

Aug 2008

Memphis Municipal Employees Federal Credit Union



THE CREDITOR

The Credit Union Is Still Your Best Bet Yet!!!

Many people discover the benefits of credit unions almost by accident. They'll join because they can get a decent rate on a car loan, and only gradually discover that the checking account has far fewer fees, the credit cards offer better interest rates, and the mortgages aren't bad, either.

- ✓ **Credit unions are member-owned.** If you have an account at a credit union, you're a part owner in the enterprise. That may not entitle you to use the executive washroom -- your CU probably doesn't even *have* an executive washroom -- but you're likely to be seen as a person rather than as a "cost center."
- ✓ **Credit unions are not-for-profit.** This status helps explain why interest rates tend to be significantly better, and fees fewer and smaller, at credit unions than at banks. Any profits credit unions do make are distributed as dividends to their members. Contrast that with banks, which continually invent new fees and policies to boost profits (and to pay those stunning executive salaries).

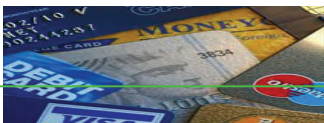
Consumers borrow mostly on credit cards

Consumers boosted their borrowing in May, mostly reflecting heavy credit card use to finance their purchases.

The Federal Reserve reported that consumer credit increased at an annual rate of 3.6 percent in May, roughly the same pace as logged in the prior month.

Use of revolving credit, which is primarily credit cards, rose at a 7.1 percent pace in May. That compared with a cutback in such credit of 0.5 percent in April.

The pickup pushed total consumer debt up by \$7.8 billion to \$2.57 trillion. That was a bit more brisk than the \$7 billion over-the-month increase economists were expecting.



Whatever Your Needs, We Have The Right Loan For You

Your credit union realizes that most members have wants and needs that go beyond their immediate ability to pay for them. Things such as furniture, appliances, home remodeling, a family vacation, and so forth are the "spice" that makes life worth getting up for in the morning. Whatever your needs, your credit union has the right loan for you. It always seems easiest to put these large purchases on a credit card. "Charge it" seems to have become our national response to perking ourselves up when we feel we want something special. But credit cards aren't always the best way to go. Sometimes, it makes more sense to go with a signature loan, a home equity loan, or a secured loan. With the right type of loan matched to what you're buying, your credit union can save you hundreds, and even thousands, of dollars in interest and fees.

So take a look around you. What do you want or need? Make a list, then prioritize it. Then stop by or call your credit union and let us help you turn that list into reality with the right loan.

Average Interest Rates at Credit Unions vs. Banks

(Averages For Comparison Only)

Consumer loans	Credit unions	Banks
Credit card	12.15%	15.08%
48-month new car	6.21%	7.59%
48-month used car	6.46%	8.17%
36-month unsecured	11.12%	12.73%
Mortgage loans		
HELOC	7.91%	8.34%
One-year ARM	5.75%	6.05%
30-year fixed	6.75%	6.77%
Savings		
Regular savings	0.94%	0.73%
Interest checking	0.63%	0.62%
Money market	1.96%	1.24%
One-Year CD	4.74%	4.17%

Use the chart above to compare the interest rates that credit unions pay versus banks, as reported by *Datatrak, July 2007*. Now you see that your credit union is absolutely the best idea for stowing and growing your finances. Check your credit union for accurate rates as rates may change.

Do You Have a Debt Problem?

Credit problems may be caused by any number of things: overspending, failure to budget, loss of a job, bad investments, divorce, death, or unexpected emergency. Fortunately, there are a number of things you can do to improve your situation, and there are many sources of outside help. Answer the following questions honestly to see if you have a problem with credit:

1. Are you at or near the limit of your lines of credit?
 Yes No
2. Can you make only minimum payments on your credit cards?
 Yes No
3. Is the amount of your new purchases a surprise each month?
 Yes No
4. Are you frequently taking cash advances on your credit cards?
 Yes No
5. Are you usually late paying your bills?
 Yes No
6. Are you borrowing to pay for items you used to pay for with cash, such as groceries, gas, etc.?
 Yes No
7. Are you tapping into your savings to pay your current bills?
 Yes No
8. Do you put off medical or dental visits because of lack of money?
 Yes No
9. Do you have savings equal to or less than three months of income?
 Yes No
10. Is an increasing percentage of your income going to pay off debt?
 Yes No
11. Are you unsure how much you owe?
 Yes No

Count each "Yes" and each "No". If you score at least "4" Yes answers, you have a debt problem that needs attention right away. See your credit union representative for help in creating a plan to reduce your debt.

Need Financial Advice? See your CU

Overdraft Protection

Save yourself the embarrassment and cost of accidentally overdrawing your checking account with overdraft protection from your credit union. At a cost that's very low, you can have the peace of mind that your checks will be honored even if you make an occasional mistake in calculating how much money you have in your checking account. We can set up overdraft protection either by automatically deducting the overdrawn amount from your savings account or by tapping a line of credit up to a preset limit, usually \$500 or \$1,000. Either way, you avoid costly returned check fees from both the credit union and the merchant to whom you wrote the check. Stop by or call your credit union today for more information on overdraft protection.

Your Savings At The Credit Union
Are Insured To
\$100,000



How do overdrafts and bounced checks happen?

When you

- ♦ write a check,
- ♦ withdraw money from an ATM,
- ♦ use your debit card to make a purchase, or
- ♦ make an automatic bill payment or other electronic payment



for more than the amount in your checking account, you overdraw your account. Your credit union has the choice to either pay the amount or not. If it pays even though you don't have the money in your account, you may be charged an "overdraft" fee. If your credit union returns your check without paying it, you may be charged a "bounced-check," or "nonsufficient funds," fee. And the person or company that you wrote the check to--for example, a store, your landlord, or the phone company--may charge you a "returned-check" fee *in addition to* the fee your bank charges you. You have overdrawn your account and the check is considered a "bounced" check.

COMPLIANCE NOTICE !!!

The credit union may report information about your accounts to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

MEMPHIS MUNICIPAL
EMPLOYEES
FEDERAL CREDIT UNION
577 Linden Ave.
Memphis, TN 38126
Ofc: (901) 528-2816
Fax: (901) 582-2824
www.mmefcu.org