



MEMBER NOTES

News for Members of Michigan Educational Credit Union

JANUARY 2021



MISSION STATEMENT

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

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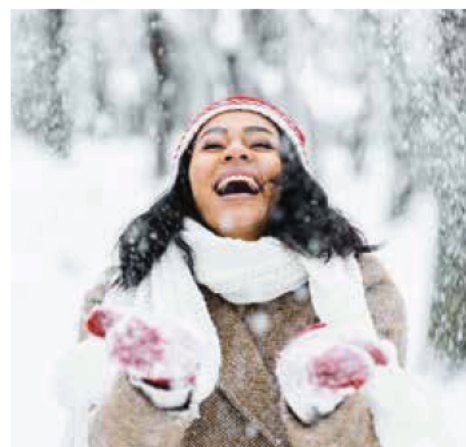
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Facing A Flurry Of Bills? No Worries!

Are you feeling overwhelmed by holiday bills? With MECU's Winter Wrap-Up Loan, you can consolidate your high-rate bills into one monthly payment with rates **as low as 6.95% APR.*** This affordable signature loan is also helpful for educational expenses, home improvement projects and much more. Borrow up to \$10,000, with repayment terms up to 60 months. To make your loan request today, use the insert enclosed with your statement, contact the Loan Department at any MECU office or go to www.michedcu.org.

* Annual Percentage Rate effective January 1 through February 28, 2021. Rate based on approved credit and credit union relationship. Winter Wrap-Up Loan not available for refinancing existing MECU loans. Qualification for unsecured credit required.



Get Your Debt Under Control With Home Equity

Want to shed a little debt in 2021? MECU can help with Home Equity financing as low as **4.50% APR***! Use it to consolidate your debt into one affordable monthly payment.

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, there are **NO CLOSING COSTS** and loan amounts start at \$10,000.

Home equity financing is ideal for any major expense, including home renovations, educational expenses, travel and more.

You can even refinance an existing home equity loan from another lender. For more

information and to apply, contact the Loan Department or go to www.michedcu.org.

* Annual Percentage Rate effective January 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 are available. Rates not available on existing MECU loans. Offer available on Michigan real estate only.

Great Deals For Your Winter Wheels

Michigan winters can be hard on a car. If it's time to upgrade your vehicle, the best place to start is your Credit Union. We can pre-approve you for your loan before you start shopping to put you in a better position to negotiate at the dealership.

MECU offers low rates on new and used vehicles – currently **as low as 2.49% APR*** on models as old as 2017. You can apply in person or online at your convenience. Go to www.michedcu.org or contact the Loan Department at any MECU office to get started today!

* Annual Percentage Rate effective January 1, 2021, and is subject to change. Rate based on approved credit and credit union relationship. Rate not available for refinancing existing MECU loans.





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

Happy New Year and good riddance to 2020!

While our nation and the entire world are still coping with the effects of the COVID-19 pandemic, there are certainly a few reasons to feel optimistic about the year ahead.

Michigan Educational Credit Union will be here for you in 2021, just like we've been here for our members for almost 80 years. We'll be ready to serve you in our branches, by phone and online. To help keep our members and employees safe and prevent the spread of the coronavirus, we will continue to follow the recommended guidelines of the CDC and state authorities.

If the past year has hit you hard financially, you're not alone. In fact, we've helped countless members to make the best of a bad situation in

recent months. We offer a variety of ways to consolidate bills, including low-rate personal loans, Home Equity financing, and fee-free balance transfers on our credit cards. Simply reach out to us and a Loan Officer will be happy to help you sort out your options.

We're also pleased to provide investment services through our partnership with the Wealth Advisors at MECU Financial. Contact the MECU branch near you to set up a free, no-obligation consultation.

With 2020 behind us, we look forward to focusing on a brighter future – together.



Bob Sandercock

Protect Seniors From Financial Exploitation

To con artists, down-on-their-luck relatives, or opportunistic acquaintances, they are gold mines.

Individuals over the age of 50 control 70% of the country's wealth, and seniors between the ages of 65 and 74, with an average net worth of \$1.06 million, have more assets than any other age group. Dementia, disability, and decline can make it even easier for criminals. All told, it is a problem that costs American seniors billions of dollars every year.

There are myriad scams, unethical businesses, and unscrupulous individuals preying on seniors all the time. While the details vary, there are a few familiar scenarios.

Breach of Trust – The vast majority of elder financial abuse – as much as 90%, according to the National Adult Protective Services Association – is committed by caregivers or close family members. A son is added to a checking account to help manage Mom's bills and then starts using the account to pay off gambling debts. Or Grandpa gives valuables to the housekeeper and eventually – at her suggestion – names her in the will.

Phone Scams – Someone calls, ostensibly from the IRS, saying that an individual has a tax bill that is going to rise with interest and fees unless paid immediately. Or someone calls with news that there is a problem with a credit card and they need a Social Security number and birth date to access account information to clear things up.

Phishing Scams – As more seniors head online, they grow more susceptible to phishing scams. Phishing emails look as though they come from legitimate sources such as banks or credit card issuers. They ask seniors to click on a link to enter account information in order to verify recent transactions or to rectify problems with accounts. Unfortunately, the links are fake, and criminals use them to gather personal account information, which they use to drain accounts or steal identities.

So, how do you protect yourself and your loved ones from elder financial abuse? Sign up on the Do Not Call Registry. This prevents businesses from contacting you. Those that do come through either don't know what they're doing or don't care. Either way, you should not do business with them.

It's also best to conduct personal business within the financial services system. Financial institutions have fraud protection services that limit an individual's risk. They also have systems that make it possible to trace funds back to criminals in some instances.

How To Save Money On A Tight Budget

Many Americans struggle financially, living paycheck to paycheck, hoping they have enough to cover all their bills at the end of the month. Life is easier if you have a cash cushion or an emergency fund, but how do you save money when there's not much to save?

First, you need to find out where your money is going. Start by tracking all your spending for 30 days. Everything, even a pack of gum, should be noted using any tracking method you prefer – a notebook, your smartphone, an online spreadsheet, whatever works best for you. Then categorize each expense. Start with these essentials: rent/mortgage; utilities; food; transportation to get to your job; and healthcare, including prescriptions and co-pays. These five are priorities that must be paid each month. Everything else, like clothing, cosmetics, gym membership, etc., are areas where you can cut back and save a little.

Here are a few other saving suggestions:

Entertainment – Look for low-cost ways to have fun.

- If you have a streaming service, discontinue it for a few months. For example, a service that costs \$25 per month means you're spending \$300 per year – that's a month's worth of groceries. If you have multiple streaming services, try paring it down to the one you use the most.
- Get a library card to check out movies and video games instead of renting them.
- Listen to podcasts. There are over a million to choose from on all subjects.
- Learn a new language or start a new hobby. Here again, the library can be your friend by providing free resources.

Food – Try to spend no more than 11% of your take-home pay on food.

- Shop for store brands instead of name-brand items. Generic versions can be up to 60% cheaper.
- Use coupons and download your grocery store's app for more deals.
- Buy vegetables in their natural form. Washed and cut vegetables can be twice as expensive.
- Buy only what you know you can eat in a week or two to avoid throwing away food. Use a free meal-planning app like Mealime to help you shop.
- Make at least 75% of your own meals instead of ordering from restaurants.

Energy Bills – Changing habits can save you big money.

- Use a toaster oven, slow cooker, or other small appliance instead of the oven.
- Wait until the dishwasher is full before using it and turn off the heated dry setting.
- Unplug unused appliances and power strips to avoid phantom loads.
- Turn off lights when you leave a room.

Credit Card Late Fees – Missing a payment due date comes with a heavy price.

- To avoid late fees and protect your credit score, set up automatic payments to pay at least the minimum payment by the due date.
- If you can't pay your bill in full each month, then use the card only for emergencies.
- If your credit card has a high interest rate, look for one with a lower interest rate. MECU has many low-rate cards available, with no fee for balance transfers. Go to www.michedcu.org for details.

By cutting costs even just a little and putting those savings into an account, you will be able to pay bills with less worry and even save for a fun trip or special gift.



Withholding Notice For IRA Owners

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding.

You may change your withholding election at any time prior to your receipt of a payment. To change your withholding election, complete the appropriate form, which MECU can provide to you.

Withholding from IRA payments, when combined with other withholding, MAY relieve you from payment of estimated income taxes. However, your withholding election does not affect the amount of income tax you pay.

You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient.

Deposit Account Rates

All percentages expressed as Annual Percentage Yields (APYs)

SHARE SAVINGS ACCOUNT
.10% APY

DRAFT/CHECKING ACCOUNT
.05% APY

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

INDIVIDUAL RETIREMENT ACCOUNT
.20% APY

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

How Do Your Credit Cards Rate?

If you used any retail store credit cards this holiday season, you could be in for an unpleasant surprise. If you carry a balance on your cards, you could end up paying as much as 29.99% APR in interest on your purchases!

Before you let these high-rate balances snowball out of control, consider transferring your balances to a lower rate card from MECU. If you can't pay off your balance each month, at least you'll be paying a significantly lower interest rate.

Best of all, MECU does NOT charge a fee for balance transfers. Most credit card issuers charge a balance transfer fee of 3%-5% of the amount transferred, which can add up fast.

MECU offers a variety of credit cards with low rates (many of them fixed), no annual fee and a 25-day grace period on purchases. We even offer a Visa Signature Rewards Card, which earns points with every purchase toward travel, merchandise, gift cards and even cash back to your credit union account or towards your credit card balance.

To learn more and to apply, go to www.michedcu.org or contact any MECU office.



Holiday Closings

Martin Luther King, Jr. Day
Monday, January 18, 2021

Presidents' Day
Monday, February 15, 2021

1099 Reminder

If you have several deposit accounts with MECU, you will receive a 1099 statement for every three to five deposit accounts. The statement(s) will give a line-by-line item description, with each mailing having a separate total at the bottom of the page. **If you receive more than one 1099 statement, you must combine the totals from all of them to get the total that needs to be reported to the IRS.**

Auto Loan Rates As Low As...

2021s/2020s/2019s/2018s/2017s

2.49% APR* 12 Months** **2.49% APR*** 48 Months** **2.74% APR*** 72 Months**

2.49% APR* 24 Months** **2.49% APR*** 60 Months** **3.24% APR*** 84 Months**
(Min. \$25,000 loan for 84 month term)

2.49% APR* 36 Months**

2016s/2015s/2014s

2.99% APR* Up to 60 Months**

2013s & OLDER

4.99% APR* Up to 48 Months**



Call the Loan Department for details!
Plymouth 734-455-9200 • Livonia 734-261-1050
Ann Arbor 734-761-7505 • Brighton 810-494-6000
Royal Oak 248-399-7473 • Macomb 586-566-5599

WEBSITE

Make your loan request or use our loan calculator at www.michedcu.org.

PRE-APPROVAL

Get pre-approved to put you in a better position to negotiate at the dealership.

COLLEGE GRAD DISCOUNT

2019 and 2020 graduates can save .25% off MECU's current auto loan rates. Ask for details.

* Annual Percentage Rates effective as of January 1, 2021, and are subject to change. Rates based on approved credit and credit union relationship. Rates not available on existing MECU loans.

** Repayment Term



Website: www.michedcu.org
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(Outside Metro Detroit area)

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9:15-5:30 Monday-Friday

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Royal Oak Office:
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Macomb Office:
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Toll-free locator: (888) SITE-CO-OP
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