

Report Card

SUMMER 2021

**What You Should Know
About Personal Loans**

7 Tips For Buying A Used Car



"All my children are Members. I love to see them taking advantage of the products the Credit Union offers and making smart money decisions."

MIKE H. AND FAMILY
MEMBER SINCE 1982

PRESIDENT'S MESSAGE



While this past year has been one of the most challenging times in our country's history, I believe it is a new day, with the opportunity for all of us to think, plan and act with intention, and to foster strength and growth in our communities.

It is also a time for each of us to individually recharge and renew, to visit with family and friends, travel and do all those things we have put on hold for the past 18 months. This may include financial goals you've put on the back burner. We can help. Whether you're looking to buy a home or car, remodel your home, pay down debt, or boost your emergency, investment or retirement savings, we offer solutions to help you make the most of your money.

We offer a host of resources to help you on your path to financial well-being, including professional financial guidance. In fact, now may be a great time to schedule a one-on-one with a SchoolsFirst FCU financial advisor.¹ This guidance, a benefit of your Membership, can help you with investing, retirement, insurance and estate planning needs.

And if you've hit some financial obstacles and need a game plan, we've partnered with GreenPath Financial Wellness for coaching to help you improve and maintain financial stability. Making an appointment is just a phone call or click away. Remember, your session is free and confidential. All GreenPath counselors have completed comprehensive training and certification from the National Foundation for Credit Counseling (NFCC). This ensures their ability to provide quality education and assistance. Visit the advice tab on our website's homepage to learn more about GreenPath and other advice solutions.

We appreciate you and your commitment to the Credit Union. Because of you, we remain financially strong, ready to face the future with confidence. I hope you enjoy your summer. Thank you for being part of the SchoolsFirst FCU family.

It's a privilege to serve you.

Bill Cheney | PRESIDENT/CEO



MIKE H. | MEMBER SINCE 1982

REAL MEMBER, REAL SAVINGS

Mike has been a Member of the Credit Union for almost 40 years, and taught middle school for 32. Now retired, he spends time enjoying the fruits of his labor. He drives around town sporting personalized plates, "I ♥ STRS," an ode to being part of the California State Teacher's Retirement System.

Over the years, Mike and his family have enjoyed SchoolsFirst FCU's products and services, including car loans, savings accounts and retirement plans. "My youngest son is buying his sixth car with the help of the Credit Union," he says. "That wouldn't be possible otherwise!"

He's also keen on our Mobile Banking app. "I can monitor my accounts and transfer money to my kids when I need to." He also enjoys Bill Pay because it's easy to use and allows him more time for family and doing the activities they love.

Buying Or Selling A Home? Our Home360SM Program Can Help

Our program pairs you with an experienced loan consultant and participating real estate agent who will guide you through every step of buying your home. Your loan consultant will answer your questions about financing, find a loan that's right for you, and help you get pre-qualified.² We'll then introduce you to a local real estate agent who will help you find the perfect place that fits your budget. If you have a

home to sell, your agent will help you get it ready, listed and sold.

When a participating agent represents you in buying a home, you'll get a 20% rebate on the commission they earn, credited on your closing statement.³ And if the agent also represents you in the sale of your home, you'll pay a flat 1.5% listing fee, as opposed to the typical 3%.⁴

Call a home loan consultant today
800.462.8328, ext. 8288.

Additional Benefits:

- **20% discount on escrow services when you use a partner escrow company — with free signing services at your home or office⁵**
- **My Home Savings, which helps you earn more dividends than a typical savings account and save up to \$50,000 for a down payment⁶**

WHAT YOU SHOULD KNOW ABOUT PERSONAL LOANS

When you need extra cash to pay for a home-remodeling project or other major expense, a personal loan can be a low-cost solution. You can use a personal loan to pay for almost anything.

Despite their flexibility, personal loans aren't right for every situation. Before you complete an application, consider the pros and cons.

What Is A Personal Loan?

A personal loan is a credit-based loan that provides eligible borrowers with a lump sum of cash. Many of these loans don't require you to secure the loan with collateral, such as a vehicle or home. Unlike auto loans and home equity loans, you're not risking the loss of your vehicle or home if you fail to repay an unsecured personal loan as agreed. However, the interest rates tend to be higher for unsecured loans because they are considered riskier by many lenders.

PROS:

Flexibility

Student loans have one purpose: to pay for educational expenses. Auto loans pay for the purchase of a new or used vehicle. But personal loans are free from those restrictions. Borrowers can use the money with few limitations. Typical uses include:

- Paying for major home renovations or repairs
- Consolidating high-interest-rate credit card debt
- Paying down medical debt
- Paying for unexpected expenses

Personal loans allow you to decide how best to use the money.

Quick Approvals

A lending decision is typically based on your credit score and your ability to repay the loan. Unlike home equity lines of credit and vehicle loans, there are fewer factors to consider. Some financial institutions offer decisions in less than 48 hours.

CONS:

Higher Monthly Payments

Unlike credit cards that let you take years to pay off small balances, personal loans require higher monthly payments to ensure you pay off the loan by the end of the repayment period. You may also have higher monthly payments due to the amount borrowed in one lump sum. If you don't adjust your finances to fit your new payment, you could default on the loan and damage your credit.

The Credit Union Difference

A personal loan with us offers rates starting as low as 4.75% APR.⁷ According to the Federal Reserve, the average APR for personal loans starts at 9.34% APR. In general, credit unions offer more competitive rates because unlike banks, they are Member-centric, and return profits to them in the form of lower interest rates on loans and higher rates on savings products.



Lower Interest Rates

Personal loans often come with an interest rate lower than most credit cards. Some borrowers will use a personal loan as part of a debt repayment strategy. They will consolidate multiple high-interest-rate credit cards with a single low-interest-rate personal loan. Payments will be for a set term and often result in the borrower paying less interest overall. Interest rates vary by lender.

Higher Borrowing Limits

It's rare to find a credit card with a low interest rate and borrowing limits up to \$50,000. Eligible borrowers with excellent credit may secure low, single-digit interest rates and high loan amounts. This is an unlikely scenario with most credit cards. Borrowing limits vary by lender.



More Debt

A personal loan is still a loan that must be repaid, with interest. If you plan on using the loan to consolidate existing debt without addressing how you accumulated debt in the first place, you could be headed for the same scenario down the road. Unless you change your spending habits, you might continue using the credit card accounts you consolidated, creating a debt merry-go-round that's hard to exit.

We'll Help You Decide

A personal loan may be the right financial move for your situation. Review your budget and spending habits to determine if taking on new debt would interfere with or support your financial goals. Ask yourself if the amount you are borrowing is enough to accomplish your goals. If it isn't, you may want to discuss different options with us. If debt is weighing you down, you can also work with our financial partner, GreenPath Financial Wellness, and receive one-on-one coaching to help you develop a strategy for paying off debt and saving more. SchoolsFirst offers personal loans with no application fee and low interest rates to Members to use for almost any purpose. Borrowers who make payments through automatic transfer receive an additional 0.75% interest rate discount.⁸ You can borrow from \$500 to \$50,000 and use the loan to consolidate high-interest debt, pay for an emergency expense or finance a big purchase, even a motorcycle, boat or RV.

Financial Workshops

Home Buying Essentials

6 – 7 p.m. on:

- **JULY** 8, 15, 22, 29
- **AUG.** 5, 12, 19, 26
- **SEPT.** 2, 9, 16, 23, 30

Please visit:

schoolsfirstfcu.org/workshops
to learn more and register.

7 TIPS FOR BUYING A USED CAR



Due to a global semiconductor shortage, production of certain new cars has slowed, causing used car sales to soar. Buying used can still be a great option if you make the right moves.

1 ESTABLISH YOUR BUDGET

A financial rule of thumb is to spend no more than 20% of your net income on a new or used vehicle. This cost includes the car's sticker price, the interest rate on your auto loan, taxes and fees, insurance, fuel costs, and maintenance and repairs.

2 MAKE SURE THE PRICE IS RIGHT

Websites such as TrueCar.com, Edmunds.com and Kelley Blue Book, kbb.com, offer up-to-date information so you can find and price your vehicle, and calculate your monthly payments.

3 GET PRE-APPROVED FINANCING

If you are pre-approved for an auto loan, you have negotiating power. For instance, SchoolsFirst FCU offer loans with Auto Convenience Checks, so you can shop like a cash buyer.⁷

4 GET AN INSURANCE QUOTE

Let our insurance agents find the right policy for you at the best possible price and with all available discounts. We can find you great insurance for any new or used car — not just on vehicles financed with us.

5 SKIP THE NEGOTIATIONS

During a time when cars both new and used are going for premium prices, relying on experts could save you some money and lots of steps. That's why your Credit Union offers several car-buying services to help you find the perfect vehicle at the best price.

6 TAKE A TEST DRIVE

Take your top picks for a test drive and drive them over different road surfaces. Be sure to try out the turn signals and brake lights. Check the car for any dents and examine the tires for uneven wear.

7 GET A VEHICLE INSPECTION

If you're not buying a certified pre-owned vehicle from a dealership, make sure to take it to a trusted mechanic.

FIND, FINANCE AND INSURE YOUR NEXT CAR WITH US

Whether you're on a budget, want a convenient one-stop shop or are just looking for a great deal, we have a solution that's right for you. And we'll help you find great insurance at an affordable price on a new or used car — whether it's financed with us or not.

Visit schoolsfirstfcu.org/autoloans to learn more.⁸

We're Here For You

Go Online
schoolsfirstfcu.org

Call Us
800.462.8328 | Mon. – Fri., 7 a.m. – 7 p.m. | Saturday, 9 a.m. – 3 p.m.

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ATM Locations
Visit our website or Mobile Banking app for a complete listing of more than 28,000 fee-free ATMs.

Emergency After-Hours Card Support
Available 365 days a year from 5 a.m. to midnight.

TellerPhone
800.540.4546

Find Us
Visit schoolsfirstfcu.org/branches or use our Mobile Banking app to find a branch or ATM near you.

Holiday Notice

In observance of these holidays, our branches, in-store branches, service centers and Member Contact Center will be closed.

Monday, July 5
Monday, Sept. 6

Labor Day

Get Social With Us!



Join our communities and be among the first to learn about new products, services, video workshops and special promotions. Plus, share your story with us; we would love to hear from you!



Insured by NCUA.

1. Financial professionals are registered representatives of CUNA Brokerage Services Inc. Representatives are registered, securities sold, advisory services offered through CUNA Brokerage Services Inc. (CBSI), member FINRA/SIPC, www.finra.org/, a registered broker/dealer and investment advisor, which is not an affiliate of the credit union. CBSI is under contract with the financial institution to make securities available to members. Not NCUA/NCUSIF/FDIC insured, may lose value, no financial institution guarantee. Not a deposit of any financial institution. CUNA Brokerage Services Inc. is a registered broker/dealer in all 50 states of the United States of America. FR-31281501-0620-0722. 2. All loans subject to approval. Programs subject to change. 3. Rebate payment is made by First Team Real Estate or HomeSmart Evergreen Realty. Rebate is credited to your benefit at the close of transaction, and will be lowered by any reductions to the commissions paid to the participating agent in a concurrent purchase and sale of a home. Commission will vary. To be eligible for the 20% rebate, Member must complete the transaction with the agent assigned by SchoolsFirst FCU Home360SM. Using SchoolsFirst FCU for a mortgage loan is not a requirement to earn the rebate. Purchase price must be greater than \$150,000 after all credit adjustments. All rebates are subject to limitations, lender guidelines and other requirements. Certain properties may not be eligible for rebates. Rebate is 20% for purchase only of a residential property in California. Please consult a qualified tax professional for advice on tax implications from receiving a rebate. First Team Real Estate and HomeSmart Evergreen Realty are not affiliated with SchoolsFirst FCU. 4. Discounted 1.5% listing fee is for a residential property sale in California when the home is sold and closes escrow. Does not include commission owed to buyer's agent (up to 3%). Sales price must be greater than \$150,000. 5. Escrow services discount, free signing services and on-time closing guaranty available only on an escrow serviced by Hallmark Escrow Co. Inc., Next Level Escrow, Coast Cities Escrow or Escrow Options Group Inc. (collectively, the "escrow companies"). On-time closing guaranty will be paid by the escrow companies at the close of transaction. The escrow companies are not affiliated with SchoolsFirst FCU. Check with the seller of the property regarding selection of the escrow company. 6. Variable rate, subject to change daily at our discretion. Limited to Members who are participating in the Home Advantage Program; limit one per Membership. No early withdrawal penalty if full balance is used for home purchase. Partial withdrawals or withdrawals not used for home purchase are subject to an early withdrawal fee of \$10 and closure of the share. Minimum deposit amount is \$250. Additional deposits allowed to the maximum balance of \$50,000. Certificate terms are available for 6, 12 or 24 months. See SchoolsFirst FCU's Disclosure & Agreement of Terms and Conditions brochure for additional details about My Home Savings Share. 7. All loans subject to approval. 8. Lowest rate reflects a 0.75% discount for payment made by automatic transfer from your SchoolsFirst FCU account. Rates quoted are effective as of 06/17/2021 and are subject to change. SchoolsFirst FCU has a loan program which features a range of interest rates for some of its consumer loans. A rate is based on a variety of factors, including the applicant's credit rating. SchoolsFirst FCU's maximum aggregate personal loan limit is \$50,000 per qualifying Member. This includes all individual and joint personal loan credit combined. All loans subject to approval.