

# Report Card

SUMMER 2022

Considering An  
Adjustable-Rate Mortgage?

6 Money Strategies  
To Combat Inflation



“I’m happy to be a Member and  
have all the benefits designed  
for school employees.”

**ERIC M.**  
DIRECTOR OF SECONDARY EDUCATION  
MEMBER SINCE 2017

# CEO's MESSAGE



A recent survey\* shows that 72% of Americans are worried about money issues – from managing everyday expenses like food and gas – to juggling debt and having enough money to retire.

If you find yourself burdened by financial stress, your Credit Union is here to help. We provide financial wellness and relief programs. To learn more about what solutions may be right for you, visit your local branch or call us. We can also discuss products and services to help make managing your money easier, including personal loans to cover unexpected expenses.

## Solutions To Weather Life's Storms

Additionally, our partners at GreenPath Financial Wellness provide free, personalized coaching to help you develop an action plan to improve your personal situation. Members who have used the program tell us how it helped them take control of their finances, including creating a better budget, paying down debt and improving their credit. Visit our advice tab on the SchoolsFirst FCU website to learn more and schedule a one-hour consultation.



**ERIC M.**  
DIRECTOR OF SECONDARY EDUCATION  
MEMBER SINCE 2017

Eric has a host of products that help make managing his money convenient and hassle-free, including the Summer Saver, which allows him to automatically set aside money for when he's not working, online Bill Pay and mobile banking.



## REAL MEMBER, REAL SAVINGS

Eric started his career as a teacher, inspired by his own teachers and counselors who pushed him to succeed. These days, he oversees secondary educational programs and loves being part of his students' educational journeys. He joined the Credit Union in 2017, and takes advantage of all the benefits his Membership offers.

One of his most memorable experiences with the Credit Union was when he applied for a personal loan to consolidate his debt. "The process was easy," he says. "The Credit Union was able to transfer my debts over seamlessly and made it easy to navigate so I could pay it off."

## Timely Advice For Today – And Tomorrow

If rising prices have taken their toll on your budget and your well-being, know we're committed to helping you now, while still focusing on your long-term goals. In this issue of Report Card, we offer tips on how to save and spend during inflation. Our Extra Credit blog features timely guidance about managing debt, saving and budgeting. And we offer online workshops featuring experts who will share strategies to reach important financial goals such as buying a home and saving for the future.

## We're In This Together

Our Mission is to provide World-Class Personal Service and financial security to help you thrive. The Credit Union is financially stable due to your loyalty, and because you share the benefits of Membership with your friends and family. Thank you!

We hope you have a wonderful summer, spending time with friends and family. Be safe, stay well.

It's a privilege to serve you.

**Bill Cheney** | CHIEF EXECUTIVE OFFICER

\*Source: 2022  
BrightPlan Wellness  
Barometer Survey

## It's The Perfect Time To Share Your Credit Union

Refer a family member<sup>1</sup> to join through August and you'll both be entered to win \$500.<sup>2</sup>

### NOT SURE WHO'S ELIGIBLE?

- **All couples.** Unmarried couples<sup>3</sup> who live together, not just spouses
- **Children.** Related by blood, marriage or adoption, no matter their age<sup>4</sup>
- **Parents.** Membership isn't just shared by a parent with their child — adults can share Membership with their parents, too<sup>4</sup>
- **Grandparents and grandkids.** Whether or not you live under the same roof<sup>4</sup>

### What about aunts, uncles, cousins, nieces and nephews?

They're not eligible directly through you, but they would be through your parents or siblings once they become Members.<sup>4</sup>



Insured by NCUA.  
NMLS Identifier: 405503

APR = Annual Percentage Rate. Subject to credit approval. SchoolsFirst FCU's credit card program features a range of variable interest rates based on a variety of factors, including the applicant's credit rating. Rates quoted are effective as of 06/10/2022 and are subject to change without notice. Foreign transaction fee: 2% of the transaction in U.S. dollars, includes internet transactions made when you are in the United States, but the merchant processes the transaction in a foreign country. **1.** Eligibility for Membership subject to verification and ChexSystems review. Minimum \$5 deposit required to establish Membership. Membership must be established to qualify for entry. One (1) entry per family member referred. **2.** Six winners selected at random. Two winners per month June 2022 through August 2022. Memberships may be established in a branch or online to qualify for sweepstakes entry. If selected, deposits will be made to Member's Share 01 within 60 days of selection. **NO PURCHASE NECESSARY, TO ENTER OR WIN THIS SWEEPSTAKES, PURCHASE DOES NOT IMPROVE AN INDIVIDUAL'S CHANCES OF WINNING.** An alternate entry may be made by a SchoolsFirst FCU Member or eligible non-Member by printing their full name, address and daytime telephone number on a 3-by-5-inch card and mailing the card in a sealed envelope to: SchoolsFirst FCU, Attention: Summer Memberships, P.O. Box 11547, Santa Ana, CA 92711-1547. Entries must be received by Aug. 31, 2022. If the entrant is a minor, please include minor's full name, along with parent/legal guardian's full name and signature consent. Official rules available upon request. **3.** Supporting documentation of domestic partnership or joint financial obligation required. **4.** Supporting documentation required. **5.** 0.50% off approved rate. Rate will vary based on creditworthiness and terms. Financing for qualified SchoolsFirst FCU Members. Offer valid only on Autoland and Enterprise Car Sales vehicles purchased between 5/12/22-9/14/22. Offer cannot be combined. Not valid on previous purchases. **6.** Used vehicles were previously part of the Enterprise rental fleet and/or an affiliated company's lease fleet or purchased by Enterprise from sources including auto auctions, customer trade-ins or from other sources, with a possible previous use including rental, lease, transportation network company or other use. ©2022 Enterprise Car Sales. SchoolsFirst FCU is not affiliated with Autoland or Enterprise Car Sales. **7.** **NO PURCHASE NECESSARY TO ENTER OR WIN THIS SWEEPSTAKES. PURCHASE DOES NOT IMPROVE AN INDIVIDUAL'S CHANCES OF WINNING.** An alternate entry may be made by a SchoolsFirst FCU Member or eligible non-Member by printing their full name, address, and daytime telephone number on a 3" x 5" card and mailing the card in a sealed envelope to: SchoolsFirst FCU, Attention: Summer Road to Savings Sweepstakes, PO Box 11547, Santa Ana, CA 92711-1547. Entries must be received by September 14, 2022. Official rules available upon request. **8.** CA Insurance License 019344

# CONSIDERING AN ADJUSTABLE-RATE MORTGAGE?

Although market watchers predicted the housing market would soften this year, homes continue to sell at record highs. Many first-time homebuyers, facing rising interest rates and home prices, are considering the benefits of adjustable-rate mortgages, or ARMs.

If you're trying to decide if an ARM is right for your situation, here's what you need to know.



## The Allure Of ARMs

During inflationary times, ARMs can be an attractive option, because the initial rates are lower as are the monthly payments. For those trying to buy now, it can make getting into a home more affordable, with the ability to save hundreds of dollars a month in mortgage payments.



## How They Work

In simple terms, an ARM has a low, fixed rate for a set term, such as five to seven years. After that, the rate adjusts up or down, based on market conditions. Generally, the shorter the initial period is, the more competitive the rates are. Most ARMs have rate caps, which are in place to limit how much the loan's interest rate can adjust.

If you tend to be risk-averse, an ARM might seem less enticing than a fixed-rate mortgage which comes with set monthly payments you can count on. People worry that with an ARM, when the rate adjusts, it's going to skyrocket. However, keep in mind the majority of ARMs set limits on how much the interest rate can go up at the end of the initial low-rate period and the life of the loan.



## Potential Drawbacks

Typically, ARMs work best if you plan to refinance, move, or know you'll have the money to make higher payments before the rates adjust. But you need to think about this: What happens if circumstances don't go according to your best-laid plans? You might not be able to refinance or sell your home when the initial period ends.

If you think an ARM makes financial sense, take some of the money you'll save on lower monthly payments and put it toward an emergency fund, in case the unexpected occurs.



## We Can Help

SchoolsFirst FCU offers a variety of home loans including 5/1 and 7/1 ARMs with a low fixed rate for the first five or seven years. A real estate loan consultant can go over your choices and see if an ARM or fixed rate loan is right for you. If you're a homeowner and thinking of refinancing, an ARM can also be an affordable option.



## Summer Road To Savings

If you purchase a car through Autoland or Enterprise and finance it with us, you'll receive a 0.50% rate discount.<sup>5</sup>

When you buy a new car through Autoland or Enterprise

Car Sales<sup>6</sup> now through Sept. 14, 2022, you'll automatically be entered to win 1 of 25 \$100 gas gift cards.<sup>7</sup> Winners will randomly be selected each month.

Visit [schoolsfirstfcu.org/auto](https://schoolsfirstfcu.org/auto) to learn more.

## Online Financial And Real Estate Workshops

Please visit [schoolsfirstfcu.org/workshops](https://schoolsfirstfcu.org/workshops) to learn more and register.

### ONLINE WORKSHOPS FOR TEENS AND YOUNG ADULTS

#### Home Buying Essentials

6 – 7 p.m. on:

**JULY 6, 13, 20, 27**

**AUG. 3, 10, 17, 24, 31**

#### Understanding Credit And Credit Score

11 a.m. – Noon on:

**JULY 20**

**AUG. 17**

#### Bite Of Reality

#### Interactive Activity

**JULY 20** | 3 – 4:30 p.m.

**AUG. 17** | 3 – 4:30 p.m.

**SEPT. 7** | 4 – 5:30 p.m.

#### Financial Trivia

11 a.m. – Noon on:

**JULY 21**

**AUG. 24**

#### Achieving Your Financial Goals

11 a.m. – Noon on:

**JULY 19**

**AUG. 10**

# 6 MONEY STRATEGIES TO COMBAT INFLATION



Inflation has caused prices to spike 8.3%. If you're feeling the pinch, here are six financial moves to help you manage expenses.

## 1 HONE YOUR BUDGET

Revisiting your spending plan will quickly show you ways to cut back. Consider getting a top-rated secure budgeting app. These apps track your pay and spending and make suggestions on ways to save more money. For instance, you might decide to cancel unused subscriptions or memberships and negotiate better deals on cell phone usage, cable or streaming services. Be ready to switch providers.

## 2 PLAN YOUR SPENDING

Right now you will pay more for the basics like food and gas. So plan accordingly. Create a meal plan and shopping list before you head to the grocery store. When you drive, bundle your errands and shop strategically. Determine whether you're better off shopping online, especially with free shipping. Avoid buying big-ticket items until prices normalize.

## 3 CONSOLIDATE DEBT

If you're not paying your credit card balance in full, switch to a card with a competitive interest rate or look for fee-free balance transfer offers. You can also get a personal loan to consolidate debt. If your debt is snowballing, sign up for free financial coaching from our partner at Greenpath Financial Wellness.

## 4 REFINANCE YOUR LOANS, REVIEW YOUR INSURANCE

If you qualify for lower rates, refinancing your car or home could save you money. Use that extra money to put toward debt, your emergency fund or other expenses. Consider getting an insurance review. Our licensed insurance agents work directly with top providers, gathering quotes, coverage options and discounts to find the policy that's right for you.<sup>8</sup>

## 5 WATCH YOUR VACATION COSTS

If you're flying, get the best prices by booking at least 64 days in advance. If you're traveling internationally, the sooner you purchase tickets the better.\* Expect to pay higher prices for lodging and car rentals, so look for deals or consider working with a travel agent to book your trip.

If you're driving, avoid costly repairs by visiting a trusted repair shop. Have them inspect your car and do any work needed before hitting the road. Make sure you have towing services.

## 6 KEEP INVESTING

It's likely stock market performance will continue to go up and down this year, so don't focus on short-term volatility but rather your long-term goals. If you have questions, consider a portfolio review with a financial advisor.

Have a fixed amount of money automatically taken from your paycheck and deposited into a savings account that is separate from your regular checking and savings. You may also want to consider our Share Certificates, which offer better rates than regular savings, as long as you're willing to leave your money untouched for a set period.

\*Source: Travel and Leisure

## COUNT ON US FOR COMPETITIVE PRODUCTS AND TRUSTED ADVICE

- Visit our Extra Credit Blog at [extracredit.schoolsfirstfcu.org](http://extracredit.schoolsfirstfcu.org) for timely advice articles
- Sign up for an online workshop to learn more about homebuying and other financial topics
- Visit our website to learn more about our credit cards
- Schedule a complimentary insurance review online at [schoolsfirstfcu.org/insurance](http://schoolsfirstfcu.org/insurance)<sup>8</sup>
- Visit [schoolsfirstfcu.org/homeloans](http://schoolsfirstfcu.org/homeloans) to learn more about our mortgages

## We're Here For You

**Visit Us Online**  
schoolsfirstfcu.org

**Call Us**  
800.462.8328 | Monday – Friday, 7 a.m. – 7 p.m. | Saturday, 9 a.m. – 3 p.m.

**Emergency After-Hours Card Support**  
Available 365 days a year from 5 a.m. to 10 p.m.

**TellerPhone**  
800.540.4546

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Available in the App Store and Google Play.



**ATM Locations**  
Visit our website or Mobile Banking app for a complete listing of more than 28,000 fee-free ATMs.

**Branch Locations**  
Visit [schoolsfirstfcu.org/branches](http://schoolsfirstfcu.org/branches) to find a branch or ATM near you.

## Holiday Notice

In observance of these holidays, our branches, in-store branches, service centers and Member Contact Center will be closed.

**Monday, July 4**  
**Monday, Sept. 5**

Independence Day  
Labor Day

## Get Social With Us!



Join our communities and be among the first to learn about new products, services, video workshops and special promotions. Plus, share your story with us; we would love to hear from you!



Insured by NCUA.