

THE CREDITOR

MEMPHIS MUNICIPAL EMPLOYEES FCU

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SECURING YOUR PASSWORDS

The easiest computer passwords to remember are also the easiest for the hackers to decipher. Your credit union would like to give you a simple method for creating more secure passwords.

1. Think of a phrase or sentence that is easy for you to remember. For example, "My favorite color is blue." Create a new password using only the first letter of each word - example, "mfcib."
2. Substitute some special characters that look like letters, such as the number 1 for the letters I or L, @ for the letter A, or * for any letter. Your password might then read "mf*1b."
3. And for safety's sake, please change your password often.

Telephone Phishing Alert

Credit Union members are receiving VoIP scam calls that are automated and insistent that the cardholder call a toll free number to update important financial information. Once the toll free number is dialed an automated phone system asks for the card number, PIN and expiration date. VoIP lines are telephone systems that utilize the internet instead of traditional telephone land lines to deliver communication services. The low cost of VoIP lines and relative ease with which they are obtained have led Phishers to quickly adopt this evolving technology to attack consumers on an entirely new level.

- ◆ **Be Alert.** Do not respond to any email or phone call that directs you to update their personal information by dialing a telephone number. Only use the customer service number on the back of your card, or contact the credit union immediately.
- ◆ All calls and correspondence from the credit union contains our official name and logo. If you are ever in doubt, please do not hesitate to contact the credit union immediately. If the credit union is closed, **WAIT!** Please do nothing until you speak directly with a credit union representative.

From the desk of Uzell Garner....

Your Credit Union Website Offers A Wealth Of Info When you need information about your credit union, we're as close as your computer. Visit us online - you'll find details about share savings accounts, share certificates and other savings plans, loans for vehicles, home improvements or any good reason, plus all the other products and services available to help you manage your money and reach your personal financial goals. Looking for contact information, hours of operation, or special offers? You will find that, and more, on our home on the Web. So, the next time you have a question about the credit union, the answer is probably just a few clicks and keystrokes away, anytime, day or night. It's your seven-days-a-week, 365-days-a-year information source, so stop by whenever it's most convenient for you. We will be here at www.mmefcu.org.

Car Shopping? See Your CU First !!

Spring is in the air and the open road beckons. If you are headed toward the car dealer lot or scanning the vehicle classifieds in search of a spring fever cure, make your first stop the credit union. Whether you are buying a new vehicle - or just new to you - arranging your financing ahead of time at the credit union is the smart way to shop. So, when you first speak with a salesperson, never relate that you plan to finance the vehicle yourself. If you do, the dealership may quote a high sticker price to make up for its lost profit on the financing. But with your pre-approved loan from the credit union in your back pocket, you can concentrate on getting the right car, at the right price.

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.

Road Map To Retirement

Whether retirement is just around the corner or off on the horizon, you need a plan to take you there. For most, personal savings will be needed to supplement Social Security and pension income. Here's a brief guide to help you map out your path:

Start strong - 20s and 30s: These years don't typically represent the highest earning stage, but even small steps now can payoff big later, thanks to the power of interest compounding. Additionally, investments can be geared toward growth. Because time is on your side, you can ride out any market fluctuations.

Pick up the pace - 40s and 50s: This is usually the peak earning and saving time. Don't let other financial pressures, such as your children's college costs, deter you from making retirement contributions. Remember, student loans - not retirement loans - are available.

Almost there - 55 to 65: Time to get serious about making decisions. When can you retire? Do you need to make a budget or lifestyle adjustments to meet your goal?

Eye on the prize - Retirement and beyond: Now your strategy shifts to balancing withdrawals with preserving enough principal to last - it's possible you could be drawing on your retirement funds for some 40 years.

Visit www.choosetosave.org/ballpark/ for an easy-to-use worksheet to estimate your retirement savings.

THE LAST WORD

There are big ships and small ships. But the best ship of all is friendship.

Paying off your debts and closing all your accounts is a good way to reduce your monthly expenses, but not the best way for you to improve your credit. Closing all the active accounts on your credit report leaves lenders with little information for evaluating your creditworthiness. The lack of positive recent account information is probably what harmed your credit score. You should try opening a credit card to establish a new record of responsible credit use. You can try opening a "secured account" if you have trouble being accepted for a standard card. This type of account uses your savings account balance as collateral for the credit limit. After a few months of responsible use with the secured credit card, your score will improve and you should start receiving standard offers in the mail. You can sometimes find secured card offers online and sometimes through the mail. Make sure you read the fine print before you sign up.

Real life - Real money - After college

This spring about 1.3 million students will graduate from colleges and universities across the US.

Graduation is an exciting time for students transitioning out of academia and into the real world, but far too many of these graduates are starting their new lives saddled with debts. According to Nellie Mae, the average college senior owes \$20,400 in student loan and credit card debt. When you consider that this debt translates into \$280 each month and a total of \$8,700 in interest, the importance of having a financial plan after college is clear.

The following five credit management tips aren't just for the class of 2005, these tips are for anyone who needs to manage their debt while pursuing their dreams:

- 1. Know where you stand** - Before you can decide what to do, you need to understand exactly where your finances stand. Gather together all your credit card and loan records along with your credit reports and credit scores. You can use this checklist to get started. Remember, potential landlords and employers may also check your credit report so make sure that everything is accurate and up-to-date.
- 2. Danger signs** - Negative records such as late payments and collection accounts will remain on your credit report for 7-10 years. You can keep your future finances healthy by spotting issues early. Look through your reports to see if you have any old forgotten credit accounts, late payments or negative records. Library and video store late fees can sometimes be sold to collections, so keep an eye out for this type of negative record, too. If you find something inaccurate, you can dispute it. If the negative records are accurate, calculate when they will expire from your report.
- 3. Create a spending plan** - A monthly spending plan will help you understand exactly how much you need to pay toward your debts and how much you can afford to splurge. Don't worry about trying to pay off your whole student loan right away (fairly low interest rates make it okay to just cover your basic payment each month). But do focus on paying off your high interest credit card debts as soon as possible. While you are creating your plan, be sure to include other expenses such as car insurance, utilities and security deposits that you are likely to have after graduation. Keep track of your monthly expenses and make adjustments to your spending plan as needed.
- 4. Prepare for emergencies** - A few preparations for the worst case scenario can help you avoid financial problems in an emergency. To start, you should build up enough savings to cover your expenses for 2-3 months. If you find yourself out of a job or unable to pay back your debts, you should immediately call your creditors and lenders to explain your situation. Most federal loan programs have deferment and forbearance programs that allow you to put your debts on hold temporarily.
- 5. Consider consolidating** - Student loan consolidation rates are expected to increase dramatically. Currently at a historic low rate, these federal student loan rates are expected to increase 4-5%. Plus, students who consolidate within six months of graduation or who sign up for automatic payments can save even more. If you have a loan balance greater than \$7,500 - \$10,000, you can potentially consolidate your loans and save big.