



## Demand for Small Business Loans Is Up

“Up” – one of 2009’s most popular movies – also describes recent demand for small business loans at credit unions.

According to the Credit Union National Association (CUNA), demand in 2009 for small business loans at credit unions increased 6%, compared to demand at commercial banks.

Businesses are flocking to credit unions for the reasons cited in the August 2009 issue of *Kiplinger’s Personal Finance* magazine: better rates and more personal service than typically offered at banks. The report cited consumers’ distrust of banks due to the high fees and tighter lending restrictions they’re applying to customers, as well as the financial troubles many banks are experiencing.

According to CUNA, there’s wide disparity between what credit unions and banks charge for fees and services. On average, for example, credit unions charge \$20 for a late credit card payment while the banks’ fee is \$35. CUNA also notes that credit unions typically offer loans with lower rates and more favorable terms than banks do.

More than 90 million Americans belong to credit unions, according to CUNA, and they save a combined \$8 billion a year thanks to better interest rates and reduced fees.

### BENEFITS FOR BUSINESSES

In today’s economy, it’s never been more important for small business owners to keep their costs in check. Credit unions excel at helping businesses find ways to reduce their cost of capital.

Although years ago credit unions did not engage substantially in commercial lending, now it has become common. Recent federal regulatory changes have expanded the commercial lending ability of credit unions.

For example, many credit unions are now prime Small Business Administration (SBA) lenders. Since the SBA relaxed its limits in 2003 on credit unions’ participation in its flagship 7(a) lending program, credit union participation in the program has skyrocketed – to the benefit of business members nationwide.

Unlike many of today’s banks, which often base loan decisions exclusively on impersonal mathematical formulas, credit unions take a broader approach, and are more inclined to take intangible factors into account. For example, credit union loan officers often visit the company, get to know the owners, talk to

suppliers and customers and get a feel for the business and its assets and liabilities in ways that go beyond a balance sheet.

### SACRAMENTO CREDIT UNION – PERSONAL SERVICE FOR BUSINESS MEMBERS

Beyond having ready access to capital, small business owners want to feel like they’re heard and understood, and credit unions have succeeded in filling that niche. Sacramento Credit Union offers business checking and savings accounts, as well as Visa® Platinum credit cards, business vehicle loans and commercial real estate loans. If you’re interested in experiencing the great rates, low fees and personal service you already receive as a Sacramento Credit Union member for your business as well, call Lorna Warrington at (916) 444-8599, ext. 3004, or click [www.sactocu.org](http://www.sactocu.org).

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### Calendar of Events

**Dec. 25 – Christmas**  
SCU Offices Closed

**Jan. 1, 2010 – New Year’s Day**  
SCU Offices Closed

**Jan. 18, 2010 – Martin Luther King Jr. Day**  
SCU Offices Closed



### Sacramento Credit Union Business Services

- Three business checking accounts – Free Business Checking, Business Interest Checking and Custom Interest Checking.
- Business savings accounts – Share Certificates and Business Money Market, as well as Business Investment and Retirement Services.
- Business loans – Business Credit Cards, Business Vehicle Loans and Commercial Real Estate Loans.

Call Lorna Warrington at (916) 444-8599, ext. 3004, or click [www.sactocu.org](http://www.sactocu.org) to learn more.

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3045 Arden Way, Ste. 200  
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Kaiser Hospital\*  
6600 Bruceville Road  
\* Limited hours of operation.

[www.sactocu.org](http://www.sactocu.org)

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[www.SCUhome.com](http://www.SCUhome.com)  
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## Prioritize Your Spending in 4 Easy Steps

If you're a young adult facing the tangle of covering expenses, managing student loan debt and planning for the future, you may be wondering: Where do I start?

**ONE STEP AT A TIME**

Reaching your financial goals is achievable – if you take one step at a time. Everyone's situation is different, but the following steps could lead to a sound financial foundation.

- 1. Examine your expenses.** Make a list of your living expenses and make cuts where you can – eating out less often or canceling the cable can free up extra cash quickly. *Tip:* Love music but need to cut spending? Get Free Music Checking from Sacramento Credit Union and enjoy four free iTunes® downloads each month.\*
- 2. Create an emergency fund.** It's smart to save enough to cover at least three months' worth of expenses – but that can seem daunting. Start by saving up at least a nominal amount (say, \$1,000) before moving on to your next financial goal, and gradually build the rest over time. *Tip:* Set up an automatic payroll deduction – as little as \$25 each pay day – into your Sacramento Credit Union savings account.
- 3. Pay off student loans and other debt** (excluding mortgage). Focus on paying off one debt at a time while making minimum payments on the others. Repaying the highest-interest debt first is often recommended – but paying off a small debt completely might give you a boost of motivation.

*Reaching your financial goals is achievable – if you take one step at a time.*

*Tip:* Apply for our new low-rate Sacramento Credit Union Platinum Visa® credit card and use it instead of store cards, which charge rates as high as 24%.\*

**4. Save for retirement.** While you work on paying your non-mortgage debts, start planning for the future. Contribute whatever you can afford at first, and gradually add 1% to 2% more until you are contributing 15% of your household income. *Tip:* Open an IRA at Sacramento Credit Union for the security of NCUA-insured savings.\*

**WORK WITH US**

Ready to take steps toward your financial goals? A representative at Sacramento Credit Union could help you find ways to consolidate debts from the past or focus on saving for the future. Call **(916) 444-6070** or click [www.sactocu.org](http://www.sactocu.org) for more information.

\* Visit [www.sactocu.org](http://www.sactocu.org) or stop by a Sacramento Credit Union branch for details.



## We Succeed ... You Profit

As a member of Sacramento Credit Union, you're also an owner. You enjoy the advantages of ownership, one of which is that you benefit from the credit union's success. We pass along profits to you in the form of attractive rates on loans and deposits as well as fewer and lower fees than bank customers pay, on average. Plus we offer helpful, personal service.

**IT REALLY ADDS UP**

A recent survey by Datatrac reveals that an average credit union interest rate for a four-year used car loan is 1.6% lower than an average

bank rate for the same loan.\* On a home equity loan, credit union rates are 0.5% lower, on average. Credit unions also pay better rates on savings – an additional 0.3% on money market accounts and one-year certificates compared with banks, on average.

With benefits as great as these, it would be a shame to keep them to yourself! Share them with your family, friends and co-workers by referring them for membership. When more people join, it just makes us stronger. And you know what that does to your wallet!

\* Source: Datatrac, Aug. 21, 2009, cited on [www.cuna.org](http://www.cuna.org).