



MEMBER NOTES

News for Members of Michigan Educational Credit Union

JANUARY 2023



MISSION STATEMENT

“To provide members with quality, comprehensive, cost effective financial services”

Can't Face Those Holiday Bills?

Did the holidays do a number on your budget? Take control with the help of our Winter Wrap-Up Loan! This affordable loan allows you to consolidate your high-rate bills into one monthly payment with rates **as low as 7.95% APR.*** Besides bill consolidation, this versatile loan can be used for home improvement projects, a winter getaway, educational expenses and much more. You can 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 apply online at www.michedcu.org.

* Annual Percentage Rate effective January 1 through February 28, 2023. 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. Payment example: A \$10,000 loan over 60 months would have monthly payments of \$20.25 per thousand borrowed.



Fight Inflation With A Lower Rate Loan

Borrowing money isn't as cheap as it used to be – even as recently as last year. While experts agree that it's best to tighten your belt and save during inflationary times like these, sometimes life simply gets in the way. If you need money now, tapping into your home equity can still be a relatively cheap and effective way to borrow funds. Whether you're looking to consolidate debt or take on a home improvement project, home equity loans and HELOCs might be your best bet.

At MECU, you can choose the option that suits your needs: a variable-rate Home Equity Line of Credit, with monthly payments as low as \$9.00 per thousand borrowed, for an ongoing project, or a closed-end, fixed-rate Home Equity Loan for a one-time expense. Loan amounts start at \$10,000 with **NO CLOSING COSTS*** and possible tax savings (be sure to consult your tax advisor).



Home equity financing is frequently used for home renovations and bill consolidation, but the comparatively low rate makes it ideal for any major expense, including a dream vacation, college tuition and other educational expenses, medical bills, weddings, graduations, and much more.

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

* Home Equity Line of Credit loan payments based on \$9 or \$12 per thousand. Example: \$10,000 loan, \$9 per \$1,000 selected, \$90 monthly payment. Minimum Line of Credit amount \$10,000. Maximum Line of Credit amount \$200,000. The maximum APR that can apply is 18%. Maximum LTV 90%. Properties only located in the state of Michigan. Certain circumstances may require closing costs.

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LET'S PLAN FOR YOUR FUTURE

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- Financial Planning
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Bill Knudsen
Wealth Advisor

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Please visit <https://www.lpl.com/disclosures/is-lpl-relationship-disclosure.html> for more detailed information.

CEO Update

Ready or not, 2023 is here. Although many experts are predicting an economic recession, MECU is here to help our members make the best of the months ahead.

With loan rates on the rise, you need to make sure you're getting a good deal before you finance *anything* these days. At MECU, we've always been known for our great auto loan rates. If you need to purchase a new or used vehicle in 2023, we can help steer you in the right direction with a pre-approval before you head to the dealership.

If you have other financing needs, our Home Equity Loans and Winter Wrap-Up Loan provide

low-rate alternatives to credit cards and other loan options.

As we start a new year, it's a great time to tighten your belt. Consider setting a little money aside in a Share Certificate. The rates are higher right now than they've been in years, and it's a safe way to save for a future goal.

Whatever 2023 brings your way, remember that MECU is here to help you save money when every dollar counts.



Bob Sandercock

How Many Credit Cards Should I Have?

If you're trying to build credit or boost your credit score, you might be wondering if there is an ideal number of credit cards to have. The truth is there is no perfect number. However, there are factors you should keep in mind when deciding how many credit cards to have.

Your credit score is calculated by looking at five categories, each with varying levels of importance: your payment history (35%), credit utilization (30%), the length of your credit history (15%), new credit (10%), and type of credit used (10%). The first two categories carry the most weight, so focus on getting those percentages as low as possible.

Since payment history makes up 35% of your credit score, make sure you always pay your bills on time. That can be a challenge if you have multiple credit cards with different due dates. To ensure you pay all your bills on time, set alarms or schedule payments so that each one arrives before the due date.

Your credit utilization ratio shows how much of the total available credit you've used. To figure out your utilization ratio, first add the balance on all your credit cards. Next, add the total amount of credit you have. Then divide your total balance by the total credit. Multiply that by 100 and you have your ratio. To improve your credit score, try to keep that ratio under 30%.

Using multiple cards can also make it harder to keep track of how much you're spending. Set balance alerts on your cards so you don't exceed a specified percentage of the card's available credit.



Rewards cards – which either give you cash back, points for merchandise, or airline miles – generally have higher annual percentage rates (APRs) than other cards, so if you can't pay the balance on these cards in full every month, it's best to keep just one or none at all.

If you're a full-time student thinking of getting your first credit card, shop around for a card with low interest and no annual fee. Be disciplined and use the card for emergencies only. Then always pay your bill on time.

Some cards offer initial low rates if you transfer your balance from another card. If you do that, leave the older cards unused and pay off the balance on the newer card quickly. The cards with no balances help keep your utilization ratio low.

Where There's A Will, There's A Way

Do you have a will – a legal document that states how you want your assets to be distributed after your death? Between 50% to 60% of Americans die without a will, letting state law dictate who gets what of the property they leave behind. Although the COVID-19 pandemic prompted many people to create a will and make estate plans, most Americans still have this on their “to-do” list.

If you have a will, have you kept it up-to-date? Anytime you experience a major life change, like getting married, having a child, buying a house, or moving to a different state, you should review your estate planning documents and update them accordingly. Estate planning attorneys suggest revising these documents every three to five years, regardless of the changes in your life.

In addition to these lifestyle changes, there is also another good reason for many people to review and revise their wills: changing federal and state estate tax. This is a tax on a person's assets after their death. In 2022, federal estate tax was applied to assets over \$12.06 million. Most states no longer impose their own estate taxes, but as of 2022, about a dozen states still did. For instance, residents of Massachusetts and Oregon must pay state estate tax on assets over \$1 million.

Even if your estate is not likely to be subject to federal estate tax, a properly drawn will may save your family a great deal of money in state estate taxes.

Seek professional help if you are in a blended family, wish to establish a trust to direct the disposition of assets after your death, own property in more than one state, want to leave more to one child than to another, own all or part of a family business, have a disabled or handicapped dependent, anticipate family conflict over your will, or own expensive assets not easily valued.

For do-it-yourselfers, online resources include nolo.com, U.S. Legal Wills ,LegalZoom.com, and doyourownwill.com. But choose carefully. Some offer basic fill-in-the-blank forms, while others are interactive, allowing you to prepare a customized will.



In The Market For A Mortgage In 2023?

Michigan Educational Credit Union is here to guide you through your mortgage purchase or refinance process with our on-site Member Mortgage Services (MMS) representatives. They can even pre-approve you for your loan before you start house hunting to put you in a better position to make a serious offer on a home. Representatives are available at our Plymouth, Livonia and Ann Arbor offices, and appointments can be arranged at our other branch locations.

MMS also offers unique services such as Pre-Qual Express and an Underwriting Approved Certificate. Pre-Qual Express performs a soft credit pull and gives you an idea of how much house you can afford. The Underwriting Approved Certificate is the highest level of approval a buyer/borrower can obtain without yet choosing a property. This certificate accompanied with a pre-approval will allow the seller to understand that you are in a good position to buy, as well as speed up the loan process.

Whatever your mortgage needs, MECU is here to help. For current rates and to schedule an appointment with an on-site Member Mortgage Services representative, contact an MECU office near you.



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

For current deposit rates, including Share Savings, Draft/Checking, IRAs, and Share Certificates, go to www.michedcu.org or contact any MECU office!

Spreading The Joy!

The holiday spirit was alive and well at MECU in December! For the second year in a row, we collected toy donations on behalf of U-M C.S. Mott Children's Hospital in Ann Arbor. Thank you to our generous members who dropped off hundreds of toys for this wonderful cause!

MECU was also an "Angel of the Hour" sponsor of the 99.5 WYCD St. Jude Radiothon that took place on December 8 and 9. Our staff showed their love and support by wearing charity bracelets in honor of St. Jude Children's Research Hospital.



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.**

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 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 a 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.



Holiday Closings

Martin Luther King, Jr. Day
Monday, January 16, 2023

Presidents' Day
Monday, February 20, 2023



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:
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Ann Arbor, MI 48103
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Always Great Auto Loan Rates!

2023-1998 Automobiles (100% Financed) –
Terms up to 84 months available

Classic Cars (25 Years and Older) –
Terms up to 48 months available

College/Trade School Grad or Active Military Discount – 2021 and 2022 graduates and active military service members can save .25% off MECU's current auto loan rates. Ask for details.



For current rates, contact the Loan Department at any MECU office or go to www.michedcu.org!