

Casco Community Connection

A QUARTERLY NEWSLETTER OF CASCO FEDERAL CREDIT UNION

Dollars and \$ense

Save Time & Money with our Personal Auto Buying Consultant!

If you are in need of a new or used vehicle and are tired of running from one dealership to another and do not want to be faced with hours of negotiating, or if you want to be sure you are getting the absolute best deal possible, you should call Auto Buying Consultants of Maine!

Owner Alan Ramsdell has over thirty years of experience in the automotive industry and offers you his unbiased advice and personalized service. ABC of Maine will certainly save you time, money and alleviate stress during your shopping experience.

Alan will review your choice of vehicles and even ride along on the test drive, if you would like. Once you decide on a vehicle, Alan will ensure you obtain the lowest purchase price or lease payments, saving you hundreds or thousands of dollars. If you want to trade in your current vehicle, ABC of Maine will help you get the best possible trade-in value.

Auto Buying Consultants of Maine's customers have peace of mind in knowing that they are making an informed, negotiation free decision on their new or used vehicle. This \$99.00 value is free when you finance your new vehicle with Casco Federal Credit Union!

Currently, our auto loan rates are as low as 5.75% APR with flexible repayment terms up to 72 months. With ABC of Maine and Casco FCU you can feel confident you will get the best price on the market and the lowest interest rate possible. Contact a loan officer for more details!

A Message from the President:

As we say farewell to 2009 and enter a new decade, I want to wish you all a very happy and prosperous New Year. I would also like to remind you that contrary to what the media has been reporting of late, there is no credit crunch here at Casco FCU. We are financially strong and have money to lend for whatever you may need: whether it's a new home purchase or refinance, a new or used vehicle, a small business loan, a loan for a snowmobile to enjoy another Maine winter or a loan for a warm-weather vacation.

We are offering some of the best rates around for your deposit dollars and the NCUA insurance coverage on those deposits is still \$250,000 – making now a great time to consolidate the accounts you may have elsewhere and bring them here to your credit union. Unlike the bigger banks, your credit union is a financial co-operative and uses your deposit dollars to make loans to your friends and neighbors; therefore strengthening the local communities we serve.

Please remember that we are here to serve you, our member owners, so visit us first for all of your financial needs; Casco Federal Credit Union is where You Belong.

Sincerely,
Jim Stone
President & CEO

Five Questions to Ask When Buying a New Home

If you are in the market for a new home, now is an excellent time to buy. The prices for both new and existing homes are down and interest rates are still near historic lows. Purchasing a new home is one of the most complex financial decisions you will ever have to make. If you are feeling overwhelmed or don't know where to start, the following five questions will start you off on the right track and may save you hundreds or even thousands of dollars over the life of your loan.

1. What are the rates for different terms?

Ask your loan officer what the rates are for 30 year, 20 year and 15 year mortgages. Choosing the shortest term loan you can afford will save you a considerable amount in interest charges. Before meeting with a mortgage specialist, experiment with an online mortgage calculator, like ours at www.cusomortgagecorp.com, to give you a realistic look at what your monthly payments may look like.

2. What's the APR?

A mortgage's Annual Percentage Rate or APR takes the interest rate, broker fees, points and other credit charges into account and expresses them as a yearly rate. Ask what the APR would be on the loan and then compare this rate with what other lenders are offering. Be sure to compare similar loan amounts, terms and closing costs across all lenders.

3. Is the loan fixed rate or adjustable?

Fixed rate mortgages have a fixed interest rate and a fixed monthly payment that will not change over the life of the loan. Adjustable Rate Mortgages (ARMs) have interest rates that change (are adjustable) throughout the term of the loan. If you are being offered an ARM, be sure you understand how changes can impact your interest rate and monthly payment.

4. How much is the down payment?

The down payment required when financing your home depends in the type of loan program and can vary from 3% to 20% of the purchase price. The terms of your loan may also require that you buy Private Mortgage Insurance (PMI) to protect the lender in case you fall behind on making monthly payments. If you are required to purchase PMI, ask how much the monthly premium will be and how long you will be required to carry the coverage.

5. Can I pay off my mortgage early?

Adding a little extra to your monthly payments can save you hundreds over the life of your mortgage and will allow you to pay off the balance of your loan sooner than you originally planned. Making one extra payment a year will generally pay off a thirty year conventional mortgage in about twenty three years. That could save you seven years of payments!

If you are in the market for a new home or simply have a few questions about purchasing a home in the future, please contact our CUSO Mortgage Specialist, Eric Bergeron at 207-651-1354 or e-mail at ebergeron@cusomortgagecorp.com.



This credit union is federally insured by the National Credit Union Administration

We Do Business In Accordance With the Federal Fair Housing Law and the Equal Credit Opportunity Act

How's Your Financial Health?

It is important to be mindful about your physical health and take the necessary precautions to stay healthy, such as visiting your doctor for an annual checkup. It is also important to address your financial health on a regular basis. Use the following four measurements to determine how your financial health is doing and what areas may need improvement.

1. Are you saving?

In 2005, the average rate of personal savings in the U.S. was negative. That means that the average person was spending all of their income and using funds from their existing savings just to get by. Recently, the savings rate has turned positive but Americans are still only saving about one percent of their disposable income. Having funds set aside in a savings account is an important step towards building financial security. Your savings account may protect you from a financial disaster when facing medical emergencies, job loss or other unforeseen events. The best way to build up your safety net is by opening various club accounts that meet your needs; examples are vacation clubs, auto repair clubs and holiday clubs. Then have funds directly deposited from your employer or automatically transferred from your checking account to make saving effortless and convenient.

2. How's your credit score?

If you are thinking about buying a house or a car, your credit score is a very important number. The interest rate you pay for the money you borrow will be determined, in large part, by this three digit number that is generated from information on your credit report. Your score can range from 300-850 and most often the higher your score is, the lower your interest rate will be. You can request a free credit report from each of the three major credit bureaus (TransUnion, Equifax, and Experian) once every twelve months by going to www.annualcreditreport.com or by calling 1-877-322-8228. The free credit report will not display your credit score, but can assist you in making sure all of the reported information is correct.

3. Are you paying more than the minimum balance?

Ideally, you should pay off your entire credit card balance every month. If you are paying only the minimum required payment, you will be in debt for a lot longer than you may think. If possible, try to make some progress toward paying down the principal each month by paying the minimum payment required plus 10% of the new balance. This will reduce your overall interest paid and payoff your balances on a more timely basis. Also make sure you pay down the cards with the highest interest rates first. If seeing quick results would make you feel like you are making progress faster, set a goal to pay off a card with a lower balance, thus eliminating one monthly payment.

4. Are you drowning in monthly bills?

Most people tend to think of their monthly expenses in terms of credit cards, loan payments and their housing expenses, but all of your monthly expenses can have a significant effect on your financial health. If you are feeling overwhelmed and can barely keep up, it is time to get a realistic look at how much you are spending each month. Gather all your monthly bills and separate your fixed payments, such as housing, credit cards and installment loans from the ones you may be able to adjust, such as your cell phone bill, cable bill and auto and homeowner's insurance. Reducing the number of cable channels you have or your calling plan's monthly minutes will certainly save you money that can be used to pay off other debts or to start building your savings account. Don't forget to review your credit union statement to see how much money you spend on miscellaneous items.

Create an Emergency List

Families generally develop a system for managing their household finances and often one person becomes responsible for ensuring everything is in order. While this system may seem to work perfectly, have you considered what will happen if that person is not able to manage the finances due to a severe illness or even death? If something does happen, you will want the transition to be as smooth as possible. Be prepared by creating an emergency list that includes detailed instructions. Creating this list will save a lot of time and stress during an already difficult time. Here are a few suggestions to get your list started.

Make a list of everything and where it is located. You may think your filing system makes perfect sense and that your financial records are in an obvious location, but your financial partner may not. You should list each financial institution you hold accounts with and the types of accounts you have. Include the names of any brokerages you hold accounts with as well. If you have a financial advisor, include contact information for that person. You will also want to list each bill that needs to be paid every month, the corresponding due date and the normal amount paid. Specify the typical payment method, whether you pay it online using Casco FCU's electronic bill pay, online at the companies' websites, by mailing a check, or if the funds are automatically debited from your account.

Username and Passwords. Simply knowing the accounts exist will not be enough. You will also want to include log-in information for any accounts that you access online, including Casco FCU's CUOnline and electronic bill pay. For all bills that are paid electronically, be sure to include all usernames and passwords. If you receive any bills through your email, be sure to include all email addresses and passwords to ensure nothing is overlooked. You will also want to consider adding your financial partner as a joint owner or primary beneficiary on all major accounts, life insurance policies and any property you own, if you have not done so already. This will ensure they are granted access to the accounts with no questions asked.

Maintain a Household budget. Keeping a household budget is an excellent way to give your financial partner a big-picture idea of the household finances, including the income, debts, regular expenses and investments. This will also help your financial partner pick up where you left off in the event of an emergency. While creating your emergency list, talk to your financial partner about possible ways to handle unplanned financial events. If you come into extra money, which debts should be paid off first? Or on the other hand, if there is a sudden loss of income, which bills are the priorities and which expenses can be reduced or eliminated if necessary?

Insurance. If you have life insurance policies, list the companies you hold policies with and the contact information for each company. For help filing a claim against your Accidental Death & Dismemberment Insurance, provided by Casco FCU, or to enroll in this free program, please contact one of our Member Service Representatives. Be sure to store your emergency list in a safe place, such as a safety deposit box or safe, as long as your financial partner has access to the safety deposit box or combination to the safe. Another option is to save an electronic copy as an encrypted, password protected file.

If you recently took over managing your household's finances and have questions about accessing any Casco FCU accounts or any other questions, please call us at 207-839-5588. We are here to help!

For those of you, who may be struggling with your loan payments, please contact us as we have creative ways we can assist you in repaying your obligation.

BRANCH LOCATIONS

375 Main Street, Gorham, ME
207-839-5588

MONDAY - FRIDAY 7:00 AM TO 4:00 PM

35 Cumberland Street, Westbrook, ME
207-854-2446

MONDAY - FRIDAY 8:00 AM TO 5:00 PM

397 Ossipee Trail, Gorham, ME
207-839-3933

MONDAY - FRIDAY 9:00 AM TO 5:00 PM