

Money Matters

April 2018



**Don't Sleep On This
Valuable Advice!**

The New Year is three months old, and some of our resolutions may be looking a bit old and jaded too. If your resolutions haven't made any progress, willpower might not be the problem. Take savings and wealth-creation for example. Your inaction might have more to do with your approach.

One easy remedy is to keep things simple and break down your savings goals into tiny, easy-to-do stages. This way they're more achievable, and seem less like a chore. This is part of a technique used to manage all goals, not just savings, called SMART.

To give you a quick-start on building SMART saving habits, here's our top-ten list from lifestyle experts Popsugar, and leading finance website Bankrate.com.

- 1. Get good sleep.** No, the tooth fairy won't visit you more, but a good night's rest can really affect your impulse control. You'll cave in less to impulse purchases when you've had a good night's sleep.
- 2. Put your tax refund, birthday presents, or any work bonuses straight into savings**—so you aren't tempted to spend them. These additional sources of income are “extras” so you won't even think of this as a loss.
- 3. Automatically increase your 401K each year.** With employer matching, a little more can go a long way. And if it's just a few bucks a week, it's totally painless.
- 4. Don't procrastinate.** Paying late fees can drain a budget. Popsugar suggests rewarding yourself for good behavior when late fees have been avoided.
- 5. Shop smarter.** Make a commitment to comparison shop more. Then take the difference between what you would have paid—for example a non-promoted price— and what you ended up paying, add this up and put the difference into savings, or better yet, a higher yield Club Account. A few dollars add up fast.
- 6. Keep the change.** It might seem antiquated, but it really works. Put all of your loose change into a jar (or a Credit Union piggy bank). Throw in dollar bills as well, even the odd twenty from the ATM. Every month count the money and add it to your savings account.
- 7. Pay yourself first:** Set up automatic payments from your checking account to channel funds into savings accounts. This way you are automatically committing to savings upfront.

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CEO's View

Our mission is to help enhance your financial well-being, so in this issue we are focusing on three fundamental concepts that can impact your financial success. You'll read about having access to the right resources when you need them, accumulating your personal savings, and purchasing a home.

First, having the right resources. You're already a member of our Credit Union, so you have exclusive access to some of the very best pricing (in the consumer financial industry) on loan rates and terms when borrowing, and dividend yields on your savings. Pricing is important! And so is service, which we excel at, as you know. But let me stick to the monetary aspects of getting ahead financially here.

Empower yourself by making sure you have a solid FICO (credit history) score. What is the primary way you do that? Pay all of your bills on time! Basic. Simple.

With a good FICO score, you'll always be able to borrow prudently...from us. Next, empowerment comes from knowledge. We can help you there. Talk with us and challenge yourself to learn new things about finance regularly.

The other side of financial self-empowerment is savings. Yes, savings. Something like 40% of adults in the U.S. don't have \$500 in an unencumbered savings account. The power and peace of mind that comes from steadily building up a savings account I really don't need to talk about; that is all self-evident to the most casual observer of consumer finance. Our biggest and most successful members are savers first, investors second.

When you save with us, you get a highly competitive return on government insured savings, and the priceless peace of mind in knowing your principal essentially CANNOT be eroded, as it could be in the (uninsured) stocks and bonds market. Get going on payroll deductions to your savings account, or increase what you already have in place.

Thinking of buying a home this spring? Our mortgage rates and terms are among the best, so shop us first. Now, what about the complex process of making an offer on your home? First of all, don't allow yourself to get "the fever" for any one particular home. As soon as the seller knows you have fallen in love with their house, you reduce your negotiating leverage. Avoid that! Let the seller know you are shopping around (just like you would with a car).

Next, never offer the asking price. Consult with your trusted real estate agent as to what the home is truly worth on the open market. Then figure out how much less than the asking price you can offer and your absolute top price beyond which, if exceeded, you are perfectly willing to walk away from the house. Like car salespeople, a house seller will hate to see you walk away from a deal over a few thousand dollars. (And let's not forget the trust element that must be there with your agent! You MUST have total trust and faith in both the competency and integrity of your real estate agent.)

Know the market for the neighborhood you are considering. Read up on home inspection services and home warranty services. These can be of great peace of mind value, and ultimately real monetary value, for you. And, talk to us about what type of mortgage will be best for you. Last, and not least, read up on the basics of home buying on our website. And call or write us so we can get a Loan Officer in touch with you.

Use our expertise, and let us serve you as you deserve to be served.

Mark Herter
CEO



Home Buying Tips

Everyone wants to buy their dream home in a great location at an affordable price. But how?

Follow these tips from the likes of Realtor.com, Trulia, and Forbes to land the home of your dreams in the neighborhood of your dreams a year before it becomes fashionable and expensive.

1. **It's Easy To Get To And From.**

To spot an on-the-rise community, find trendy neighborhoods, and then take a form of public transport one/two stops away from it to look for emerging areas, because these are already linked to established transport routes. And an added bonus—using convenient public transportation could save you a lot on gas.

2. **Hot Hoods Border It.**

A neighborhood next to a desirable one is more likely to be up and coming. Homes just blocks from the “desirable zone” can be much less expensive, until the zone expands to encompass them.

3. **“Days on market” (DOM) Is Declining.**

DOM measures the days a property’s been up for sale before it is sold. Ten (10) days or less is a good sign the neighborhood is heating up. DOM tends to fall well before prices rise, so keep tabs on DOM stats to get in before the prices start to soar.

4. **It Has Historic Architecture That's Being Renovated.**

A neighborhood with “good bones” is a prime opportunity for renovation/turnaround. If you spot construction trucks or dumpsters around historic buildings—you know there’s turnaround in the air. It’s also a bonus if you want to live in a historic building as chances are there are plenty available in addition to all the new construction likely to follow in a turnaround neighborhood.

5. **Town Hall Has Projects In The Works.**

Ask staffers at the local town/city hall permitting office (or check their website) if they’ve seen an uptick in residential and commercial development applications, or city projects based on development initiatives.

6. **Investment Is Moving In.**

Are industrial businesses or tech startups moving in? Is a big name grocer like Whole Foods or a Starbucks moving in or planning to do so? If so you can be sure a lot of time and money has been spent on research to make sure the area is going to be a desirable place to live, shop and work. Also look for local government investment in infrastructure to support this, like wider roads or light-rail stations. These are all early signs that real-estate values will be rising.

7. **Crime and Grime Are On A Downturn.**

Crime/neglect can move into declining neighborhoods. If there’s also strong signs of a downtick in crime or signs of “sprucing up,”—it’s an indication the area’s in early-stages turnaround. And importantly, it’s an opportunity to pick up a bargain-priced house in an area that will soon be “safe as houses.” Check realtor sites or services like crimereports.com for trends.

Use these tips—as well as your Credit Union—to stay ahead of the game. Our home-buying experts treat you like family. They make sure you know what to expect so you’re prepared every step of the way, and you have the added security of great rates and access to top real estate agents. Just visit our site for more details: www.figcu.org/mortgage. Also visit our great Financial Wellness Center for tips ‘n tricks and educational resources. ■

Employee Spotlight



Meet Senior Member
Service Representative

Sarah Strozenberg

Your Credit Union wouldn't be the same without all our fantastic employees. Get to know our team a bit better in the third of our ongoing Spotlight series.

Five hashtags that describe you?

#naturallybubbly, #lovemusic, #snugglewithdogs, #craftycrafter, #nerdconventionsrule

Favorite music, sport teams and recreation?

After my family and son, my big passion is music. I adore movie composers, like Hans Zimmer. I'm a crafter too and renovate neglected "finds." I also walk for cystic fibrosis—I hope they find a cure someday! Oh, and I love nerd conventions like Comic Con!

In your own words—what is your job?

I think my job as a Member Service Representative comes down to making people feel good. That's what I pride myself on, and it's something I like to do naturally. After all, doesn't everyone want to be loved?

A secret talent and ambition?

I love photography. I actually set up my own company years ago. "Shots of Simplicity"—catchy name huh! But other priorities put that on hold. I still take photos for fun. As a child I wanted to be a veterinarian. That never happened, and maybe that's just as well as I hate to see animals suffering.

A piece of wisdom to live by?

A coworker once pinned this to my monitor: "Grant me the serenity to accept the things I cannot change, courage to change the things I can, and wisdom to know the difference." For me it is a great piece of life-coaching. It tells me to focus on what you can do and not stress over what you can't. Put forth your best effort always, and never forget your value to others. By knowing your value—and also being honest about your limitations—you can set appropriate goals in work and in life which make you feel good and keep you on a productive path. ■

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- 8. Save with purpose.** Having a clear, named goal front of mind—like a vacation or down payment on a house—keeps you motivated to save. Your Credit Union actually makes this easy with our My Account. Give the account your own name, like “Hawaii here I come!” for example.
- 9. Make it automatic** and save for your vacation or home without even thinking about it. The less you need to think about it, the easier savings becomes and the less you will miss the money you save.
- 10. Create a budget.** Setting a budget is the best way to become a disciplined saver. This can be done quickly and effectively with the help of your Credit Union’s Financial Wellness Center “Budgeting Tool.” Visit figfcu.org/financial-wellness-center. ■



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Loan Rates

AUTO Fixed Rates	
Term	Fixed Rate (APR ¹ as low as)
48 mo.	1.99%
60 mo.	2.49%
72 mo.	2.99%

¹APR=Annual Percentage Rate. Rates listed are current as of 1/1/2018 and are subject to change without notice. Rates shown are our preferred rates based on credit worthiness and a 1.00% Direct Deposit/Folio Direct Deposit discount, if applicable and a 0.25% discount when you purchase through the Farmers Insurance Car Buying Service. ²Home Equity Loans and Lines of Credit are available in all States except Alabama, Alaska, Florida, Hawaii, Louisiana and Texas. ³Maximum Loan-to-Value of 100%.

HOME EQUITY LINE OF CREDIT ²	
% Financed	Variable Rate (APR ¹ as low as)
Up to 100% ³ (owner occupied)	4.49%

HOME EQUITY ² Terms up to 240 months	
% Financed	FIXED Rate (APR ¹ as low as)
Up to 100% ³ (owner occupied)	4.99%

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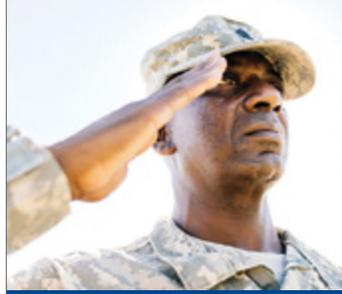
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Calendar



MAY

Annual Meeting

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at 12:30 PM PT

Farmers Insurance
Federal Credit Union
4601 Wilshire Blvd.
Suite 110
Los Angeles, CA 90010

MAY

Memorial Day

28

Credit Union Closed

MoneyMatters

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