

May 2008

YORKCO SCHOOL EMPLOYEES CREDIT UNION

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MONEY LINE

Basic Steps to Financial Fitness

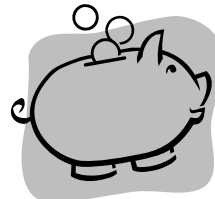
Your finances and the decisions you make about them change over time and are different from your neighbor's, your boss', or your parents'. Still, some broad guidelines may help you get a handle on your financial plans.

For mortgages, lenders expect your payments to amount to no more than 28% of your monthly gross income. Another method says that your PITI—the phrase for principle, interest, property taxes and insurance—plus your total long-term debt (say, for car payments, college loans, installment payments) should not exceed 36% of your gross income.

How much should you be saving? The conventional wisdom is to accumulate three to six months' take-home pay in a liquid savings vehicle. That can take time to build up, and you may need to raid your account even while you're adding to it. Still, if you consistently put aside 5% of your take-home pay, using payroll deduction, you'll reach your goal.

For long-term retirement savings, at minimum put a percentage into a Tax-Sheltered Annuity (educational employees) or, if available, a 401K plan. Other options include Regular/Traditional (tax deferred) or Roth IRA's (paid with after tax income but exempt from further taxation).

Wondering how much to contribute? Ideally, 15% of your earnings should be going towards your retirement goals. Can't swing that much while saving for your child's future education expenses? Keep this in mind: You can borrow to meet higher education expenses, but you can't borrow for retirement expenses.



Make sure to pay yourself each pay period by starting payroll deduction with your school district or Employer today!

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Six Rules for Managing Credit Card Debt

If you want to be the master of your credit card debt load, follow these key rules:

Take inventory. How many credit cards do you have? What's the balance and minimum monthly payment on each? What's the total balance? If it's more than you thought or can afford, it's time to pare down.

Check out the cost of your credit cards. What's the interest rate on each card? What's the annual fee? Does your card offer a grace period? If the card doesn't have a grace period, or if you carry over a balance, or take a cash advance, you're usually charged interest right away.

Get one low-fee or low-interest card and use it wisely. Make a credit union your first stop when starting your search. Check to see if you can transfer existing debt from your various credit cards to your new lower-interest credit card.

Make the largest monthly payment you can afford. Even though you may not be able to pay your balance in full, paying the monthly minimum may do little more than cover the accrued interest.

Watch out for "teaser rates." Your mailbox may be brimming with unsolicited credit card offers that promise attractive low-interest rates.. But if you read the fine print, you'll see that after 6 months or so the issuer may double the low introductory rate.

If you get in over your head, don't bury it in the sand. If you're having trouble making your monthly payments, contact your creditors before they contact you. Give the credit union a call to see if we can help or you may also call the Consumer Credit Counseling Service at 800-872-2227, a non-profit organization offering financial counseling to consumers.

For Your Information

- * Don't forget that Tuition Reimbursement Loans are available for your required classes.
- * Sign up for our "FREE" Electric Bill Payer Service and save yourself time and money.
- * Have you had a Yorkco Credit Card for 2 years? Have your payments been on time? You may qualify for the reduced rate of 8%, call the office for more information.
- * Planning a trip, don't forget to let us know so that we can update credit or debit card information.
- * We are now open to all York County Schools; their employees, students and family members

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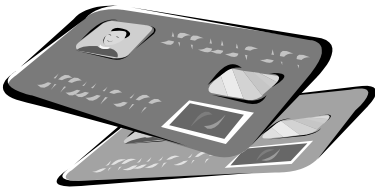
CURRENT LOAN RATES

1% discount on rate if actively using 3 or more services at time of application

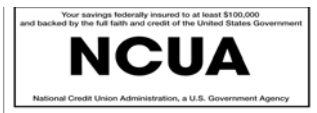
| | TERM | RATE | |
|------------------------------------|----------------------|---------------|---------------|
| NEW VEHICLE | 36 | 5%* | |
| | 48 | 5.5%* | |
| | 60 | 6%* | |
| | 72 | 6.5%* | |
| USED VEHICLE | 36 | 6%* | |
| | 48 | 6.5%* | |
| | 60 | 7%* | |
| PERSONAL LOANS | | | |
| | SHARE-SECURED | VARIES | 5.5% |
| | UNSECURED | 48 | 10.5%* |
| UNSECURED | 60 | 11.5%* | |
| TUITION REIMBURSEMENT LOANS | | | |
| HOME LOANS | 6 | 9.5% | |
| | 36 | 5.5%* | |
| | 48 | 6%* | |
| | 60 | 6.25%* | |
| | 84 | 7%* | |
| | 120 | 7.25%* | |

2008 CLOSINGS

May 23rd—closing at noon
 May 26th
 July 3rd—closing at noon
 July 4th
 August 29th—closing at noon
 Sept. 1st
 October 13th
 November 11th
 Nov 26th closing at noon
 Nov 27th & 28th
 Dec. 24th—closing at noon
 Dec 25th & 26th
 Dec 31st—closing at noon
 There may be other times that the Credit Union is operating on reduced hours due to training, illness, vacations, etc, so it always a good idea to call ahead if you're planning on stopping in at the office.



VISA GIFT CARDS ARE NOW AVAILABLE AT THE CREDIT UNION



LINES OF CREDIT

LINE OF CREDIT LOAN
HOME EQUITY LINE OF CREDIT
VISA CREDIT CARDS
VISA CREDIT CARDS (LOYAL MEMBERS)**

based on 90 day
 treasury bill*
 11.75%
 8%

*as low as rates based on "A" credit scores
 ** certain requirements apply, call for more information



TIPS FOR PARENTS OF COLLEGE-BOUND STUDENTS/STUDENTS, PROTECT YOUR PROPERTY

High-school students bound for college will embark on many new experiences—including financial independence. Here are some tips for parents to help kids prepare for what's in store.

Explain how credit works. If they apply for a credit card at a campus table promotion, they'll not only get a free t-shirt, but a credit line they may not be able to afford, and may not know how to manage. A credit card is not free money; it's instead a means of putting off paying for purchases until a later date. Accompany them to the credit union for the best rates on credit cards and consider urging them to use a debit card instead.

Create a spending plan. Write down all college expenses such as tuition, books, room and board, toiletries, entertainment, and so forth. Determine which expenses you'll be paying and those for your child will be paying.

Come to a no-bail-out agreement. If your child ends up charging more than they can afford, or runs out of money before the end of the month, your first reaction may be to send money and bail them out. Don't do it. If they need to figure out a way to get out of debt, such as working or staying home on weekends, chances are good they won't make the same mistake twice.

Students, Protect Your Property

There's a lot to do before leaving for college. You need to pack, say good-bye to friends and family, and buy books. And because of the craziness, families often forget to figure out some important details.

One of these details is determining how you are going to protect your property. Many parents, if they even think about it, just assume that your stuff will be covered by their property insurance. But that isn't always true, nor is it always the best idea for your family.

If your primary residence remains your family home, your parents can put you on their existing homeowners policy, often at no cost.

Coverage is generally 10% of the homeowner's policy. So if your parents have a \$200,000 policy on their home, you'll be covered up to \$20,000.

Another option would be to get renters insurance. Getting one of these policies eliminates concerns about getting enough coverage, or negatively affecting your parents' policy if you file a claim.

The other advantage of getting renters insurance is you generally can customize the policy to fit your needs.

Another option would be to get a specific college student insurance policy. These are relatively inexpensive, and cover things not usually covered by homeowners insurance, such as cell phone, wallets (although not the cash and /or credit cards contained within), bags, and so forth. And they offer low deductibles, so most of you property is protected.

Many of these policies also offer broader protections, such as earthquake, flood, and accidental damage. Accidental damage is any kind of damage you inflict on your property, such as dropping your computer.

When researching policies, get quotes from as many different insurers as you can. Ask each potential insurer if the policy covers the actual price of your stuff or if it covers the replacement value. It's best to have a policy that covers replacement value so you can buy a new copy of anything lost, damaged, or stolen.

Also, find out what exactly is included in the policy. You'll probably want to find one that includes fire protection. It would also be a good idea to find a policy that covers you not only in your dorm/apartment, but also on school-sponsored trips.

Finally, make sure you will have coverage for liability claims.