

A FRESH APPROACH TO CONTROLLING YOUR COSTS: Re-evaluate Your Credit Cards

The average American household with at least one credit card now carries over \$9,000 in debt, according to CardWeb.com. Credit cards can be a useful alternative to cash or the undoing of your best-laid financial plans, depending on your spending habits and money management skills. If you want to take charge of your cards, rather than the other way around, follow these important steps:

1. Take stock.

Figure out the balance and minimum monthly payment on each of your cards, as well as your total outstanding balance. Check for annual fees as well as penalty fees, and be aware of any variable interest rates (those are currently on the rise). If you have Internet access, find a credit card repayment calculator, which tells you how long it will take you to repay your debt and how much interest you will pay in the meantime. (Prepare to be surprised.) If your total credit card debt is more than you thought or more than you can afford to pay off in a few months, it's time to pare down.

2. Eliminate your most expensive cards.

Decide which of your credit cards is costing you most in interest and fees, and make the largest monthly payment you can afford to that creditor until you can close the account or transfer the balance to a lower-cost card. In the meantime, make at least minimum payments to your other creditors, though this may do little more than cover the accrued interest. When you've closed your most costly credit account, celebrate (!) and apply those payments to the next-most-expensive account. Repeat as needed.

3. Apply for only ONE great card and use it wisely.

Ideally, you should only keep one or two major credit cards, plus a department store card and a gas card. Creditors do want to see that you can handle more than one credit account at a time. But use the cards only if you can pay the charges in full each month; you don't need to rebuild interest charges. Creditors frown on applicants who have a lot of open credit and may turn you down for future credit you really need.

Make Glenview Credit Union your first stop when searching for your ONE new lower-interest credit card. Our VISA credit card has all the features you expect, with a fixed rate as low as **11.88% APR*** and no annual fee. And ask us about transferring existing debt from your higher-rate accounts to your new card—it can save you a significant amount of interest in the long run.

*APR=Annual Percentage Rate, subject to change. Subject to credit approval. Not a promise to lend. Some restrictions apply.



THE RESULTS OF OUR SURVEY

We want to express our appreciation to everyone who responded to our recent member survey. This information will be reviewed by our Board of Directors and will be very helpful as we plan our future objectives for the credit union. Knowing what the membership wants and needs will help us to ensure that we continue to meet your expectations.

Also, we would like to congratulate **Christine McNamara**, the winner of a \$100 U.S. Savings Bond, whose name was drawn from all of our completed surveys. ❖



BEWARE! THINGS ARE NOT ALWAYS WHAT THEY APPEAR

It used to be that you could trust a check that said "Cashiers Check" or "Official Check," but unfortunately, technology has made duplicating these checks—or creating forgeries—quite easy. Accepting one of these checks can potentially leave you holding a worthless piece of paper when it is returned as fraudulent. If you receive payment in the form of a cashiers check or bank check from someone you don't know, be wary!

Here are a few steps you can take to protect yourself from fraud:

- Consider withholding the item you are selling, or its title, until you are sure that the "official check" has cleared.
- Let your financial institution know that you don't know the person who gave you the check, and ask them to notify you immediately if there is a problem.
- Don't use the funds until you are sure the check is authentic. If you withdraw the funds, and the check is later returned, you will be responsible.
- Contact the bank on which the check is

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LOW COST AUTO PRODUCTS YOU CAN TRUST

While financing your car purchase or purchasing a warranty at the dealer is often quite convenient, it isn't necessarily going to provide you with the best rate or cost that you can get. Like anything else, shopping around makes sense. The dealer often makes more profit by financing your purchase or selling you insurance products than they do from the sale of the auto itself! With that in mind, are they going to have your best interests at heart?

Taking the hassle out of auto buying is what we do best. We can provide you with valuable information about the value of your trade-in, provide you with a referral to a local auto dealer that will guarantee the lowest price of a new car, get you pre-approved for financing, and let you know how much you can save with a credit union auto warranty.

Take advantage of the no-cost benefits of credit union membership before you buy your next vehicle—and save! If you have already made your purchase, consider refinancing your loan or adding a warranty to protect that new investment. ❖

FREE CREDIT REPORTS: 101

Ok. You listened to the expert advice and have dutifully accessed your free annual credit reports online at www.annualcreditreport.com or by calling 877-322-8228. Now what? If you discover errors in your credit reports, you can fix this yourself; and there is no need to pay the some company that promises to repair your credit.

Disputing Errors

- First, make a note of every item on your credit report(s) that you believe is incorrect, including late or missed payments, accounts which are not yours, closed accounts listed as open, current and former employers, addresses and your current contact information. Also list out-of date information that should not be listed (older than seven years for most information; 10 years for bankruptcy).

- Write a letter explaining each dispute and send it (certified mail, return receipt requested to prove it was received) to the address on your credit report for disputes. If you have any documents that support your position, include copies (never send originals). Be sure to request an investigation.

- If an account that was previously past due has

been brought current, paid off or kept current for at least a year; your creditor might agree to an early deletion of the past due references. Write a letter requesting that negative entries be removed. They'll often comply if they see you are up to date.

- To correct personal information, such as addresses or employers, send the reporting agency a photocopy of your driver's license, utility bill or pay stub to verify your information.

What Happens Next?

Reporting agencies are required to initiate an investigation at your request and respond to you within 30 days. They will contact your creditor(s) to verify the information listed, and if it can't be verified, it must be removed. When the investigation is complete, the agency must send you a free copy of your report if changes were made, and you have the right to ask that a corrected version be sent to anyone who received the report in the last six months.

Following Up

If the credit reporting agency confirms that the original creditor's claim is accurate, it must

provide you with a written notice that includes the name, address, and phone number of the person who made the report. If you don't receive that information, insist on it, and initiate a second investigation. If the information was reported by a collection agency, send the agency a copy of your letter too. By law, creditors must not ignore information they know contradicts information in their file, and must not report incorrect information once they learn that it is incorrect.

If all else fails and you cannot get a disputed entry changed, the credit reporting agency must allow you to insert a 100-character explanation of your side of the story.

Equifax

P.O. Box 740241
Atlanta, GA 30374
800-685-1111
www.equifax.com

Experian

P.O. Box 2104
Allen, TX 75013
888-397-3742
www.experian.com

TransUnion LLC

P.O. Box 1000
Chester, PA 19022
800-888-4213
www.transunion.com



SIX STEPS TO REDUCING YOUR DEBT

We may have recovered from our holiday spending sprees, but many of us are still not on track for meeting our long-term financial goals. Saving for retirement often gets overshadowed by the day-to-day expenses and payments we need to make. Often, we just barely make the minimum payments on our revolving debt accounts, and it feels like we will never really get ahead. Don't give up. Here are six proven steps that can help you reduce the balance of your overall debt:

First, you must learn where your money is actually going. Make a list of all your monthly payments, noting the amount and also the interest rate you pay. (Later, in step four, you'll want to attack your highest interest rate accounts first.) Then it's time to get out the magnifying glass. Other than the large regular payments like rent or mortgage and car payments, most of us don't actually know where every penny is spent. Get a small notebook you can carry with you, and track your expenses for 1-2 months. Everything, including your highway tolls and double mocha lattes. Your checkbook is also a great source for this information. Do not skip this step – without this information, you will not be able to move forward.

Second, divide your detailed list of recorded expenses into fixed and variable expenses. Mortgage: fixed. Lattes: variable. And so on. Recognize that "fixed" expenses like groceries and your gym membership are also somewhat variable: you need to buy food and stay healthy, of course, but you may be able to cut expenses by shopping smarter or working out at home.

Third, find ways to reduce or eliminate some of those variable expenses. Maybe you can get up ten minutes early and make a "to-go" cup of your own coffee, and take a half-hour each Sunday to clip grocery coupons. Maybe you can replace your gym membership entirely with some inexpensive weights and workout DVDs.

Fourth, get a copy of your credit report. Dispute any items in error. After they have been corrected, contact your credit card companies to see if they will lower your rate. (Be sure to always pay at least the minimum on your other accounts as well.) Pay as much as you can until you can eliminate the account entirely, then attack the debt balance of your next highest creditor.

Fifth, get creative about ways to reduce your fixed expenses. Can your vehicle loan or mortgage be refinanced? Ask us! Can your insurance payments be lowered, based on your changing needs? How about transferring your high interest debt to a low-interest credit union loan? Examine all aspects of your debt and look for ways to cut costs.

Finally, be pro-active about your debt picture. If you have trouble making your monthly payments, contact your creditors before they contact you. If you use your answering machine to avoid calls from bill collectors or refuse to open mail, you need help. Contact GCU about a debt consolidation loan. Getting your debt under control puts you on track for financial success. ❖

YOUR EMAIL ADDRESS CAN KEEP YOU INFORMED

In an effort to keep our members informed of products or important information in a timely manner, we would like to encourage you to keep us informed of your email address. This can also come in handy as an alternative should we need to reach you. The next time you are online, send us an email with your name and email address so that we can update our records. You can also do this from our website at www.glenviewcu.org.

A WORD OF CAUTION: Never include account number(s) in any email, as most email transmissions are not secured by the latest encryption technologies. ❖



BEWARE!

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drawn to verify that they have a record of its issue, or ask your financial institution to do so.

- Consider other forms of payment—such as a wire transfer between financial institutions. Only real money can be transferred in this manner, and you won't have to wait for the funds to clear—they will be available immediately. ❖