



The Credit Union
ADVANTAGE
 Helping You Achieve Financial Security
 Fall 2021

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 Office Hours: Mon-Fri: 7:30am-5:30pm

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SAVE MONEY
 Refinance Your Mortgage



With mortgage rates at historic lows, homeowners have a great opportunity to refinance their mortgages at a better rate. Many homeowners keep themselves out of the running, believing they cannot meet a lender's loan requirements. To help you decide if this is a smart time for you to refinance:

- Calculate your break-even point. This is how soon you will recoup the cost of refinancing through lower monthly payments. If the cost to refinance is \$2,125 and your monthly savings is \$125, your break-even point is 17 months (2,125 divided by 125).
- Ask about fees. If you're paying \$4,000 in fees to slash monthly payments by \$100, refinancing doesn't make sense if you plan to sell in three years.
- Look at a fixed-rate instead of an adjustable-rate mortgage (ARM). Despite a slightly

lower rate on ARMs, the differential isn't worth the higher risk of an ARM.

- Consider job stability. Switching from a 30-year to a 15-year fixed-rate mortgage lowers the total interest you'll pay over the life of the loan. But if you lose your job, you'll be stuck with higher payments you might not be able to afford. If job stability is a concern, keep a 30-year loan and consider increasing your monthly payment now, while you have a job, to the rate it

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2021 HOLIDAY CLOSINGS

- Oct 11 Columbus Day
- Nov 11 Veteran's Day
- Nov 25/26 Thanksgiving
- Dec 24 Christmas

BUYING A CAR?

HERE'S SOME ADVICE TO HELP GET YOU STARTED



Everyone would like to have a nice car that can last for years. However, before you buy, it's very important to assess your financial situation. You must be realistic about how much you can afford, look at various cars and offers, and be patient.

Your first step is to look at your budget and see how much you can afford on a monthly basis. For example, if you're making \$3,000 a month and your current living expenses (rent, utilities, groceries, etc.) are already at \$2,000, do you think you can afford a new \$50,000 car with a monthly payment of \$800? Perhaps you think you could, but consider this: Is it a good investment to sacrifice a large amount of your money for a car (asset) that will depreciate (loss value)

20% by the following year? A better choice might be to spend a third of that amount and save money for a down payment on a house that will increase in value over time.

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ERCUCU wants to thank the volunteers who give many hours of their time selflessly. Your Board members, Supervisory Committee members, Credit Committee members, and Membership Officer does such a fantastic job for ERCUCU.

Thank you again!

WE'RE HERE TO HELP.

For more information, contact ERCUCU at 336-723-0619.

For time sensitive information (ie: loan related items), please email 2 staff members.



YOUR NAME
 Anytown, USA

YOU DESERVE A BETTER CREDIT CARD!

Go to our website, www.10-4cu.com, to access the credit card application or come by the credit union today to request the credit card that provides the benefits that you deserve!

MONEY MISCONCEPTIONS

Part of knowing how to manage your finances involves clearing up some misconceptions about money. See how many of these common money myths you believe.

• **Myth No. 1: Having a will guarantees your property and money will be distributed the way you wish.**

If you've named beneficiaries on financial accounts, such as your IRA (individual retirement account) or insurance policy, those designations override any will. You'll need to update the financial accounts to ensure you don't leave something to someone you didn't intend, like an ex-spouse.

• **Myth No. 2: You should have no debt when you retire.**

Differentiate between "bad" and "good" debt. Paying off credit card debt is a good goal – that's 'bad' debt. However, a low-interest mortgage is 'good' debt – it helps you build wealth. When you sell the house, the equity you earn on the house will supplement your retirement income.

• **Myth No. 3: You can get another job after retirement.**

This is easier said than done for many reasons, including declining health and the erosion of marketable skills. According to the Bureau of Labor Statistics, in May 2021 only 18.7% of the labor force was over 65. Even pre-pandemic, the percentage of workers over the age of 65 rose no higher than 21%.

• **Myth No. 4: Everyone should have life insurance.**

Life insurance is necessary only if you have disabled or young children or a spouse depending on your income, or if you own a small business.

• **Myth No. 5: You should take Social Security when you turn 62.**

Not unless you really need it. If you wait and take Social Security at age 70, your benefits will be over 80% higher, depending on your current income.

• **Myth No. 6: You should buy long-term care insurance in your 40s when premiums are lower.**

The premiums will be lower, sure, but you'll be paying them for a longer time. If you're healthy, the ideal age for purchasing long-term insurance is between 60 and 65, according to AARP.

• **Myth No. 7: Retirees should keep their money out of the stock market.**

If you anticipate a long retirement, keeping a portion of your savings in the stock market can help you keep pace with inflation.

• **Myth No. 8: You should borrow from your 401(k) if you need a loan.**

Only if it's an emergency, otherwise you're putting your retirement savings at risk.

• **Myth No. 9: Your 50s are too late to make a difference in your financial future.**

If you don't retire until your late 60s, you could have almost two decades left to save. In 2021, anyone older than 50 can contribute an additional \$6,500 in catch-up 401(k) contributions

SAVE MONEY

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would be for a 15-year fixed-rate loan.

Then take these steps as you get ready to approach a lender:

- Clean up your credit. A credit score of 740 or more, plus 20% equity in your house, likely will get you the best interest rate.

- Shop for the best rate. Start at your credit union and ask about options and rates. Get good faith estimates to compare offers before you formally apply.

- Collect documentation. You'll likely need to provide recent pay stubs, two years of W-2s, proof of home insurance, two months of financial statements, and, if you're self-employed, two years of tax returns.

BUYING A CAR

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Before you buy a car, take your time and do your research. Consider getting a used car with low mileage, that is still under warranty, and can last you for at least 7 years. Search for cars on websites like Carfax or Bluebook, which can help you find the right car based on your budget. Don't buy the first one you like – wait until you have analyzed many different options before you make your final choice.

Be patient and think carefully when buying a car. Compare pricing, year, and models with other dealerships. Never go to a car dealership without doing the research or knowing how much you can comfortably pay per month. Call a member of our staff to look up the vehicle for you. We are here to help educate you to make the best deal possible.

Car buying can be a stressful process, but if you figure out your budget and get advice from the right sources, you'll be able to get a car that is affordable and reliable for many years. Again, the worst thing to do is to buy something new that may be great and luxurious but will hurt your wallet and your financial goals for the future. Choose your car wisely and you'll be able to enjoy it without going into too much debt.

Rate Table	Description	Account Balance	Current Rate	Compound Periods	Annual
Regular Shares	Account Balances up to	9,999,999.99	.15	Monthly	.15
Money Market Shares	Account Balances up to	4,999.00	.0	Monthly	.0
Money Market Shares	Account Balances up to	49,999.99	.35	Monthly	.35
Money Market Shares	Account Balances over	49,999.99	.5	Monthly	.5
IRA Shares	Account Balances up to	9,999,999.99	.25	Monthly	.25
Club Accounts	Account Balances up to	9,999,999.99	.15	Monthly	.15
Family Savings	Account Balances up to	9,999,999.99	.2	Monthly	.2
Share Draft	Account Balances up to	9,999,999.99	.05	Monthly	.05
Education IRA	Account Balances up to	9,999,999.99	.25	Monthly	.25
Roth IRA	Account Balances up to	9,999,999.99	.25	Monthly	.25
CERTIFICATE RATES					
12 Month Certificate		.55	Annually	.55	
12 Month Jumbo Certificate >\$30,000		.75	Annually	.75	
6 Month Certificate		.45	Annually	.45	
FEES:					
NSF Deposit Checks		\$35			
Mail Locator Fee		\$ 5			
More than 26 withdrawals per year		\$10 each			
Third Party Checks		\$ 5			
**Inactivity Fee – Master Share Account		\$10			
Copy of Statements – per page		\$ 3			
Excess on-line banking sessions (30+)		\$.50			
Wire Transfers		\$14			
Check Copies		\$ 5			
Club Accounts Early W/D Fee		\$10 (each Occurrence)			
Loan Skip Payment Fee		\$ 5 (Per Loan)			

NOTE! Address Change



If you have recently moved and have a debit or credit card with us, please contact us so we can have your information updated with the card processors. Also if your marital status has changed, or if you have gotten married and need to update your beneficiary information, again, please contact a staff member.

Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency