through automatic bill pay.
- *Ask about fees*--It doesn't hurt to ask the loan officers at your financial institution if lower fees are available on some mortgage costs. If you have good credit, the lender may even waive a few charges. SD3FCU has low fees and no discount points.

Take out the loan in one spouse's name--If either you or your spouse has a tarnished credit score, or if one of you is self-employed with not much income, consider taking the loan out only in the name of the person with the higher credit score. You still can have both names on the title, but only one name on the loan.

Also, check what you're paying in private mortgage insurance (PMI). PMI is insurance that lenders require from most home buyers who obtain loans for more than 80% of their new home's value. The Homeowner's Protection Act of 1988 requires mortgage lenders or servicers to automatically cancel PMI coverage on most loans once you pay down the mortgage to 78% of the value and are current on your loan.

Talk to a loan officer at your credit union for help with these decisions. And, to run the numbers on refinancing, use the calculator under the "Rates" button at www.sd3fcu.org.

**LOCAL.
TRUSTED.
SERVING
YOU.™**

Why do 186 million people worldwide choose credit unions? Community commitment and trustworthy member service are among the many reasons. On October 21, join us and credit union members around the world to celebrate International Credit Union Day® and experience the credit union difference.

Stop by the office and celebrate with your fellow members! We'll have those great cookies from Nutrition Services and lots of prizes.

Curb Cash Crunch in Retirement

What are the chances you'll run short of money in retirement? The Employee Benefit Research Institute, Washington, D.C., predicts that 47% of early baby boomers ages 56 to 66 and 43% of late boomers ages 46 to 55 are at risk of having insufficient income in retirement to cover basic retirement expenses, as well as uninsured health care costs. To help, *here are* six relatively painless ways to close the income gap:

- *Ditch high-cost debt.* Aim to step into retirement debt-free. Pay as much as you can afford on highest interest-rate debts first while still making minimum payments on all other debts. Once you pay off the highest-cost debt, keep whittling away until you pay off all of them. Getting rid of mortgage, auto, and credit card payments in retirement could save you thousands of dollars or more a year.
 - *Weed out unnecessary insurance.* You probably don't need a disability policy in retirement. Similarly, weigh the pros and cons of cashing in your life insurance policy if you no longer have dependents and your spouse could easily support him or herself. When making the decision, calculate the financial loss to your family if you die, and then factor in the cost of the premiums.
 - *Scale down this old house.* Fewer rooms and square footage translate to lower expenses--upkeep, maintenance, utilities and taxes. Or, move to a less expensive area.
 - *Get rid of energy guzzlers.* Replace older appliances with new Energy Star models, switch to compact fluorescent bulbs, and ask for a free or discounted home energy audit. Visit doe.gov for guidelines to conduct an audit on your own.
 - *Trim high investment fees.* You may be paying too much if your fees are more than 1% of your portfolio value. Ask for a fee reduction if you think you're being overcharged, or search for a fee-only adviser at NAPFA.org.
- Lose the landline.* If cell phone reception is a problem, consider getting a signal booster. Visit BillShrink.com for the low-cost cell phone plans.

Lobby Hours

Mon-Fri 9 to 5

Drive up Hours

M-F 7:30 to 5:30

Sat 8:00 to 12:00

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HOLIDAY CLOSURES

Monday October 11

Columbus Day

Thursday November 11

Veteran's Day

Thursday November 25

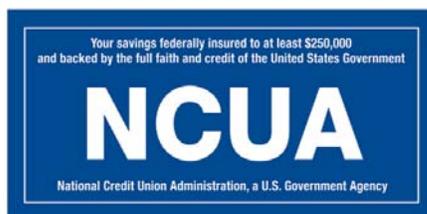
Thanksgiving Day

Friday at noon December 24

Christmas

Friday at noon December 31

New Years



The Credit Union is closed on WSD3 Snow Days

5 REASONS TO GIVE YOUR KIDS AN ALLOWANCE

If you're not already doing it, you may reconsider. An allowance can:

.....teach them about real life. Nothing beats an allowance for a hands-on course in values. Having their own money can teach them responsibility, consequences, saving & charity.

.....distinguish needs from wants. Do they really need that new video game or those peace sign earrings? Having to spend their own money makes them think harder about what to spend it on.

.....puts an end to the nickel-and-diming. A set budget can stop that constant *drip, drip, drip* of money flowing from your wallet to random stuff for kids.

.....builds trust. By giving kids money it shows you trust them. And they realize that to keep it coming, they have to become trustworthy.

.....promotes self confidence. Just as it does for you, managing your money is great for self-esteem. Teaching them how to save some for long term goals, spend some now and give some to charity really gives them the tools of self-reliance.

*When to start? There are no set rules but most experts feel that around age 6 kids are old enough to manage money and understand the concept.

*How much? According to a 2010 study by American Express, the average allowance is \$12 a week or \$48 a month. Remember a 6 year old might use less and a 12 year old will probably use more.

*How often? Whether it's weekly or monthly, kids do better when you stick to a schedule.

*Work for pay? Think about your goals. If your main goal is to teach them to manage money, give them a basic allowance with financial "chores" attached. If you want to teach them the value of working for pay, pay them on a job-by-job basis.

*What about saving? *No matter what the amount*, make sure they save a percentage in their Credit Union (having their own account is empowering). Also encourage them to set aside a percentage for charity (they'll learn the power of giving).

For more information log on to www.sd3fcu.org and follow the link to valuable financial information for high school and college students as well as teachers and home schoolers. It's free and it's fun!



FoolProofSM
Real Financial Education

What's the difference between a Credit Union and a bank?

At your Credit Union you are an **owner** of a not for profit, financial cooperative.

More than 25,000
surcharge free
ATMs nationwide!
Look for the
CO-OP Network Logo
when using your
SD3FCU Visa Debit Card



FREE Portrait

Take Advantage of this
Special Offer!

Limit one complimentary 8x10
color portrait per family and
one sitting per household.

An appointment is necessary
so call early to set up your por-
trait sitting on Monday, Nov. 8
from 3:00 p.m.—8:30 p.m.

Just Another Member Benefit

SD3FCU and Enterprise Car Sales Event

October 22 & 23

Special loan rates on 2006-2010 vehicles



purchased at this sale ONLY

**GET EXTRA SPENDING POWER WITH YOUR
SD3FCU CREDIT CARD THIS HOLIDAY SEASON**

- ** Ask for an increase in your credit limit and if you qualify you can go shopping the next day!
- ** Skip your January payment!
- ** Apply for our new Platinum Card with a low rate of 6.25% APR* WAC

Call 392-8439 today for details.

*6.25% APR is a variable rate and subject to change semi-annually

