



Best Interests

The Ameritas Employees Credit Union Newsletter

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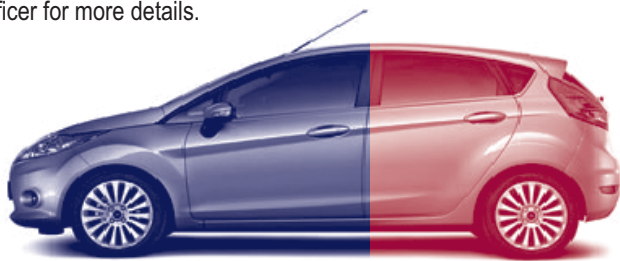
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MOVE OUT INTO THE GAP THIS SPRING

Move out into the GAP this spring. From April 18th to May 20th, save up to 1%* on new and used vehicle loan rates. In addition, any new loan of \$25,000 or more will receive the credit union's new GAP coverage for free. A savings of \$225.00!

*Rate discounts vary by credit score. Speak to a credit union loan officer for more details.



CAR INSURANCE
PAYOUT

GAP
PAYOUT

WHAT IS GAP?

GAP insurance can provide valuable protection during the early years of your car's life if you have a loan or a lease. If a loss occurs, GAP insurance will pay the difference between the actual cash value of the vehicle and the current outstanding balance on your loan or lease. It protects your vehicle lease or loan. Sometimes it will also pay your regular insurance deductible.

If your vehicle has been totaled by accident, theft, fire, flood, tornado, vandalism, or hurricanes your insurance company typically pays the actual cash value. That may be less than its actual retail value. It is often considerably less than the actual amount you still owe on your loan or the amount due for a lease payoff.

The amount between your insurance deductible and the loss from this financial shortfall is the "gap" you can be left owing.

Talk to a loan officer today to see if GAP coverage is right for you. And if you decide that it is, check with us before committing to dealer offered GAP. We are sure that you will find our prices hard to beat.

THIS IS HOW A "GAP" OCCURS (USING FICTITIOUS NUMBERS):

- You choose a car that costs \$25,000 and you drive it off the lot.
- After paying the down payment you owe \$24,000 in car payments over 5 years (0% interest loan = \$400 car payments).
- You purchase physical damage insurance (comprehensive and collision) with a \$500 deductible to protect you against damages and loss.
- You have an accident while you are still upside down on your loan or lease ("Upside down" means owing more on a car than it's worth) and your vehicle is totaled.
- The insurance company determines that the actual cash value of the car is only \$22,000, but at the time of the loss you still owe \$23,500.
- GAP insurance should pay the difference plus your deductible totaling \$2000. (Not all GAP policies pay the deductible)

Here are the line items:

- Loan Payoff at the time of accident: \$23,500
- Vehicles actual value at the time of accident: \$22,000
- Your deductible: \$500
- Physical Damage Insurance Company pays: \$21,500 (\$22,000 minus \$500 deductible)
- GAP insurance pays the difference between what is owed and what the Physical Damage Insurance Company pays (plus your deductible): \$2000

Typically a new car is worth approximately 30 percent less in 3 months than the day it was purchased! In this example above, if you owned the car for 3 days, had physical damage coverage and the car was totaled, you could owe 20% to 30% of the \$24,000 (\$4,800 to \$7,200 out of your pocket) even though you purchased "full coverage".

HERE'S THE 411 ON YOUR CREDIT RATING

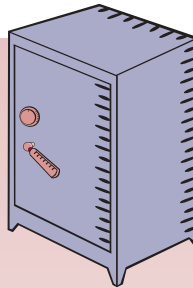
If you're out of school, you probably thought report cards could be left behind along with your gym shoes and locker combination. Not so. At least with respect to your use of credit.

Credit reporting agencies compile information for your credit report, which is the basis for your credit score. Your credit score is calculated by using a mathematical formula, called an algorithm, that predicts how much of a risk you are to a lender. The higher your score - the less risk you represent - the less you will pay to borrow money.

The most important factor in your score (35 percent) is how you've paid your bills in the past, with an emphasis on recent activity. The amount of money you owe and the amount of available credit makes up 30 percent of your score. How long you have had credit makes up 15 percent of the score, with the remainder based on new credit applications and the mix of credit. For more information, visit www.myfico.com and click on "Education".

Regularly check your credit report to be sure it contains accurate information. By law, you can get a free report from the three major credit reporting companies - Equifax, Experian, and TransUnion - each year. Order your free annual credit report online at www.annualcreditreport.com or call 1-877-322-8228. You can order all three reports at once, but if you get one every four months, you can keep better track of the information being compiled about you. Each agency collects slightly different information.

MATCH YOUR SAVINGS TO YOUR SPENDING



It's been said that the only people who need to save money are the people who like to spend it. No matter what your goals are, by saving money now, you are in a much better position to buy what you want later. The key is to match your savings to your future needs.

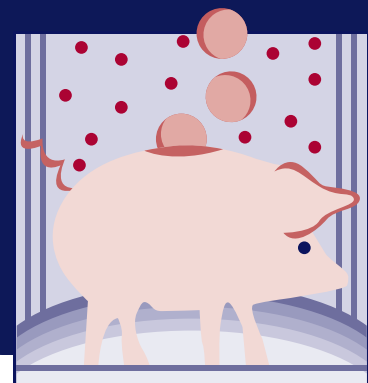
Use your share savings account at the credit union for savings you must access in the immediate future. This might be money for emergencies or for bills you know have to be paid soon, such as your car insurance or taxes.

Share certificates are best suited for funds that you don't need right away. For example, tuck away funds for a down payment on a vehicle or an anniversary trip in a longer-term certificate. You will earn more interest, plus you won't be as tempted to spend it on shorter-term goals. Many members find our club accounts a great way to save for things like the holidays or vacations. By setting funds aside each month, they have a pot of money to dip into for the extra expenses that go hand-in-hand with special occasions.

For help in getting started on your savings program, contact the credit union today.

TEACHING YOUR CHILDREN ABOUT MONEY

1. Start teaching your children at an early age. They are far more impressionable when they are younger.
2. Teach them in order to spend money; they must earn money.
3. When your children start asking you to drive to the toy store to buy something they want, it's a good time to consider giving them an allowance.
4. A good saving rule: 50% of any money they put in their piggy bank must stay in their bank.
5. Open a Share Account at the credit union for each of them to put the money they have saved.
6. Encourage your children around the age of 13 to think of different ways to earn money.
7. Teach your children the differences between needs, wants, and wishes. This will prepare them for making good spending decisions in the future.
8. Your child should have the right to mess up financially so they can learn from their mistakes.
9. There may come a time when you have to tell your children that the Bank of Mom & Dad is closed.



CASTLE CRUMBLING? SPRUCE IT UP



Your home is your castle, but like many a European fortress, it may be time for a spring spruce-up. If you plan to do the job yourself, check the library for how-to books and videos and if necessary, take a skills class. This will help you understand the project's scope, its cost, and help prepare you for the job. If you decide to hire a contractor, check with people you know

who've had work done recently by them. Ask what problems arose and their resolution, and if they would hire the contractor again. If possible, visit their homes to inspect the work. Once you've narrowed the list to three names, meet with the candidates and ask for a cost estimate. Don't necessarily go with the lowest bid. Listen to your gut, too, especially if it's a major job. This person will be spending a lot of time in your home and you need to get along.

Whether your renovation or repairs are large or small and will cost relatively little or a lot, see the credit union for your home improvement financing. We will work with you to make sure the loan and the loan terms will meet your needs.

AHOY! BOAT LOANS NOW AVAILABLE



Attention water lovers! We can float your boat loan. Whether you thrill at shooting the rapids in a kayak, revel in winning a sailboat regatta, or simply prefer a lazy lakeshore tour on your pontoon, we have the loan rates and terms that will fit you like a life jacket. With a boat loan from the credit union, you can enjoy the hassle-free convenience of automatic payment, giving you more time on the water. So before you cruise into the boat show or search online for the vessel of your dreams, stop by the credit union. We'll help you determine how much boat you can afford and what terms will fit your budget. Then with a pre-approved loan from the credit union, you can shop with confidence. Call on us today.

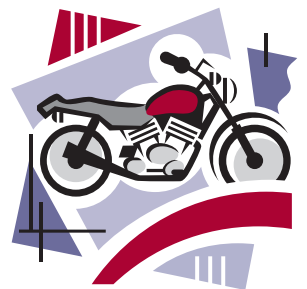
GET READY TO MOTOR WITH A VEHICLE LOAN FROM YOUR CREDIT UNION

Summer road trips are just around the corner. So if your clunker limped and lurched through the winter, it's time to stop by the credit union to pre-qualify for a vehicle loan. With a pre-approved loan, you're free to shop for the car that suits your needs. You won't be limited to the specials being offered usually the slow-selling models the dealership wants off the lot and out of its inventory. Use the online tools at www.edmunds.com or www.kbb.com (Kelley Blue Book) to determine which vehicle is a good match for your driving habits. Consider whether you need to buy new or whether a car that's new-to-you will serve the purpose. Then when you're ready for your test drives, visit the credit union. With your financing dealt with, you're in the driver's seat. Just don't reveal how you're paying for the car until the deal is struck. Financing is a dealer profit center so you may pay more for something else if the salesperson knows you have a credit union loan.

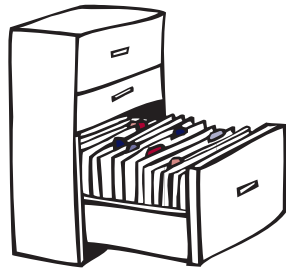
CU MOTORCYCLE LOAN LETS YOU RIDE WITH THE WIND

A car can get you from point A to point B. But a motorcycle? Now that's the fun way to ride. Plus, you'll save money on gas, with motorcycles typically getting from 40 to 75 miles per gallon. And with financing from the credit union, your loan payment will fit as easily into your budget as your bike will in a tight parking spot. Just remember to figure in your start-up costs.

Transportation safety-experts recommend that you enroll in a safety class to facilitate obtaining your motorcycle driver's license. You'll need protective gear as well - as much as \$1,500, with rain gear running an additional \$500 to \$1,000. Check online for additional buying tips, and then stop by the credit union for your loan application. Then enjoy your open road ride!



HOW LONG TO KEEP FINANCIAL RECORDS



You know you should keep your financial house in order. But somehow that shoebox still overflows with account statements, bills, tax information, and random receipts. Now that spring is in the air, it's a great time to get a fresh start and get those financial documents under control. The key is knowing what to keep and what to toss. As a rule of thumb, save things related to your taxes, including returns and documentation for income, deductions, and credits for seven years. The IRS has three years to audit for good-faith errors, but six years if it thinks you've underreported your gross income by 25 percent or more. (There's no statute of limitation for failure to file or tax fraud.)

Consumer experts recommend you save your actual tax returns indefinitely. Keep Individual Retirement Account contribution records indefinitely as well. Keep monthly or quarterly statements for your retirement plans until you receive your annual statement. If everything matches up, you can shred the quarterly statements. Same with statements from the credit union, other financial institutions, and brokerage firms except save records of checks and transactions related to your taxes, including securities purchases, home improvements, mortgage or business expenses.

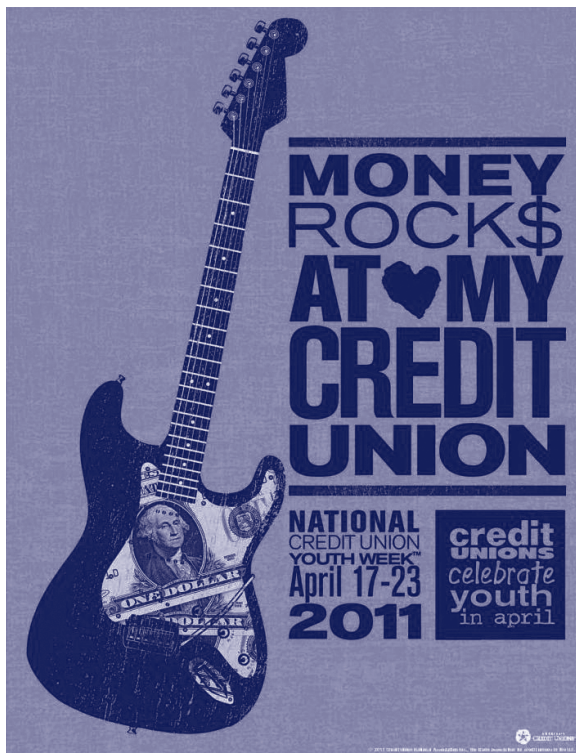
Go through your bills and shred those not related to taxes or to big purchases where you may need to prove their value for an insurance claim. Keep legal documents such as those related to legal filings, wills, inheritance, and so on indefinitely.

If you want to go paperless, converting all documents to electronic files, be sure to keep up with technology. Anyone who has stored tax records on a floppy disk may be sorry now.

CELEBRATE NATIONAL CREDIT UNION YOUTH WEEK

April 18 - April 22

A free gift for any \$25.00 or above deposit to a youth account.



MONEYROCKS@ MYCREDITUNION

Hey Kids! The spotlight is on you in April. April is Financial Literacy Month and the third week, April 17-23, is National Credit Union Youth Week. That's a week set aside for you to find out how "MoneyRocks@MyCreditUnion". Youth Week is celebrated all across the United States. That's because credit unions want you to tune into the right moves with your money. That's why credit unions were invented in the first place.

Stop by the credit union to learn how to get what you want by saving your money. Discover tricks to make it easy to save. Find out how to protect your money so that others don't take it. We'll have some special surprises for you, too. So put on your movin' shoes and step into the credit union to help celebrate MoneyRocks@MyCreditUnion.