

The View

2015 • First Quarter

Updates, News, and Information For Telco Members



Connecting Families
& Building Futures

Holiday Closings

Good Friday
Friday, April 3

Memorial Day
Monday, May 25

Independence Day
Friday, July 3

Member Benefits

Save To Win Program

Check Online or In Your
Branch For Details.

Win Cash While Collecting
Interest On Your Savings CD



Spending Less and Saving More

Are you spending too much? For many Americans, the answer is, “Absolutely.”

The reasons are varied - from lack of a budget plan to a desire to maintain appearances. Over spending can have both immediate effects and long term effects on your quality of life, and for those close to you. To better manage your spending, many financial advisors recommend tracking your cash flow and monitoring your emotional state.

Here's how:

Plan. It's not only big expenses that put you in debt. More likely it's “death by a thousand tiny cuts” eating up your income. Track your spending with a notebook or online app (See article on TCCU's online “My Finance” tools), shop with a list, consider using only cash for a couple of months, and set up monthly automatic deductions from your share draft/checking account into an emergency savings fund.

Be mindful. Try to understand why you're overspending. Maybe you're trying to keep pace with high-rolling friends or spending makes you feel better - temporarily, anyway. Regardless, when you feel compelled to buy something you maybe don't need, wait 24 hours and consider why you're buying it. Ask yourself, “How will I feel when the credit card bill comes?”

Set limits. Know what pleasures you can't live without and decide in advance how much you'll spend on them each month. Try to focus on the joys in your life that cost nothing - friends, family, a favorite public park - and for big-ticket items, set aside a little each paycheck until you can afford to buy it.

We all have to manage this to some degree.

We're hoping this issue of *The View* will provide some useful tools and ideas on how you can be *Spending Less And Saving More*.



So what's a buck?

Grab a calculator. Add up what you spend on so-called “little things” that can end up being budget-busters:

- If you spend \$1.15 a day - seven days a week - on soda, that adds up to \$420 a year.
- If you spend \$1.75 every weekday on coffee, that's \$455 a year.
- If you spend \$5.99 every weekday on fast food, that's \$1,500 a year.
- If you spend \$5 each day on cigarettes, that's \$1,825 a year.

Savings Gains Start With Spending Scrutiny

If you want to boost savings, create a smart spending plan - and stick to it. It sounds easy but, according to a survey by the National Foundation for Credit Counseling, Washington D.C., about 71% of people have financial worries, and 31% of them say not having enough savings is their biggest concern. Thirty-four percent say they have nothing saved for retirement.

To get a handle on spending - and saving - or to amplify what you're already doing:

Save for retirement: Aim to save 10% to 13% of your gross pay. This includes your employer match if you get one. If you're already saving enough in your employer's retirement plan to get the company match, consider opening a traditional or Roth IRA with TCCU.

Review housing costs: If you own a home or are thinking about buying one, principal, interest, taxes, insurance, and homeowners association dues shouldn't exceed 28% to 36% of your gross pay. And don't forget about home repairs and lawn maintenance costs, even though these expenses aren't included in the housing debt percentage.

Pay it off: Pay off your credit cards to save money. Look at this example of paying at least 8% of the balance due each month over paying just the minimum 3%. You could "save" \$1,265. →

Save for major expenses: Expenses might include, but aren't limited to, a down payment for a house, children's college education, a different car, home remodeling project, and emergency fund savings in case you lose your job or become ill. According to a recent study by the Federal Reserve Board, 39% of respondents reported having a rainy day fund that could cover three months of expenses.

Control living expenses: Check with TV, Internet, and phone providers to make sure you're getting the lowest rates. Find out if bundling services can help you save. Compare insurance policies and check the National Association of Insurance Commissioners website for price comparisons and the Insurance Information Institute for advice about picking reputable companies. Cut back on going out to eat and picking up take-out meals.

Minimum Payment Affects Interest Expense



Source: Credit Union National Association's economics and statistics department

Always pay the minimum amount due so you don't incur a late fee and, if possible, pay more than the minimum. Also, if you don't already have one, consider trading in that high-interest credit card for a lower-rate card from your credit union.

Assumptions: \$2,000 balance; 10% interest
These calculations assume you add no more charges to the card.

Store Cards Are Seldom A Better Deal

With offers of an additional 15% off your purchase or free merchandise, it's tempting to apply for credit cards from your favorite retail stores. Think twice, however, before signing up. If you don't pay the bill in full at the end of each month, you could end up paying much more than you originally would have saved.

That's because interest rates on retail store cards average about ten percentage points higher than credit union credit cards. Store cards usually offer special incentives for cardholders to increase loyalty and encourage them to spend more. The average household has about seven store-issued credit cards.

If you plan to buy a car or house in the near future, it can hurt your chances to get a loan at a favorable rate if you have many recently opened lines of credit. It's usually better to have one major credit card that you can use for all items you wish to charge.

Do you know what would happen if you went over the credit limit on one of your credit cards, or if you made a late payment? If you got the card from a large national card issuer, chances are you'd be charged high penalty fees, and you might find your interest rate hiked to more than 30%.

If you're not sure about the fees and penalties for your credit card, ask your card issuer. The terms may have changed since you opened the account, and you may not have seen the notification, which generally accompanies your account statement. You should know:

- Your interest rate.
- Whether there are different rates for balance transfers, cash advances, and purchases.
- The order in which payments apply to different types of transactions - some banks pay off low interest-rate balances first so the high-rate ones stay on your account longer.
- Whether the rate could increase to a higher penalty rate, and under what circumstances.
- Annual fee, late fee, and over-limit fee amounts, and when they're charged.
- What other fees are charged, and when.
- The grace period, or number of days from the billing date you may pay in full without incurring finance charges.

If you're not satisfied with the answers, maybe it's time to shop for a better card. And be sure to ask these questions up front. In most cases, you'll find TCCU's credit card to be more consumer friendly. You can find a good comparison tool in your local branch, or online at www.Telcoccu.org

Branch Locations & Business Hours

Asheville - Main Branch

710 New Leicester Highway
Asheville, NC 28806
828.225.5919

Asheville - Downtown Branch

36 Tunnel Road
Asheville, NC 28805
828.252.6888

Skyland Branch

1871 Hendersonville Road
Asheville, NC 28803
828.210.2090

Candler Branch

1141 Smokey Park Highway
Candler, NC 28715
828.633.6604

Weaverville Branch

34 Northcrest Road
Weaverville, NC 28787
828.645.6003

Hendersonville Branch

1452 7th Avenue East
Hendersonville, NC 28792
828.595.9841

Morganton Branch

127 West Parker Road
Morganton, NC 28655
828.433.0016

Hickory Branch

355 US Highway 70 SW
Hickory, NC 28602
828.322.8566

Branch Hours:

Monday - Thursday
8:30 am - 5:00 pm

Friday
8:30 am - 6:00 pm

www.TELCOccu.org

Your Online Resource For...

Home Banking
Online Bill Pay
Mobile Banking
Current Rates
Latest Telco News
Financial News
Consumer Education

800.222.1025

Talk To Your Telco
Member Services Representative

A Weight Reduction Plan

Do you feel like your debt is too high? Trust your instincts.

The national average credit card debt per household is \$7,087. About 47% of households carry a balance on credit cards from month to month. Our reliance on plastic and other forms of credit makes life difficult for families struggling to make ends meet.

Even if you're still in shallow water, a personal debt assessment may be just the financial life preserver you need to keep your debt from spiraling out of control.

How do you know if you need a debt assessment? Ask yourself if you're experiencing these warning signs:

- Do you frequently pay bills late?
- Do you pay only the minimum due on your credit cards?
- Do you use credit for necessities like groceries?
- Have you ever used one credit card to pay off another?
- Do you find yourself paying off holiday debt for several months or years?
- Have you been contacted by creditors?
- Do you use high-cost loans such as payday loans as "quick money" for desperate circumstances?

If you answered "yes" to any of these questions, you may benefit from a personal debt assessment from a professional financial advisor. The idea is to plan a strategy for getting out - *and staying out* - of debt, develop a sensible spending plan, and communicate effectively with creditors. A personal debt assessment may be just what you need to keep your debt from spiraling out of control.



Debt Consolidation Loans: Pros & Cons

If you're mired in debt, you may perk up when you hear about a loan that promises to:

- Save you money by lumping your debts into one loan with a lower interest rate.
- Spare you payment hassles by providing the convenience of making one loan payment each month, instead of multiple monthly payments to numerous creditors.

Maybe you'd be eager to jump at such an offer. But first, ask yourself crucial questions.

What will really change?

You might consolidate your debts into one loan in various ways, if you qualify. You could take out a home equity loan for the total amount you owe in credit cards and other consumer debt. You could put several credit card balances onto only one lower-rate card. Or you could obtain a signature loan, unsecured by collateral, to cover the total debt amount.

But a debt consolidation loan often becomes a Band-Aid, experts say, because people don't change the behavior that caused their debt problems. Studies show that 80% of borrowers who consolidate their debts end up repeating their mistakes and end up in deeper debt.

Can you afford the loan?

Let's say you're determined to mend your ways, and a debt consolidation loan is one option. You'll replace lots of payments with one bigger payment. But be sure it fits into your budget.

Consider, too, the total you'll pay over the life of the loan. If you consolidate credit card debts into a 15-year home equity loan or unsecured loan, you'll be stretching a five-year debt to 15 years. You could end up paying as much or more in total interest and principal. The total payment is key, not just the monthly payment.

Can you trust the lender?

A reputable lender will determine if you can afford to pay it back before giving you a loan. But some lenders give loans to anybody just to make a buck. Choose a lender you can trust, one that doesn't 'push' their loans or promise miracles.

“My Finance” - Your Online Money Management Tool

Let's face it, life is busy. If you find it difficult to sit down to write checks and pay bills, TCCU's **online Home Banking** could be your new personal assistant. It's open 24/7, and has excellent tools to help manage your finances.

TCCU's Home Banking is a free personal financial management service that gives you a variety of functions and features easily accessed from your computer, smartphone, or tablet when and where it is most convenient to you.

For example, you can choose to receive e-Statements and go paperless. Not only are your monthly statements stored at your fingertips, Home Banking gives you access to monitor account activity anytime. Another paperless cost/time saver is Bill Pay. Relieve yourself from envelope and stamp licking. Use online Bill Pay to schedule one-time or recurring payments. You can even set reminders so those bills are never late. Need to transfer money from one account to another? Click, click, you're done.

TCCU's "My Finance" is an online money management tool that can help you put in practice many of the ideas shared in this issue of The View. Manage activity in all of your TCCU accounts from your My Finance dash board. For example, you can:

- Categorize income and expenses and track where your money is coming from, and where it's going
- Create a budget plan, then track it to see how you're doing
- Set and monitor Financial Goals
- Set Alerts for thresholds, transaction reminders, transaction amounts, or even for specific merchants

Do you have checks that need depositing? You can apply for TCCU's Remote Deposit Capture and make check deposits to your TCCU accounts using your smartphone or home computer scanner.

TCCU's Home Banking "Alerts" tool is another important feature in today's world of cyber crime. You can set up text or email alert notices for events like when a balance gets low, or a withdrawal is made. You can even set protective alerts for invalid logins or an attempted ID or password change.

Managing your money online can help make a busy life a little less stressful. With TCCU's online Home Banking you can make transactions and manage your account during the times most convenient for you — whether it's 1 p.m. or 1 a.m.

Smart Money Management Includes **FRAUD** Protection

Fraudsters take advantage of innocent consumers daily through check, ATM, and Internet scams, and they're using the latest technology to pull off their scams. Take steps to protect yourself as part of a smart money management plan.

Cyber Crimes: Phishers send fraudulent e-mails containing authentic looking logos and graphics and ask for financial information. Some scams are activated when you simply open an e-mail, no clicking required. Once infected, the scammers change the IP address in your PC's hosts file to their choosing, associate the IP address with financial institution websites, and force your browser to go to fake websites.

Tip: Keep your software up to date. Updates often fix security flaws. If you have out-of-date software, you're vulnerable. Change online account passwords every three to six months. To avoid being led to fraudulent websites, retype Web addresses in your browser rather than click through e-mail links.

Check Scams: Fraudsters increasingly use e-mail and phone calls to contact victims. For example, the "Advance Fee Fraud." You're told you'll be sent a check for an extra sum and you're asked to wire back the excess money. Scammers purport to be from other countries and claim you can collect on a sweepstakes or pay you to work at home. These realistic-looking checks are forgeries, but victims are responsible for money withdrawn against bad checks.

Tip: Don't respond to requests for money unless you are absolutely sure of the source. And don't be pressured to forward funds from a check you received until after the check has cleared.

ATM and Gas Pump Scams: Skimming has become a common ATM/Gas pump scam. Using a skimmer - a card-swipe device that reads your debit or credit card - the fraudster uses a blank card to encode information from your card and create a counterfeit. Your PIN can be confiscated through a small camera mounted near the ATM. You won't know you've been scammed because your card hasn't been stolen and still works.

Tip: Be on the lookout for anything out of the ordinary at any card swiping device, such as odd-looking equipment or wires. Monitor accounts regularly for unusual activity.

If you've been scammed, contact your financial institution and the Federal Trade Commission at spam@uce.gov. TCCU's website has more information on protecting against fraud and steps to take at www.Telcoccu.org

