

THE CREDITOR

MEMPHIS MUNICIPAL EMPLOYEES FCU

March
2007



Keep Your Credit Out Of The ICU

Unpaid medical bills can cause surprising and serious damage to your credit report. It's often a plain and simple case of miscommunication. Your insurance company and your medical provider are in negotiations over paying a recent hospital bill. You think it has been paid, or at least should have been, because you have insurance. The bill is delinquent and then overdue and then sent to collections. All of the sudden you are stuck with a collections record on your credit report for 7 years. Not your fault?...Think again...and stay tuned to next month's issue for more details.

THE BIG THREE

You can improve your rates and save thousands on your loan by improving the three most important loan factors.

Credit score target – above 650

How to meet the target –

- Clear inaccuracies from your credit report
- Pay your bills on time for at least 6 months
- Avoid unnecessary applications for credit
- Reduce your debts to below 35% of their credit limits

Debt-to-income ratio target – 20-30%

How to meet the target –

- Pay off small loans
- Reduce your credit card balances
- Increase your income by co-signing with your spouse

Loan-to-value ratio target – less than 80%

How to meet the target –

- Increase your down payment to at least 20% of your new home or car's value
- Negotiate to reduce the price with the seller
- Select a less expensive home or car to purchase

Credit Union Annual Meeting

It's that time again...Fun, Food and Information for all. The Annual Meeting of the Credit Union is scheduled for Wednesday, March 21, 2007 at 6pm in the Credit Union Lobby. Join the staff and members for an evening of fun!

From the desk of
Uzell Garner Jr.

Payday loans are available!!

It's ten days until payday and all your cash has magically disappeared. If I can just make it to payday, everything will be just fine. But how can I make it? A payday loan might be the answer. Your credit union now offers payday loans for you—our members. Some rules apply and you must be approved. Stop by the credit union and get your payday loan today, with approved credit. It could be just what you need!!!

What is the best way to remove or correct a mistake on your credit report?

You're not alone in wanting to know more about disputing errors on your credit report. Many questions are asked about removing mistakes and old records from credit reports. When you find an inaccuracy on your credit report, you should first investigate the details and find out what exactly is wrong. To begin the dispute process, you should contact the creditor or lender responsible for reporting the mistake directly. Not sure of the contact information? You can find it at the bottom of your credit report under "Contact Information." If you can't make progress this way, you should send letters of dispute to the credit reporting agencies by certified mail.

WARNING!! The Credit Union will never, ever ask for your pin numbers, social security numbers or account numbers in email or voicemail. If in doubt, and you don't think the call is genuine, come in and ask!

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

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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.

How to be debt-free

Lowering the amount of debt you carry can significantly improve your credit score, reduce the loan rates you could receive and save you a lot in interest payments. It just takes a few easy steps and a little dedication to take charge of your debt.

- 1. Get the facts** — Collect all your account, loan and credit information and go over the records with a fine tooth comb. Write down the monthly payment, debt amount, interest rate and term of each debt on a sheet of paper. Next, write down your total monthly income and list your estimated monthly expenses. Order your TransUnion, Equifax and Experian Credit Reports and Credit Scores online to get a baseline for tracking your improvements.
- 2. Do the math** — Calculate how much you usually spend paying each debt and how much interest that debt collects per month. Define which debts need to be paid off first. Credit card debt and small loans should be paid before low-rate student loans and home loans. A "yes" answer to any of the questions below is a red flag for accounts that need immediate attention:
 - Do you have any debts with high interest rates?
 - Are there accounts above 35% of their credit limit?
 - Do you have any debts that are close to being paid off?
 - Do you have any debts with high annual fees?
- 3. Negotiate and consolidate** — Start working on those high-interest credit card debts first. Call your creditors and negotiate lower interest rates or move your balances to less expensive credit cards. Accounts that are above 35% of the available line of credit can harm your credit score; pay off or move some of the balance to a different card. If you have a credit card debt that is too large to handle, consider taking out a personal loan from your credit union for the amount. Your credit union can probably give you a much lower rate and a more lenient payment schedule.
- 4. Refinance** — After taking control of your credit card and small debts, take a look at your major loans. Would it make sense to refinance your mortgage? Could you consolidate some of your other debts into the loan? What about refinancing your auto loan?
- 5. Stick to the plan** — Now that you have lowered your rates and refinanced your loans, create a payment schedule and a monthly budget. See exactly how much you can afford to pay each month by subtracting your expenses from your monthly income. Divide the remaining amount between the accounts, paying the most to the debts with the shortest terms and highest interest rates. Create a payment calendar with the due dates and the payment amounts you just calculated for each bill. Sign up for automatic bill payment through your credit union or register for online payments to keep you on schedule. To continue to keep your credit on track, register for credit monitoring online and you'll receive quarterly credit reports, credit alert emails and trending charts that outline how much your credit improves over time. Set goals for yourself and don't forget to celebrate when you reach debt-removal milestones.

When The Honeymoon Is Over.....

Women who take their husband's surname after getting married need to notify the Social Security Administration, as well as any current creditors. You do not need to notify the credit agencies of a name change – they will automatically update the name on a credit report when creditors report it.

> If you plan to have children, you can best prepare yourself now by building a cash reserve to meet the eventual expenses of having a baby. This will help you avoid overextending your credit to meet expenses such as cribs, strollers, diapers, clothes, playpens and toys. Also, building a savings account is also essential for buying a home and being prepared to face such emergencies as severe illness, disability or job layoff. Finally, planning for your retirement early on in your marriage can help make your golden years more comfortable and less stressful.

> The key to a successful credit marriage as a couple is to understand that your individual credit behavior affects both you and your partner. To ensure that you are able to quickly get credit at the best possible terms, be sure you both understand all the implications that accompany a joint account.

Shop online  securely.
Credit Cards

Master-Card® SecureCode™ gives you added security for your online purchases. As our valued customer, MMEFCU is now offering you MasterCard SecureCode. With MasterCard SecureCode, at the end of each online purchase you sign a receipt with your private SecureCode™. Only you can sign the receipt, thus ensuring a safe online shopping experience.