



Money matters

November 2007



FREE REWARDS CHECKING

The Highest Rate for a Free Checking Account – Even Higher than Most CDs!

Sacramento Credit Union introduced Free Rewards Checking* last July, offering a highly competitive interest rate – even higher than many CDs. And we will continue to pay our members' qualified balances a highly competitive rate into the future. It's important to know that the interest rate is positioned against local competition.

WHAT CAUSES RATE CHANGES?

One of the greatest influences on interest rates comes from the actions of the Federal Reserve Board (the Fed). The Fed raises and lowers interest rates in order to help control the flow of money in the U.S. and keep a lid on inflation. Whenever the Fed changes rates, it has an impact on the interest rates paid on deposit accounts, as well as on loan rates.

In September, the Fed lowered interest rates, in part, due to the sub-prime home loan situation. Financial institutions across the country – including Sacramento Credit Union – responded by adjusting their interest rates downward. If the Fed had increased rates – which it has often done in the past – most banks and credit unions would have increased rates.

FREE REWARDS CHECKING – RATE UNCHANGED

The interest rate has remained unchanged for Free Rewards Checking even with market pressure to lower it. Our intent, when we created this new checking account, was to maintain the initial rate for the foreseeable future. If and when the rate changes, it will always be comparable to the highest CD rates in our local market.

If you haven't opened a Free Rewards Checking account, visit www.sactocu.org or call (916) 444-6070 for more information. Start taking advantage of Free Rewards Checking high-rate interest today!

* All monthly criteria (a direct deposit or ACH debit from your account; perform at least 12 debit card transactions, not including ATM transactions; have active e-Statement enrollment and view your statement) must be met in order for the maximum annual percentage yield to be credited to the account and ATM fees refunded. Interest rate is subject to change. Members purchase checks. ATM fees will be paid on behalf of qualified Free Rewards Checking account holders up to a maximum of \$4.99 per transaction and a total of \$25 per rewards cycle.

in this issue

Control Holiday Spending ... 2

Saving for a Home Down Payment ...2

Calendar of Events

Veterans Day – Nov. 12
SCU Offices Closed

Thanksgiving – Nov. 22 & 23
SCU Offices Closed

Christmas – Dec. 25
SCU Offices Closed

INVEST IN SACRAMENTO Congratulations to the Winner of the Sacramento Credit Union Home Zone Makeover

Barbara from Sacramento is the lucky winner of the Sacramento Credit Union's Home Zone Makeover, presented by 100.5 The Zone. Barbara won more than \$50,000 worth of services and merchandise to use toward a home renovation. Congratulations!





Take Control of Holiday Spending

Holiday shoppers charge an average of \$1,150 worth of gifts to their credit cards, according to *Bankrate.com*. And it usually takes consumers four months to pay off credit card debt created by excessive holiday spending.

Here are some tips to avoid falling into the holiday spending trap:

- **Make a list and stick to it.** Gift cards are a good solution if you can't find the perfect gift within your budget.
- **Don't try to make everything even.** If you score a nice gift at a great sale price for one person but spent more on someone else on your list, it's unnecessary to "even things up" by buying another small gift to make up the difference.
- **Consider drawing names.** Instead of buying a gift for every sibling, in-law, niece and nephew, consider drawing names. Each person then buys one gift for one other family member.
- **Make it yourself.** If you're handy, crafty or a good cook, use your talents to create homemade gifts.

- **Think outside the (gift) box.** Some families have fun with a "white elephant" gift exchange. Each person buys a gift and wraps it. Numbers are drawn, and the person with the lowest number chooses a gift and opens it. The game continues until everyone has had a turn. Another idea: Set a low dollar limit – like \$5 per gift – and challenge family members to find gifts at garage sales, thrift stores, etc.

SPENT TOO MUCH? SEEK BALANCE

As a member of Sacramento Credit Union, you have access to financial counseling services through BALANCE Financial Fitness. If you find yourself over your head in holiday debt, give them a call at **(888) 456-2227**, or visit www.sactocu.org and select "Financial Fitness Services" under the "Information" menu.

Board of Directors

Terry Tice, Chair
 Willie L. Southward, III, Vice Chair
 Jan Reeves, Secretary-Treasurer
 John Beck, Director
 AnnMarie Boylan, Director
 Les Brown, Director
 Judy McGarry, Director
 Mark Norris, Director

Supervisory Committee

Mary Ann Bennett, Chair
 Beverly Skeaton, Vice Chair
 Mari Lynn Shimamoto, Member
 Gene Webb, Member
 Pat Wilcox, Member

President & CEO

Jerrold A. Kinlock

Branch Hours

Mon. - Thurs. • 9 a.m. to 5 p.m.
 Friday • 9 a.m. to 6 p.m.

All Offices

Phone: (916) 444-6070
 Toll Free: 1(888) SACTO-01
 24-Hour LoanAccess Line
 Toll Free: 1(877) 444-LEND
 E-Z Access: (916) 441-2255
 Toll Free: 1(800) 397-2255

Elk Grove

9160 E. Stockton Blvd., Ste. 120

Fair Oaks

8100 Madison Avenue

Sacramento

3660 Bradshaw Road
 800 H Street
 3045 Arden Way, Ste. 200
 6121 Franklin Blvd.
 Kaiser Hospital*
 6600 Bruceville Road
 * Limited hours of operation.

www.sactocu.org

Home Loans

www.SCUhome.com
 (916) 441-LOAN

SCU Investment Services

(916) 444-8599, ext. 3112

Personal Auto Shopper Autoland

(916) 449-2763



HOUSE HUNTING?

Save for the Down Payment

During the housing boom, when home prices were on the rise and interest rates on the decline, 100% financing options allowed many Americans to buy their first homes without a down payment. But when you put money down on a home, you may be able to secure a lower loan rate, enjoy smaller monthly payments and, in some cases, avoid paying private mortgage insurance. Here are some suggestions to make saving easier.

Formulate a plan. Once you decide how much you want to save and how quickly you want to save it, break it down into manageable goals. For example, if you want to save \$15,000 over three years, you would need to save \$400 a month in an account earning 3% interest.

Make it automatic. Save effortlessly by requesting that a portion of your paycheck be automatically transferred to your savings account.

Spend less. Buy fewer clothes, eat out less often, hold off on buying a new car and cancel your cable service. Funnel the savings into your down payment fund.

Save more. Deposit bonuses, raises, overtime pay and tax refunds directly in your savings account. When you pay off a loan, continue to make the payments to yourself.

Use your credit union. Saving your down payment in a Sacramento Credit Union insured deposit account such as a certificate of deposit or money market account assures you the money will be there when you need it. And when you're ready to apply for a loan, log on to www.SCUhome.com or call us at (916) 441-LOAN (5626).