



MEMBER NOTES

News for Members of Michigan Educational Credit Union

APRIL 2022



MISSION STATEMENT

“To provide members with quality, comprehensive, cost effective financial services”

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Get Rolling This Spring With A Great Rate!

Spring is all about setting the reset button, and there’s no place like home to get started! From major renovations to weekend DIY projects, MECU is ready to lend a hand with affordable loans to suit your every need.

If you like getting your hands dirty, our Revolving Credit Personal Loan is great for do-it-yourself projects. Once approved for the loan, you can tap into your unused credit limit whenever you need it through Home Banking or Mobile Banking, or by visiting an MECU office or CO-OP ATM.

Do you have something bigger in mind, like installing a new roof or remodeling the kitchen? Home equity financing may be your best bet. Our rates start as low as **4.50% APR*** and you can choose from a variable-rate Home Equity Line of Credit, with monthly payments as low as \$9.00 per thousand borrowed, or a closed-end, fixed-rate Home Equity Loan. Either way, you can borrow \$10,000 or more with **NO CLOSING COSTS.**** You can even refinance an existing home equity loan from another lender. Be sure to ask your tax advisor about potential tax savings.



If an equity loan isn’t right for you, we also offer Home Improvement Loans for \$1,000-\$25,000 for up to nine years at a competitive rate. All loan checks are made payable to your contractor or home improvement center. For more information or to make a loan request, contact the Loan Department at any MECU office or go to www.michedcu.org.

* Annual Percentage Rate effective April 1, 2022, and is subject to change. 4.50% APR applies to a variable-rate Home Equity Line of Credit of \$50,000. Minimum loan \$10,000, maximum \$200,000. The maximum APR that can apply is 18%. Maximum LTV 90%. Loan payments based on \$9 or \$12 per thousand. Example: \$10,000 loan, \$9 per \$1,000 selected, \$90 monthly payment. Other rates and terms available. Rates not available on existing MECU loans. Offer available on Michigan real estate only.
** Certain circumstances may require closing costs.

Have You Named An Account Beneficiary?

It’s something we see all too often at Michigan Educational Credit Union. A member passes away without having a joint account holder or beneficiary listed on their account. For the loved ones left behind trying to access those funds for funeral arrangements and other expenses, things get very complicated.

Do yourself and your family a favor: Take a moment to look over your accounts. If you don’t want to share your account with a joint owner, make sure you have at least one beneficiary in case something happens to you. By naming your beneficiaries, you ensure that your money goes where you intend it to go.

If you would like to add a joint owner or beneficiary to your accounts, contact Member Services at a branch near you or call (734) 455-9200 or toll-free (888) 261-3355, then press option 3. We’ll be happy to assist you.





LET'S PLAN FOR YOUR FUTURE

Our wealth advisors can help you select an investment plan to address your individual goals and objectives.

- Retirement Planning
- Financial Planning
- Rollover Services
- IRAs
- 401(k) & 403(b)

For a no-obligation, complimentary consultation and a free review of investment programs, contact MECU Financial

Serving All MECU Locations
(734) 416-5025
mecuadvisors.com



Bill Knudsen
Wealth
Advisor

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Not Insured by NCUA or Any Other Government Agency
Not Credit Union Guaranteed
Not Credit Union Deposits or Obligations
May Lose Value

CEO Update

Are you in the market for a new car this spring? If so, buckle up and get ready for a wild ride!

The ongoing computer chip shortage has wreaked havoc on the auto industry, causing dealership inventories to drop to all-time lows. According to new research from Edmunds.com, 82% of auto loan buyers are paying above sticker price for new vehicles. The shortage of new cars has led to an overwhelming demand for used vehicles, raising prices like never before. In fact, the consumer price index for used cars and trucks jumped up by 40.5% from January 2021 to January 2022.

Let's face it. Now is not the ideal time to buy a vehicle, but sometimes you don't have a choice in the matter. If you need a car now, you can rely on your Credit Union to help.

With decades of experience, MECU is here to help you navigate the purchasing process – even in today's crazy market. We can pre-approve you for your loan so you're ready to act when you locate the vehicle you want. We offer the same great rate on both new and used models. Finally, be sure to mention if you're a recent graduate of a college or trade school or an active member of the military. We offer a special .25% discount off of our current low rates.

With a little luck and a little help from MECU, you'll be ready to hit the road!



Bob Sandercock

MECU Maintains 5-Star Rating As "Best Of Bauer Credit Union"

In March 2022, MECU extended its top 5-Star rating from BauerFinancial for the 121st quarter in a row.

Since 1992, MECU has earned

this rating by excelling under an in-depth, independent analysis of its financial condition by the Nation's Premier Credit Union and Bank Rating Firm. MECU

is considered a "Best of Bauer Credit Union" for maintaining a 5-Star Superior rating for a minimum of 100 consecutive quarters.

Making Your Home A Little "Greener"

Are you ready to go "green" with your home? Not only does it help the environment, but it makes good financial sense. Energy-efficient home improvements – ones that can save you real money each month on your utility bills – qualify for federal tax credits and other local incentives.

Federal Tax Credit – Homeowners can receive the residential energy property credit for certain qualifying properties, like solar electric property, fuel cell property, and geothermal heat pumps. The credit is equal to a percent of the cost of qualified property. For example, property placed in service after December 31, 2019, and before January 1, 2023, is eligible for a 26% credit of the cost. To make sure that the product you're purchasing qualifies for the energy credit, check the IRS website.

Tax Credit vs. Tax Deduction – You've probably heard both terms, "tax credit" and "tax deduction." A tax credit is an actual dollar amount subtracted from the tax you may owe. A tax deduction decreases the amount of income that needs to be taxed. So, the fact that energy-saving home improvements qualify for credits is an especially good deal for homeowners.

Energy Audit – A good way to find out about green energy improvements is to conduct an energy audit. Check your local energy company's website to see if they provide directions on how to perform this audit yourself or recommend qualified professional auditors. (For example, DTE offers a Home Energy Consultation. See their website for details.) Your energy auditor may suggest upgrading appliances, replacing windows, adding insulation, or repairing leaks. Your energy company may also provide cash back incentives for making these improvements.

MECU can help make these improvements possible with a variety of affordable financing options. See the article on the front page for more information or contact the Loan Department at a branch near you.

Save Money With A Shorter-Term Loan

A long-term loan can make even the most expensive car look affordable.

By stretching out the loan over many years, your monthly payment is likely lower, but you could end up paying a lot more in interest. Still, many people find such loans attractive.

The average new car loan was over 71 months at the end of 2020, according to Edmunds.com. Almost 32% of vehicle loans made in the first quarter of 2021 were for 73 to 84 months (6 to 7 years), according to Experian.



That's well above the standard three- to four-year loan that used to be typical for new car purchases. Here are some of the problems with taking out a longer car loan:

- The longer the term of the loan, the worse your interest is likely to be. Shorter-term loans generally qualify shoppers for a better interest rate. For example, say you want to finance a \$28,000 car at 6% sales tax, with a loan rate of 3.5% for 60 months, and a trade-in worth \$5,000. You will end up paying \$2,231 in interest over the life of the loan. Compare that with a 72-month loan. Your interest rate may jump, possibly up to 6%, and you'll end up paying \$4,711 in interest.
- There's a greater chance you'll end up underwater, meaning you will owe more to the lender than the car is worth. Cars depreciate as soon as they leave the lot, and for the first three years, most cars are worth less than what is owed on the loan. Without a substantial down payment, if you total the car or need to sell it within the first three years, you could end up receiving less than you owe on the loan.
- You're stuck with the car when it begins needing expensive maintenance. If you want to buy a newer vehicle, you likely won't be able to trade in your old car because the remaining balance on what you owe on the car is higher than what the dealer is willing to pay for it.

If you need a longer car loan just so you can buy the car, you probably can't afford the car in the first place. Try to keep the length of your car loan shorter to save money.

Before you go shopping for a vehicle, visit an MECU branch or www.michedcu.org to get pre-approval on a loan. The loan officer will figure out exactly how much you can comfortably afford, and at the best rate. Already have an auto loan from another lender? We may be able to save you money by refinancing to a shorter term and more affordable payment with MECU.

Get Pre-Approved For Your Mortgage

Housing has been a strong market for home sellers so far in 2022, with low inventory and high demand combining to send prices soaring. That means if you're in the market for a new home this year, you've got to make smart decisions whenever you can, especially with interest rates on the rise.

The best way to start is to get pre-approved for your mortgage before you begin house hunting. With a pre-approval in hand, you'll be in a better position to make an attractive offer when you find the house of your dreams.

For current rates and to speak to an on-site Member Mortgage Services representative, call our **Plymouth office at (734) 416-5076**, our **Livonia office at (734) 261-6550** or our **Ann Arbor office at (734) 761-7505**. For your convenience, appointments may also be arranged at our other office locations.



Annual Meeting & Annual Report Updates

MECU's 80th Annual Meeting will take place on Wednesday, April 27, at 7:00 p.m. The meeting will be held in the VisTaTech Center at Schoolcraft College. For more information, go to www.michedcu.org or follow us on Facebook, Twitter and Instagram.

The 2021 MECU Annual Report is now available to view on our website at www.michedcu.org. You will find it under the "About MECU" tab along the top of the page.

If you would like a printed copy of the 2021 Annual Report, give us a call at (734) 455-9200 or toll-free (888) 261-3355 outside the Metro Detroit area. You can also send us an email at general@michedcu.org and we will be happy to mail a copy to you.

Deposit Account Rates

All percentages expressed as Annual Percentage Yields (APYs)

SHARE SAVINGS ACCOUNT
.05% APY

DRAFT/CHECKING ACCOUNT
.02% APY

Share Savings and Draft/Checking Accounts earn interest with a \$5 minimum average daily balance.

INDIVIDUAL RETIREMENT ACCOUNT
.10% APY

MECU reviews and may adjust deposit account rates monthly. Annual percentage yields shown above are for April 2022. Call the Credit Union for current rates on our Share Certificates.

Be Aware Of Vishing & Smishing Scams

You've probably heard of phishing – email-based scams trying to lure you into giving up sensitive information. But what about vishing or smishing?

These terms may be new to you, but the goal is the same for the cyber criminals: they're trying to steal your money. Instead of sending you an email to try to get you to share your credit card details, user-names, passwords and other personal information, they call you (vishing) or send you a text message (smishing). They even use caller ID spoofing tools to hide their real location and even impersonate the phone numbers of trusted organizations.

With this type of cyber fraud on the rise, we want to remind you that Michigan Educational Credit Union will NEVER call or text you and ask for your card information or other account details! If you receive a message like this that claims to be from



MECU, please contact us right away but DO NOT reply to the call or message.

If you think you've been a victim of a vishing or smishing scam, please contact an MECU office near you or call us at (734) 455-9200 or toll-free (888) 261-3355.

Holiday Closings

Memorial Day
Monday, May 30, 2022

Juneteenth
Monday, June 20, 2022 (observed)

Independence Day
Monday, July 4, 2022

Act Now For Loan Payment Deferral

Would you like to skip your July and August loan principal payments and just pay the interest due? MECU is pleased to offer Summer Loan Payment Deferral as a unique benefit designed to assist members on ten-month pay schedules with the cash flow challenges of summer. This option is available for Revolving Credit Personal Loans, auto loans, and more. Please call the Loan Department today if you are interested in taking advantage of this convenient option.

Auto Loan Rates As Low As...

2022-1997 AUTOMOBILES (100% FINANCED)

1.99% APR*
Up to 48 Months**

2.24% APR*
60 Months**

2.49% APR*
72 Months**

2.74% APR*
84 Months**

COLLEGE/TRADE SCHOOL GRAD OR ACTIVE MILITARY DISCOUNT

2021 and 2022 graduates and active military service members can save .25% off MECU's current auto loan rates. Ask for details.

CLASSIC CARS (25 YEARS AND OLDER)

As low as 7.50% APR* for 30 Months** • As low as 7.50% APR* for 48 Months** (minimum \$10,000)

* Annual Percentage Rates effective as of April 1, 2022, and are subject to change. Rates include a .25% discount for direct deposit and may vary based on credit history. Rates not available on existing MECU loans. Payment Example: A 48-month loan of \$20,000 at a 1.99% fixed APR will have 48 monthly payments of \$21.69 per \$1,000 borrowed.

** Repayment Term

Contact the Loan Department or go to www.michedcu.org for details!



Website: www.michedcu.org
E-Mail: general@michedcu.org

Toll-Free Phone:
(888) 261-3355
(Outside Metro Detroit area)

Office Hours:
9:30-5:30 Monday-Friday

Phone Service:
9:15-5:30 Monday-Friday

Plymouth Office:
9200 Haggerty Road
Plymouth, MI 48170
Phone: (734) 455-9200

Livonia Office:
14921 Middlebelt Road
Livonia, MI 48154
Phone: (734) 261-1050

Ann Arbor Office:
4141 Jackson Boulevard
Ann Arbor, MI 48103
Phone: (734) 761-7505

Brighton Office:
123 Brighton Lake Road,
Suite 102 (in Pinehollow Place)
Brighton, MI 48116
Phone: (810) 494-6000

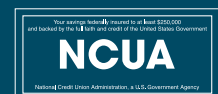
Royal Oak Office:
1903 Rochester Road
Royal Oak, MI 48073
Phone: (248) 399-7473

Macomb Office:
47230 Hayes Road
Macomb, MI 48044
Phone: (586) 566-5599

CO-OP Shared Branch & Surchage-Free ATM Locations
Toll-free locator: (888) SITE-CO-OP
www.allco-op.org

Mortgages:
Plymouth: (734) 416-5076
Livonia: (734) 261-6550
Ann Arbor: (734) 761-7505

Financial Services:
Plymouth: (734) 416-5025
Livonia: (734) 261-1050
Ann Arbor: (734) 761-7505
Brighton: (810) 494-6000
Royal Oak: (248) 399-7473
Macomb: (586) 566-5599



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