



Summer is a great time to buy a new or used car. Towards the end of the summer especially, dealerships nationwide mark down their existing inventories as they bring in the cars for the upcoming year. Used vehicles may also be marked down to make room for incoming inventory.

Whether you decide to buy a new or used vehicle, the decision depends on what you can afford. You can utilize free online calculators to help you determine monthly payments at various rates, such as FIGFCU's loan calculator, which can be found on [www.figfcu.com](http://www.figfcu.com). Do your research carefully and take your time to find the best deal that fits your budget and meets your needs.

#### **New or used?**

It can be a tough choice. Below are some tips to take with you the next time you head out to shop for a new or used car.

#### **Buying Used**

**Save Money** – You can save thousands of dollars on a used vehicle and still drive the model that appeals to you.

**Abundant Choices** – When car sales are slow, used car lots have larger inventories giving you more choices for the make/model you want.

**Better Reliability** – Whether you buy American or an import, buying a used car is much safer than it used to be. With the internet and buying guides, you can research the best vehicles and compare costs and features so you can make a better, more informed decision. CARFAX® will even provide you with a vehicle's repair history. Be sure to get everything you are promised in writing such as warranty agreements. Plus, for peace of mind, you can purchase an extended warranty from one of the leading companies that sell them online, for an additional safety net.

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## CEO's View

I am very pleased to announce that because we are ahead of budget and anticipate another solid year financially, FIGFCU is launching its Return of Value program for 2014. Our first phase involves substantial up-front rebates on Vehicle Loans, and for our agents and District Manager members/borrowers, Agency Secured Loans. The second phase, which we anticipate doing in December, will be a broader-based program. For you, our member/owners as a whole, we aspire to return at least an extra \$1.5 million this year. Why and how are we able to do this?

First, let me explain what I mean by that word "extra". It's extra Return of Value, over and above our already highly competitive, and in some cases, the best pricing, across the board on our full suite of products and services. Credit Unions in general offer superior overall pricing to their members than banks do, and we are a pricing leader even among credit unions. Second, we are able to do our great Return of Value campaigns because we can afford it! Our net worth ratio is among the highest in all of banking, which essentially encompasses both credit unions and banks. Net worth is how much we have in unencumbered financial reserves with respect to our assets. Our ratio stands at 12.9%, truly more than we "need" at any given point in time, so then our central financial management objective becomes that of minimizing our bottom line to the maximum extent prudent so that our member/owners enjoy the maximum value from their active FIGFCU membership.

Last year we earned superb member service satisfaction ratings from you, our members. In fact, last year's final score was our best ever, and we are on pace to beat that this year. Why? The answer is easy: Our staff cares about you. We practice listening; we practice empathy. We train to hone our products and services knowledge. And, our staff is enthusiastic and energetic about helping you improve your financial life. Contact us to help you or your family members with any and all of your financial needs.

Thank you for your active membership.

  
Mark Herter  
CEO

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## Buying New

**Lots of Options** – With a new car you get to choose the color, features, and extras. Many consumers buy off the lot; however, dealers can also get a model or color you want from another dealer. You can also build your own customized vehicle on major car brand websites, and the services will track down the car for you. Just be aware that getting the "perfect" vehicle may come with additional delivery fees or other charges, depending on the location.

**Lowest Rates in Years** – The auto market still has not fully recovered, so many auto manufacturers and financial institutions are offering low financing options. Be ready to negotiate as many dealerships are willing to slash prices and move new cars to make room for the newer models. Be sure to do your research before heading to the dealership so you know if you're getting a good deal.

**Low-cost Maintenance** – With a new car, most of the time you only pay for an oil change every few months or 5,000 miles. Warrantydirect.com suggests to be wary of dealers that provide unnecessary "services", such as frequently lubricating door locks, and be very clear about what you want whenever you take the vehicle in for service. Get an estimate upfront for protection.

**Warranty Protection** – New vehicle warranties typically cover 3 years or 36,000 miles, but an increasing number of manufacturers are going to 4 or 5 years and 50,000 to 60,000 miles for factory-installed parts. Several major brands provide major powertrain coverage (motor, transmission, drive shaft, etc.) up to 100,000 miles. Regardless of the warranty you get, be sure you understand what it covers.

**Legal Protection** – All states have what are called "lemon laws" that protect you in case the new car you buy is a lemon, with problems that just can't be fixed under warranty. If that happens to you, you may be entitled to a replacement vehicle at no extra cost to you, or a full refund.

**Free Roadside Assistance** – As long as your new vehicle is under its manufacturer’s warranty, in most cases you will also receive free roadside assistance. This is especially good for peace of mind when you travel.

In the end, the decision is up to you whether or not to go with a new or used car. With research in hand, you will be able to make a better informed decision and know what will work for your budget and long term needs. Remember that a car is a significant investment that is tied to a long term commitment; take your time before you make a final decision based on the tips provided above. -MM

# NEW AUTO LOANS

Rates as low as

# 1.49% APR\*

- Up to **130% financing** available
- **0.25% or 0.50%** loan rate discounts with Direct Deposit

Plus, for a limited time get up to a **2% upfront rebate!**



\*APR—Annual Percentage Rates. Rates shown are our preferred rates based on credit worthiness and a 0.25% or 0.50% Direct Deposit discount, if applicable. Financing greater than 100% is available and will be approved only for the purchase of a vehicle or refinance of a loan where the value of the vehicle is less than the outstanding balance. Financing that is up to 130% will be subject to additional conditions. Please speak with a Loan Representative for complete details and qualifying criteria. Rates and terms are subject to credit approval, are subject to change at any time and without notice. Quoted rates are effective as of 6/17/2014. All values are determined by the Credit Union using either vehicle cost or Kelly Blue Book/NADA, whichever is lower. Other rates and terms are available. \*Up to 2% upfront rebate promotion is available on new and used vehicle loan originations. Folio/Direct Deposit is required to get 2% rebate. Without Direct Deposit the loan rebate amount is 1%. There will be no cap on the rebate amount. Minimum loan balance to qualify for the rebate is \$5,000. Rebate is available on both fixed and variable rate loans. Rebate amount is calculated on new money only. Net Folio/Direct Deposit must be maintained for entire loan term. Rebate will be sacrificed if loan is paid off before one year into the term. Rebate will be issued within 90 days of loan funding. Please speak with an FICU loan officer for complete details and restrictions. This offer is a limited time offer and may change or be revoked at any time, without notice, and cannot be combined with other offers. This Credit Union is federally-insured by the National Credit Union Administration.

## Home Loans

Take advantage of our low interest rates and fees when you purchase or refinance your mortgage.

Plus, for a limited time, get \$300 towards closing costs!

Offer ends September 30, 2014.



## Shop Smart For Your Home

The purchase of a home can be stressful and time-consuming. Making a smart decision on the location, cost, size, and long-term commitment of a home can impact you emotionally. For many first-time home buyers, the experience can be daunting. Below are some ways to cope with the home-buying process. These tips can help you relax and make the best of your home shopping and buying experience.

### Take a look around the neighborhood –

Get a better understanding of the area and route your regular commute through the neighborhood so that you can assess what you will have to deal with on a daily basis.

### Make a good bid –

Be realistic on the amount you can afford and base your number on what the property is worth.

Review the values of other homes in the area and aim for an average price per square foot.

### Give your house a physical –

Hire a good inspector to examine the home as it will

be important to know how much money you can save in the long term when you investigate repairs that may be needed. You will also be able to negotiate the purchase price based on how many things need to be fixed.

**It’s all about timing** – Don’t wait too long to buy a home as real estate is constantly fluctuating. You may miss out on the home of your dreams!

**Get pre-approved first** – Before you hit the block shopping for a home, you must know how much you can afford. In fact, many real estate professionals will not show buyers homes without a pre-approval in hand. No point in showing you the house of your dreams if you can’t afford it!

**Limit unnecessary purchases** – Keeping your expenses to a minimum and your credit report free of activity is advantageous when you’re in the market for a new home. -MM

\*Farmers Insurance Group Federal Credit Union NMLS #408877. The special promotional offer is available to all members who apply for a refinance or purchase mortgage loan and submit their applications to Community Mortgage Funding, LLC ("CMF") from 6/15/2014 to 9/30/2014 and fund their loan with CMF by 10/31/2014. All loans are subject to credit approval. The \$300 rebate will be applied as a credit towards closing costs at the time of loan settlement. Limited time offer. Call 800.877.2345 for details.

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# Loan Rates

## AUTO Fixed Rates

% Financed	Term	NEW (APR <sup>1</sup> as low as)	USED (APR <sup>1</sup> as low as)
<b>80%</b>	48 mo.	1.49%	1.74%
	60 mo.	1.99%	2.24%
<b>100%</b>	48 mo.	2.24%	2.49%
	60 mo.	2.74%	2.99%

<sup>1</sup>APR = Annual Percentage Rate. Rates listed are current as of 06/17/14 and are subject to change without notice. Rates listed are FIGFCU's preferred rates based on applicant's creditworthiness and Direct Deposit. 48 months or less equal to same rate. <sup>2</sup>Home Equity Loans and Lines of Credit are available in all States except Alabama, Alaska, Florida, Hawaii, Louisiana and Texas. <sup>3</sup>Maximum Loan-to-Value of 70% in AZ, MI, and NV. All other states 80% Maximum Loan-to-Value.

## HOME EQUITY LINE OF CREDIT<sup>2</sup>

% Financed	Variable Rate (APR <sup>1</sup> as low as)
Up to 100% <sup>3</sup> (owner occupied)	3.99%

## HOME EQUITY<sup>2</sup> Terms up to 240 months

% Financed	FIXED Rate (APR <sup>1</sup> as low as)
Up to 100% <sup>3</sup> (owner occupied)	6.74%

**MORTGAGE LOANS** Please call **800.877.2345** ext. 6056 or 6051, for the most current mortgage rates.



**The Credit Union will be closed in observance of:**

**Independence Day**  
**Friday**  
July 4, 2014

**Labor Day**  
**Monday**  
September 1, 2014

## My HRSC App

Now you can access Credit Union information, Farmers payroll, benefits and more on your iPad or iPhone!

- View current FIGFCU loan rates and promotions
- Log onto PC-TIED Online Banking
- Explore Member Benefits

Scan the QR code to download the *My HRSC Mobile App*.



## MoneyMatters

Quarterly publication of Farmers Insurance Group Federal Credit Union

**800.877.2345**  
**www.figfcu.com**

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