

MEMBER NOTES

News for Members of Michigan Educational Credit Union

OCTOBER 2016



MISSION STATEMENT

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

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PLUS

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Fall In Love With Our Auto Loan Rates!

As the new 2017 models start arriving at the dealerships, MECU is gearing up for our Fall Auto Loan Fest. Get ready to fall in love with the car of your dreams – without an auto loan that will give you nightmares!

Take advantage of auto loan rates as low as 1.75% APR,* including new and used models as old as 2013, with repayment terms up to 60 months. If you need a longer term or if you're looking to finance an older model, check out our current rates on the back page of this newsletter or on our website. We can even help you save money on an existing auto loan from another lender when you refinance at our low rates.

To make your loan request today, use the mini application enclosed with your statement, contact the Loan Department at any MECU office or go to **www.michedcu.org**.



* Annual Percentage Rate effective October 1, 2016, and is subject to change. Rate based on approved credit and credit union relationship. Rate not available for refinancing existing MECU loans. Details available at www.michedcu.org.

Share The Benefits Of Credit Union Membership

Did you know you're saving money – maybe hundreds of dollars a year – just by being a Michigan Educational Credit Union member? Unlike banks, our primary goal is not to generate a profit, but to help our members. As a result, our members typically enjoy

better rates and less fees than you'll find at other financial institutions.

Once you join the Credit Union, your family members are also eligible to join, including relatives by blood or marriage.

So get the word out and tell

your family about MECU today! If you live in Wayne, Washtenaw, Oakland, Macomb, Livingston or Jackson County, tell your neighbors they can join too! For applications and more information, contact any MECU office or visit us online at www.michedcu.org.

Give Yourself A Little Credit For The Holidays

With the holidays just around the corner, the last thing you need is a high interest rate on your credit card. Why not shed a little weight in your wallet and carry a credit card that will give you a little more bang for your buck?

With a Michigan Educational Credit Union credit card, you'll get a fixed annual percentage rate as low as 9.90% APR, no annual fee, a 25-day grace period on purchases, and no fee for balance transfers. You can choose from our Visa Classic, MasterCard, Visa Gold or Visa Platinum. Because

they're accepted worldwide for purchases and cash advances, they're ideal for holiday travel, and they provide a convenient way to shop online, by phone or in retail stores.

You can even save money off your monthly bills by consolidating your high-rate credit card debt to one of our low-rate cards.

To apply for a credit card or to request a credit limit increase on an existing card, call or stop by any MECU office. Or, go to www.michedcu.org.

Seminar Announcement

DISTRIBUTION BASICS FOR RETIREMENT PLANS

Join us at Michigan Educational Credit Union:

Plymouth Main Office Monday, October 17 2:00 p.m. & 6:00 p.m.

Ann Arbor Office
Tuesday, October 18
6:00 p.m.

Royal Oak Office Wednesday, October 19 2:00 p.m. & 6:00 p.m.

CALL TO REGISTER TODAY! (734) 416-5025

Presented by:



Tom Pilch, MBA Financial



Bill KnudsenWealth
Advisor

<u>Upcoming seminars</u>

Non-Traded Alternative Investments for Income

Plymouth: Monday, Nov. 14 Ann Arbor: Tuesday, Nov. 15 Royal Oak: Wednesday, Nov. 16



Securities offered through LPL Financial, member FINRA/ SIPC. Insurance products offered through LPL Financial or its licensed affiliates. Michigan Educational Credit Union and MECU Financial are not registered broker/dealers and are not affiliated with LPL Financial.

Not NCUA Insured. Not Credit Union Guaranteed. May Lose Value.

CEO Update

For more than 160 years, credit unions have put people before profit.

Perhaps that explains why – with such a wide variety of financial service providers available today – 217 million people in 101 countries around the world choose a credit union.

When you make that choice, you will find virtually everything you need to help you and your money grow stronger – with lower loan rates, higher savings rates, and fewer fees. In fact, according to the Credit Union National Association's (CUNA) latest membership benefits report, credit union member households in the U.S. save an average of \$159 a year.

And can we talk about service? According to an article in the January 2016 issue of *Consumer*

Reports, "Credit unions are among the highest-rated services we've ever evaluated, with 93 percent of their customers highly satisfied, on average, vs. 69 percent for the four biggest national banks. That satisfaction is driven by good customer service, not



Bob Sandercock

surprising when you consider that credit unions are owned and managed by their members."

From the beginning, credit unions sought to keep people economically independent – by helping them learn to save and borrow prudently. Today, Michigan Educational Credit Union is proud to carry on that tradition.

Phasing Into Retirement The Way You'd Like

Phased retirement, the idea of gradually reducing hours and workload, has slowly been gaining in popularity.

Half the respondents in a recent national AARP study replied that their ideal job is one that offers phased retirement. According to an Ameriprise Financial Retirement study, just about three quarters of workers between 35 and 50 plan to keep working into retirement. Not only does working fewer hours offer you more family and free time, but it keeps you mentally engaged, while offering social interaction and some income.

Phased retirement offers an easier transition from full-time work to full-time leisure. After big changes, such as the death of a spouse or divorce, retirement is one of the most stressful life transitions, for a number of reasons.

- Material loss: Retirees not only lose their security of a pay check, but may also lose their family home because of downsizing or moving to a retirement community.
- Relationship loss: After retiring, retirees no longer have interaction with coworkers daily leading to loss of company and friendship.
- **3. Identity loss:** The loss of a title can make a retiree feel stripped of their personal status.
- 4. Dream loss: Some retirees may not have accomplished everything they hoped for, or they are retiring with less funds than expected. Retirees also may have to let go of post-retirement plans and dreams because of financial or health reasons.

With phased retirement, many of these triggers can be lessened and good planning can alleviate the rest.

The first step to phased retirement begins years before you enter the retirement age. Start making career and retirement goals mid-career, so that when your working sunset gets closer, you're ready.

Success Starts With A Home Equity Loan

Home equity is a smart way to finance any major expense, including college tuition, home renovations, bill consolidation, a dream vacation and more. Best of all, the interest you pay may be tax-deductible (ask your tax advisor).

MECU offers a variable-rate Home Equity Line of Credit, with monthly payments as low as \$9.00 per thousand borrowed, as well as closed-end, fixed-rate Home Equity Loans. You can borrow \$10,000 or more, up to 90% of your available equity, with NO CLOSING COSTS. Rates start as low as 4.50% APR.* You can even refinance an existing home equity loan from another lender at MECU's current low rate.

For more information and to apply, contact the Loan Department at any MECU office or go to www.michedcu.org.

* Annual Percentage Rate effective October 1, 2016, and is subject to change. 4.50% APR applies to a variable-rate Home Equity Line of Credit of \$50,000. Minimum Ioan \$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.



How to Avoid Excessive Banking Fees

Having a checking account is essential these days, but excessive banking fees may eat a hole in your wallet and make it harder for you to get ahead. Here's how to recognize unreasonable fees and avoid paying them.

How can I tell if fees are reasonable?

Knowing the average banking fees makes it easy to spot excessive charges:

- About 1 in 4 banks offers free checking, and monthly maintenance fees for the remaining banks average \$13.29. Excessive monthly fees of up to \$50 have occurred.
- Overdraft fees average \$32.38.
- Out-of-network and non-customer ATMs carry average fees of \$1.73 and \$2.87, respectively. An ATM fee of \$3.50 is excessive.
- Wire transfer fees average \$8 for incoming domestic, \$10 for incoming international, \$25 for outgoing domestic and \$42 for outgoing international.

Rates significantly higher than these averages can be considered excessive.

How can I avoid excessive banking fees?

The best way to avoid unreasonable fees is to bank with a financial institution that doesn't charge them. This isn't as easy as it used to be. Historically low interest rates have motivated banks to seek alternative income sources, creating a pattern of new and escalating consumer fees.

Banking fees vary dramatically, so it really pays to

shop around. Because credit unions like Michigan Educational Credit Union are nonprofit institutions, they're not under the same pressure as banks to focus on the bottom line. Therefore, they are able to offer lower and fewer fees on average than banks, without compromising on the latest hightech features. You may even be able to find a truly free checking account.

To avoid bank fees in general and keep more of your hard-earned cash:

- Set up low-balance text or email alerts to prevent overdrafts, bounced checks and dipping below minimum balance requirements. It's also helpful to keep an extra cushion in all accounts.
- Plan ahead to locate free ATMs when you
- · Budget to maintain any required minimum balances.

Additionally, many financial institutions waive maintenance fees if you set up direct deposits, use a debit card regularly or open both a checking and a savings account.

Don't resign yourself to paying high fees. Choosing a financial institution that has your best interests at heart and adopting some smart banking habits will leave you with more cash for the things you actually want to purchase.

Roberta Pescow, NerdWallet © Copyright 2016 NerdWallet, Inc. All Rights Reserved

In The Market For A Mortgage?

If you're serious about buying a new home this fall, consider getting pre-approved for your mortgage before you start house hunting. It's been a seller's market in recent months, and a preapproval will put you in a better position to make an attractive offer when you find the right home.

To get pre-approved or for more information on a variety of lending options, contact the onsite Member Mortgage Services representative at our Plymouth office at (734) 416-5076, our Livonia office at (734) 261-6550 or our Ann Arbor office at (734) 761-7505. Appointments may also be arranged at our other office locations.

Deposit Account Rates

All percentages expressed as Annual Percentage Yields (APYs)

SHARE SAVINGS ACCOUNT .15% APY

DRAFT/CHECKING ACCOUNT

.05% APY

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

.30% APY

MECU reviews and may adjust deposit account rates monthly. Annual percentage yields shown above are for October 2016. Call the Credit Union for current rates on our Share Certificates.

Celebrate The Credit Union Difference

On Thursday, October 20, 2016, credit unions around the world will celebrate International Credit Union Day (ICU Day).

Credit unions are not-for-profit financial cooperatives, offering the same services as other financial institutions, but with a people-first philosophy. Since 1948, on the third Thursday of every October, credit unions have celebrated the principles that make credit unions the best financial partners of people all over the world. "The authentic difference," this year's ICU Day theme, zeroes in on what makes credit unions different from banks, fintech startups and other financial institutions - our principles.

Credit unions all over the world have operated according to the same core principles since the 1850s, when a group of weary German workers, tired of being exploited by loan sharks, formed the world's first credit union by banding together to provide affordable credit to each other.

This is why we celebrate ICU Day at Michigan Educational Credit Union. We think ideas like people before profit, social responsibility, and financial education improve lives. It's why cooperative banking is a key component of helping people in developing countries get access to microloans, or a middle-class couple in Livonia receive an affordable mortgage for their first home. We invite you to join us as we celebrate ICU Day on Thursday, October 20, 2016. All MECU offices will be serving cider, donuts and other treats. It's a great opportunity for us to thank you



for belonging to a movement that's helping your neighbors – and people around the world – grow and thrive and follow their dreams.

Holiday Closings

Columbus Day

Monday, October 10, 2016 (Service Centers locations OPEN 9:00-7:00)

Veterans Day

Friday, November 11, 2016 (Service Centers locations OPEN 9:00-7:00)

Thanksgiving

Thursday & Friday, Nov. 24 & 25, 2016 (Service Centers OPEN Friday, Nov. 25, 9:00-7:00)

Christmas

Monday, December 26, 2016

New Year's

Monday, January 2, 2017

Auto Loan Rates As Low As...

2017s/2016s/2015s/2014s/2013s

1.75% APR* 1.75% APR* 12 Months**

1.75% APR* 1.75% APR*

3.25% APR* 84 Months** (Min. \$25,000 loan for 84 month term)

1.75% APR* 36 Months**

2012s/2011s/2010s

2.75% APR* Up to 60 Months**

2009s & OLDER

5.75% 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

2015 and 2016 graduates can save .25% off MECU's current 2017s/2016s auto loan rates. Ask for details.

- Annual Percentage Rates effective as of October 1, 2016, and are subject to change. Rates based on approved credit and credit union relationship. Rates not available on existing MECU loans.
- ** Repayment Term



Michigan Educational Credit Union

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 &

Surcharge-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







