



MEMBER NOTES

News for Members of Michigan Educational Credit Union

JANUARY 2024



MISSION STATEMENT

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

Winter Wrap-Up Loan To The Rescue!

Take the chill out of your winter bills with the help of the MECU 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 vacation 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 29, 2024. 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.

Transfer Your High-Rate Balances & Save

If you used any retail store credit cards this holiday season, you could be in for an unpleasant surprise. According to WalletHub, the average interest rate on store cards is currently 30.01% APR!

Before you let your 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% to 5% of the amount transferred, which only adds more to your debt.

If you don't have an MECU credit card yet, now is a great time to apply! Choose from our **World Rewards Mastercard®** or our **Platinum Mastercard**. Both offer a wide range of valuable features and benefits, including this special balance transfer offer for new cardholders that you won't want to miss:

- **3.99% APR* on all balance transfers within the first 90 days**
- **Low, fixed rate on the transferred balance amount for the first year***

To transfer your balances today, give us a call at **(734) 455-9200** or **toll-free (888) 261-3355** or contact the Loan Department at any MECU office. Be sure to let us know if you need to request a credit limit increase in order to cover your balance transfer amounts.

* Annual Percentage Rate. The 3.99% promotional rate is valid on all balance transfers that take place within 90 days of the account open date and is valid for 365 days from the account open date. After that, the rate will revert to the current effective rate on your card. Refer to your original account disclosure for details. Balance transfers are processed for the amount requested, or up to your available credit limit. Payments to your transferring account should be made until the account is confirmed paid in full. Michigan Educational Credit Union takes no responsibility for additional finance charges, fees and transactions posting to your transferring account. This offer applies only to accounts in good standing. This offer cannot be used to pay off existing MECU loans.



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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)

Serving All MECU Locations
(734) 416-5025
mecuadvisors.com



Bill Knudsen
Wealth Advisor



Paul Schmidt
Wealth Advisor

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Not Credit Union Guaranteed
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May Lose Value

Michigan Educational Credit Union ("Financial Institution") provides referrals to financial professionals of LPL Financial LLC ("LPL") pursuant to an agreement that allows LPL to pay the Financial Institution for these referrals. This creates an incentive for the Financial Institution to make these referrals, resulting in a conflict of interest. The Financial Institution is not a current client of LPL for brokerage or advisory services.

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

CEO Update

Whether or not you make an official New Year's resolution, you probably start the year off with a few goals in mind. If those goals involve your finances, you can always count on MECU to help keep you on track.

The National Retail Federation predicted holiday spending to set new records in 2023. If you shopped at a record pace over the holidays, you're probably a little less enthusiastic about the bills you're starting to receive. MECU can help you consolidate your bills to a lower-rate loan in a variety of ways, including our Winter Wrap-Up Loan, balance transfers to one of our credit cards, or our Home Equity financing.

Saving more money sounds easy, but it can be a challenging task. In recent months, MECU

has been promoting Share Certificate specials to help members take advantage of a higher-rate opportunity. Give us a call or visit our website to learn more about our latest special offer.



Bob Sandercock

If you're ready to take a serious look at your financial future, I encourage you to speak with an MECU Financial Wealth Advisor. You can schedule a free, no obligation appointment at an MECU branch near you to discuss your investment goals.

Of course, these are only a few ways that your Credit Union can help you in 2024. Feel free to reach out if there's anything we can do for you.

Pay Off Your Mortgage Sooner...Or Later?

If you're a homeowner, it's only natural to long for the day when you'll own your house free and clear. To reach that day sooner, some homeowners accelerate their mortgage payments by paying extra toward the principal each month, once a year, or whenever they can afford it.

It's satisfying to see your mortgage balance shrink faster, and you'll shave thousands of dollars off the total interest you'll pay over the life of the mortgage. But is prepaying your mortgage a smart financial move? That depends on a few factors.

Before you give in to the strong emotional pull toward paying off your mortgage faster, ask yourself a few questions:

- **What's your interest rate?** If you have a 30-year mortgage with a low fixed rate, stay in it, financial planners advise. Consider what else you need to do with your extra money.
- **Are you carrying credit card debt?** Pay that off before you even think about prepaying your mortgage.
- **Are you saving and investing?** It's unwise to channel more money into your mortgage and ignore contributing to your 401(k) at work if you have an employer match. You're passing up free money. Once you max out your 401(k) contribution, you also may be able to set up a Roth or traditional IRA. You grow your money by saving and investing, not by prepaying your mortgage.
- **What's your risk tolerance?** Some financial planners suggest prepaying your mortgage if it means you'll sleep better at night. Others argue against that logic, saying you'll only create a nightmare later. You could end up with all your money tied up in your house, but unable to afford to live in it because you have no other wealth.



It's difficult to set aside emotions when weighing whether to prepay your mortgage. Talking to an objective party can help. Michigan Educational Credit Union offers financial planning services through MECU Financial that can help you with this decision. Call them today at **(734) 416-5025** to schedule a free, no obligation appointment.

Managing Stress In The Sandwich Generation

About 25% of adults in their 40s and 50s belong to the sandwich generation – the population of middle-aged adults who are taking care of their children and at the same time providing some level of care or support to their elderly parents. Mothers in particular feel more stress trying to balance caring for their young children as well as their aging parents.

If you find yourself in this position, you may feel like you're constantly trying to do too much at once, with not enough money, and worrying about the financial strain you know may come. Here's how to manage your parents, your kids, and your sanity:



- 1. Be proactive about finances.** Get everyone's finances out in the open. You can't plan without the proper information. Ask your parents to share their financial situations with you, get a clear picture of your own finances, and share it with your kids. It will make it easier for your kids when it's their turn, and help them understand why you can't buy certain things so easily.
- 2. Be clear about whose money it is.** When you spend your parents' money, keep in mind that it's their money, not yours. Conversely, when you help your kids pay for certain things, be sure they pay their fair share and help out with personal expenses – even if you can afford it without their help. Don't let them grow up to be dependent on you.
- 3. Get professional help.** Ask a certified financial adviser for help with the big issues, from college planning to retirement. Seek legal advice from an estate attorney about preparing documents (for yourself and for your parents) such as a will, a living will, and a power of attorney. Use the Eldercare Locator at eldercare.acl.gov to find services for the older adults in your family.
- 4. Find good care and companionship.** Most likely your elderly parent not only needs care but is lonely and alone. Ask friends, family members, and neighbors for help.
- 5. Make time for yourself. Guilt comes with the territory of living in the sandwich generation.** No matter how much you do, it never feels like enough. Make time to do the things you enjoy, whether it's reading a novel, working out, lunch with friends, or playing your favorite sport. Recharge your physical and mental batteries so that you can continue to be strong for the people who need you.

Start A Savings Plan With A Share Certificate

You've made a commitment to save more money in 2024, but where do you start? It's easy with a Share Certificate from MECU! The annual percentage yields (APYs) are the highest they've been in years, and it's a great way to earn a better rate of return on your savings without the risk of many investment options.

MECU Share Certificates offer:

- Terms from 3 to 60 months
- Minimum of \$2,500 required for terms up to 12 months
- Minimum of \$5,000 required for terms of 18 months and longer
- Individual Retirement Account (IRA) Certificates also available
- Federally insured by the NCUA

Contact any MECU branch or go to www.michedcu.org for current rates and to open a Share Certificate today. Be sure to ask about our latest special offers!

** Share Certificates are subject to penalty for early withdrawals.*



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!

The Giving Spirit!

At MECU, we embrace the opportunity to give back to our community over the holidays. For the second year in a row, MECU was an "Angel of the Hour" sponsor of the 99.5 WYCD St. Jude Radiothon, and we even sent volunteers for the phone bank. In our branches, staff showed support wearing charity bracelets during the Radiothon.



1099 Reminder

If you have multiple deposit accounts with MECU, you will now receive a consolidated 1099-INT statement that combines all interest information for easier reporting. The statement provides a line-by-line item description for each account, and the total is presented at the bottom of the page. However, if you receive 1099 statements from e-statements, please be aware that the combined statement option may not be available. In such cases, you'll need to manually add together the interest amounts from individual accounts for IRS reporting. We are currently working with our partners to make the electronic version available as a combined statement.

Put It On The House

Want to shed a little debt in 2024? Home Equity is a great option to consider for bill consolidation. Although all lending rates have been on the rise in recent years, Home Equity remains one of the better rates you'll find in the market.

At MECU, you can 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, loan amounts start at \$10,000 with NO CLOSING COSTS* and possible tax savings (please consult your tax advisor).

In addition to bill consolidation, Home Equity is ideal for home renovations, educational expenses and more. For details 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.

Holiday Closings
Martin Luther King, Jr. Day
Monday, January 15, 2024
Presidents' Day
Monday, February 19, 2024

Always Great Auto Loan Rates!

2024-1999 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 – 2022 and 2023 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!



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

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