



MEMBER NOTES

News for Members of Michigan Educational Credit Union

APRIL 2021



MISSION STATEMENT

*"To provide members with
quality, comprehensive, cost
effective financial services"*

Your Next Adventure Starts Here!

Do you have a renewed passion for the great outdoors? Your next adventure starts with affordable financing from MECU! We offer **rates as low as 3.99% APR*** for motor homes, travel trailers, boats and RVs with repayment terms up to 84 months. Need a longer term for a larger loan amount? We can help with that too! Terms up to 240 months are available. Minimum loan amounts do apply. If a motorcycle or personal watercraft is on your wish list, we have **rates as low as 3.74% APR*** for terms up to 60 months. Longer terms up to 84 months are available for larger loan amounts.

For a complete list of current rates and to make a loan request, go to www.michedcu.org or contact the Loan Department at any MECU office. Have a loan from another lender? Ask us how you can refinance today.

* Annual percentage rates effective April 1, 2021, 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. Other rates and terms are available.



Reward Yourself With Visa Signature

Feeling a bit stir crazy? Maybe it's time to start planning your next vacation. With MECU's Visa Signature® Rewards Card, you can start earning points *now* to make your dream vacation come true. With every purchase you make, you'll earn points toward travel, merchandise and even cash back to your credit union account or towards your credit card balance. The more you buy, the more you get back. It's that simple.

The Visa Signature Rewards Card features:

- **No annual fee.**
- **No balance transfer fees.**
- **Credit limits starting at \$5,000.**
- **A low variable rate.** Initially based on your creditworthiness, your APR will vary with the market, based on the Prime Rate.
- **More rewards.** Through the CURewards® program, you'll earn **1.25 points for each dollar you spend.**
- **Exclusive Visa Signature Perks**, including 24-hour Visa Signature Concierge service, Auto Rental Collision Damage Waiver, Travel and Emergency Assistance Services, and Extended Warranty Protection.



You already use your credit card for everyday purchases and things you need – why not get something in return? Start earning rewards today with the MECU Visa Signature Rewards Card. For more information and to apply, contact any MECU office or go to www.michedcu.org.

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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



Kyle Hecht
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

After a year of hand sanitizing, mask wearing and social distancing, we could all use a little hope for better days ahead. Spring is here just in time to help us look on the brighter side.

If you've spent most of your time at home over the past year, you may be in need of a little escape from the everyday. A new car, RV or boat may be just what you need to add a little excitement to your life, and MECU has the affordable financing to get you behind the wheel.

Remember it's always a good idea to get pre-approved for your loan before you shop. We can help you figure out how much you can afford and put you in a position to negotiate a better deal.

Many people have focused on renovations while they've been stuck at home. With warmer

weather in the forecast, now you can turn your attention to outdoor projects, like landscaping, building a new deck or installing a new roof. MECU is here to help with great rates on Home Equity Loans, Home Improvement Loans, credit cards and more.



Bob Sandercock

Finally, I'd like to share a bit of good news. Recently, Michigan Educational Credit Union achieved a new milestone. As 2020 came to an end, MECU surpassed \$1 billion in assets for the first time in its 78-year history. We couldn't have reached this remarkable goal without the loyalty and support of our amazing members. Thank you for choosing MECU as *your* Credit Union.

The Cost Of A 401(k) Hardship Withdrawal

A sudden job downgrade or an expensive medical bill could leave you desperately looking for an immediate source of income.

Your 401(k) should be the last place you look for quick money. But if you've exhausted all other options, and your employer plan allows hardship withdrawals, you might have no choice but to tap into your 401(k) retirement plan to help ease your financial burdens. Before you do:

- Comb the fine print in your 401(k) plan to find out what qualifies as a hardship. Usually it must be an immediate and heavy financial need pertaining to certain expenses.
- Find out if you are eligible to take a hardship withdrawal. The IRS says you must exhaust other, specific options first.
- Learn how much money is available to you. It's usually restricted to the amount you have contributed to the plan, without earnings, but not always. Be aware that:
- For at least six months after you receive the withdrawal, you may not make new pretax contributions and you'll miss out on all or some employer matches during that time.
- You will have to pay taxes on the amount you receive, based on your tax bracket.
- If you're younger than 59½ years old, you will have to pay a 10% early withdrawal penalty. However, the stimulus bill passed in January 2021 included a modification to the CARES Act, and temporarily waived the penalty on coronavirus-related distributions.
- In addition to the penalty, your plan might charge a fee to take a hardship withdrawal.

Don't go into this without understanding the consequences. First and most important is that you'll forgo the compound earnings you'd otherwise enjoy in retirement. To drive this home, say you are 30 years old, in the 25% tax bracket, and want \$10,000 to pay for your tuition this year. You will have to pay an employer withdrawal fee, an IRS early-withdrawal penalty, and taxes; and you'll have to stop making elective deferral contributions for six months. The end result: You could come up short approximately \$194,000 when you retire – assuming you miss a 7% annual rate of return.

In some situations, it is worth taking the hardship withdrawal, but it should be your last resort. Consult with your HR department and your tax and financial advisers; and evaluate your alternatives with a Michigan Educational Credit Union Loan Officer.

Help Kids Get Money-Savvy

One of the most important life skills you can teach your children is how to manage their own money. The sooner children begin financial education, the greater the likelihood they'll avoid the mistakes many adults make today.

The average weekly allowance for American children is \$30, according to the American Institute of CPAs. If parents help their children save and manage this money wisely, these young consumers will be better prepared to navigate the increasingly complex financial world as they grow older.



Educating your kids about money matters isn't as hard as you might think. Here are some simple ways to start teaching your kids the value of money:

- **Open a savings account in your child's name.** Kids as young as five years old can begin to understand the idea of saving. It doesn't matter how much money is deposited – what matters is creating a regular savings habit. Take your kids to the credit union with you and let them take an active role in saving. They'll understand more than you think.
- **Set goals with your kids.** Having a reason to save makes kids *want* to save. Their goals don't have to be huge – for many kids, watching their money grow is a reward in itself.
- **Consider your child's age and find appropriate ways to communicate.** While it's important to start early, make sure activities or discussions are age-appropriate. Younger children learn through books, online activities and simple saving, while older children can create budgets and manage allowances.
- **Include older children in family financial planning meetings.** Some parents feel uncomfortable talking about their budget or other money matters with their kids, but letting them witness your habits before they are forced to make their own decisions gives kids a solid financial foundation.
- **Show kids your money values through your actions.** Forget "Do as I say, not as I do." Kids watch their parents and mimic their habits. If your money management habits are less than perfect, use this as an opportunity to educate yourself about financial matters, then share what you learn with your kids.

Put Your Home Equity To Work

Spring is a time of new beginnings, so it's the perfect time to start that home improvement project you've put off all winter. Whether you plan to do it yourself or hire a professional, MECU can lend a hand with Home Equity rates as low as **4.50% APR*** and NO CLOSING COSTS. 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.

Besides renovations, Home Equity financing is great for bill consolidation, college tuition or any other major expense. For more information and to apply, contact the Loan Department or go to www.michedcu.org.

* Annual Percentage Rate effective April 1, 2021, 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 \$150,000. Maximum LTV of 90%. Other rates and terms available. Rates not available on existing MECU loans. Offer available on Michigan real estate only.



Annual Meeting & Annual Report Updates

Michigan Educational Credit Union's 79th Annual Meeting will be held virtually on Wednesday, April 28 at 7:00 p.m. For the latest information and instructions on how to attend this virtual meeting, go to www.michedcu.org or follow us on Facebook, Twitter and Instagram.

The 2020 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 2020 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.

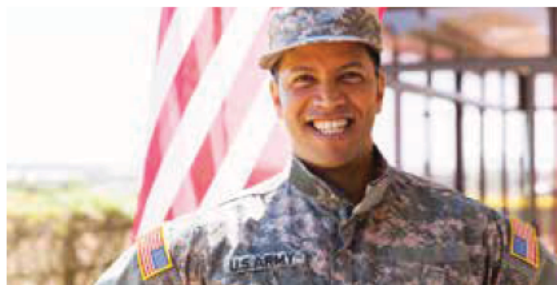
INDIVIDUAL RETIREMENT ACCOUNT
.10% APY

MECU reviews and may adjust deposit account rates monthly. Annual percentage yields shown above are for April 2021. Call the Credit Union for current rates on our Share Certificates.

New Military & Trade School Grad Discount

For many years, MECU has offered a special auto loan discount to recent college graduates. Now, we are pleased to offer this same discount to active members of the military and recent trade school graduates. As of April 1, 2021, active military service members and 2020 and 2021 graduates can save .25% off MECU's current auto loan rates.

Want to learn more? Call the Loan Department at any MECU office today!



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.

Do We Have Your Cell Phone Number?

Would MECU be able to reach you in an emergency? With financial fraud as a growing concern, it's more important than ever for us to be able to contact you immediately if there is an urgent issue with your account.

It only takes a minute to update your cell phone number and other contact information within Internet Home Banking. After you log into home banking, simply click on the settings tab at the top of the page, then open the Profile menu, where you can change your user ID, password, address, email and phone number(s).

If you're not an Internet Home Banking user, please stop by a branch or notify us in writing. We need a signed letter with your correct address, phone number and member number.



Auto Loan Rates As Low As...

2021-1996 AUTOMOBILES (100% FINANCED)

2.49% APR*
Up to 48 Months**

2.74% APR*
60 Months**

2.99% APR*
72 Months**
(Min. \$10,000 loan for 72 month term)

3.24% APR*
84 Months**
(Min. \$25,000 loan for 84 month term)

COLLEGE/TRADE SCHOOL GRAD OR ACTIVE MILITARY DISCOUNT

2020 and 2021 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, 2021, 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.

** 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

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Financial Services:

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