“SchoolsFirst FCU has been my financial partner in taking steps toward retirement.”

BRENDA H. 
MEMBER SINCE 2009
As we start a new year, our Credit Union family can look forward to the many positive things that are lifting the spirits of the communities we live and work in. While COVID is still having an impact on many aspects of our daily lives, we are on the right path toward preventing its spread. Thank you for doing your part.

We’re Here To Guide You With Trusted Advice
One of the benefits of your Membership is our commitment to serving as a trusted partner to help you make confident choices about your money. As your life changes and you have questions, we’re here to help you find the answers with relevant, timely advice. For instance, you’ve probably encountered higher prices due to the effects of inflation and are wondering what you can do about it. In this issue, SchoolsFirst FCU’s financial advisor Jeremey Hill discusses the reasons for inflation and steps you can take to manage it.

Together We’ll Create A Plan
Another way you can build financial well-being is by having a plan in place. A financial plan takes a holistic look at how you manage your money, so you can create a realistic budget, contribute to an emergency fund, invest in your future and protect your assets and loved ones. What are your goals this year? Maybe you’re saving to buy a car or home, planning to remodel an existing home or looking to pay down your debt and build a budget. Or perhaps you want to create a will or estate plan to ensure your loved ones are taken care of if something happens to you. No matter your circumstances, we will discuss your options and help you develop a game plan.

New Year, New Decisions
A new year is a great time to develop your personal roadmap for successful financial well-being. To help you get started, we invite you to take advantage of our professional financial guidance. It’s easy to schedule a complimentary consultation with one of our branch Member Service Representatives or licensed financial advisors, either virtually or in-person. Visit schoolsfirstfcu.org to learn more about our team.

We thank you for your commitment to your Credit Union. Together, we can make this a year for all of us to thrive.

With kindest regards,

Bill Cheney | PRESIDENT/CEO

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1. Rebate payment is made by First Team Real Estate or HomeSmart Evergreen Realty. Rebate is credited to your benefit at the close of transaction, and will be lowered by any reductions to the commissions paid to the participating agent in a concurrent purchase and sale of a home. Commission will vary. To be eligible for the 20% rebate, Member must complete the transaction with the agent assigned by SchoolsFirst FCU Home360℠. Using SchoolsFirst FCU for a mortgage loan is not a requirement to earn the rebate. Purchase price must be greater than $150,000 after all credit adjustments. All rebates are subject to limitations, lender guidelines and other requirements. Certain properties may not be eligible for rebates. Rebate is 20% for purchase only of a residential property in California. Please consult a qualified tax professional for advice on tax implications from receiving a rebate. First Team Real Estate and HomeSmart Evergreen Realty are not affiliated with SchoolsFirst FCU. 2. Variable rate, subject to change daily at our discretion. Limited to existing Members who are buying a home and participating in SchoolsFirst FCU Home360℠; limit one per Membership. A withdrawal within the first six calendar days after opening incurs an early withdrawal penalty of seven days' dividends. Thereafter, early withdrawals are subject to an early withdrawal fee of $10 and closure of the share; the $10 fee will be waived if the full balance is used for a home purchase. Fees could reduce the earnings on the account. Additional deposits allowed to the maximum balance of $50,000. See SchoolsFirst FCU’s Disclosure & Agreement of Terms and Conditions brochure for additional details about Share Savings Accounts. Rates and program valid as of date and subject to change. Financial professionals are registered representatives of CUNA Brokerage Services Inc. Representatives are registered, securities sold, advisory services offered through CUNA Brokerage Services Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, which is not an affiliate of the Credit Union. CBSI is under contract with the Credit Union to make securities available to Members. Not NCUA/NCUSIF/FDIC insured, may lose value, no financial institution guarantee, and not an obligation of the Credit Union. Not a deposit of any financial institution. CUNA Brokerage Services Inc. is a registered broker/dealer in all 50 states of the United States of America.

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REAL MEMBER, REAL SAVINGS

A longtime special education teacher, Brenda joined the Credit Union because she could count on us to provide financial services designed to meet her unique needs as a school employee. After 24 years of teaching, she has a long-term financial goal of traveling full time in an RV when she stops working. Earlier this year she decided to sell her main home and spoke with Stephen at our Orangevale Branch about how she can make her retirement dream a reality.

“What impressed me was that the branch staff took the time to really listen to me, and understand my needs, plans and goals,” says Brenda. “Stephen and the branch manager creatively structured my finances to allow me to purchase my dream RV retirement home before my house sold. Now, I have enough in savings to work less and afford partial retirement, which has really improved my life.”

BRENDA H. | MEMBER SINCE 2009

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America Saves Week is Feb. 21-25 this year, but saving for the future happens all year long. Join other Americans who are setting a financial goal, making a plan and saving automatically.

Visit americasaves.org to take the pledge.
GET YOUR FINANCES READY TO BUY A HOME

The good news for homebuyers is that California’s hot market is showing signs of cooling. In fact, median home prices saw a 2.3% decrease from August to September 2021.

With more inventory on the market and interest rates expected to stay below 3.5% for a 30-year fixed mortgage, homeownership may be closer than you think. Here’s what you can do now to ensure you’re prepared to enter the real estate market as prices soften and more homes become available.

Know What You Owe
Your debt-to-income ratio is important when it comes to qualifying for a home loan. The lower it is, the better rate you can expect. Lenders will calculate your debt-to-income ratio by dividing your monthly debt by your pretax income, which should be no higher than 43% to 45%. You may find your debt is too high, so work on paying it down. When determining the monthly payment you can afford, be sure to budget for additional expenses, including homeowners insurance, repairs and maintenance.

Set Your Home Savings Goal
To purchase your new home, you’ll need enough savings for a down payment – at the minimum, 3% to 5% – and closing costs, typically from 2% to 3% of the home’s sale price. Lenders may also look at your financial reserves to determine if you’ll be able to meet your monthly payments. Make sure you have enough savings to cover at least two months of the mortgage, although some lenders may require more. Having a designated savings account and making automatic contributions to it will keep you on track.

Avoid Large Purchases And Opening New Credit Lines
Buying a new car or opening new lines of credit can affect your loan preapproval amount. Lenders prefer borrowers with low debt-to-income levels. High debt indicates you have less money to pay your mortgage and other homeownership expenses. Pause buying large items and opening new lines of credit if you want to qualify for a higher loan amount. And if you’re carrying a credit card balance, work on paying it off.

Get Preapproved
Once you feel ready to start shopping, a preapproval letter from your lender shows you are approved for a specific loan amount based on your credit score and current financial information. It also gives you a clear understanding of how much you can afford to spend on your new home. If you were already preapproved, remember that home loan preapprovals expire, so you’ll need to update your approval if it’s been awhile since you’ve shopped for a home. Most are valid for 60 to 90 days. Lenders know that changes to your financial situation could affect their ability to fund the loan, so they will likely require updated financial documents before issuing an updated preapproval letter.

Lean On The Experts
Buying a home can be challenging; that’s why we offer a variety of mortgage loans to meet your needs. Our Home360SM Program provides you a loan consultant and Realtor who will guide you through the process and prepare you to buy a home. When a participating agent represents you in buying a home, you’ll get a 20% rebate on their commission, which is credited on your closing statement.¹ The program also includes My Home Savings, which helps you save up to $50,000 for a down payment and earn more dividends than a typical savings account.²

FINANCIAL WORKSHOPS
Please visit: schoolsfirstfcu.org/workshops to learn more and register.

For the most updated information on our virtual workshops, visit schoolsfirstfcu.org/workshops.

Home Buying Essentials
6 – 7 p.m. on:
• MARCH 2, 9, 16, 23, 30

Living Trusts & Estate Planning
5 – 6 p.m. on:
• JAN. 13
9 – 10 a.m. on:
• FEB. 12, MARCH 12

Long-Term Care Planning
5 – 6 p.m. on:
• JAN. 18, MARCH 15
10 – 11 a.m. on:
• FEB. 17
With prices on the rise, consumers are feeling the pinch everywhere they turn – from gas prices to groceries to electronics – which means they may have to hold off on buying certain items until the situation improves.

**Why Is This Happening Now?**

Due to the easing of COVID restrictions, the economy is recovering and consumer demand is surging. People are shopping more, traveling again, dining out, and looking for cars and appliances. Meanwhile, the supply chain is ramping up efforts to meet this demand, which has led to shortages in inventory.

**Are Things Going To Get Better Or Worse?**

Experts agree that prices will normalize eventually, but not anytime soon. Faced with higher prices, we all are going to have to watch what we spend, save more and research items we must purchase.

**Is There Anything I Can Do About It?**

While many things are out of our control, you can control how you save, spend and invest. Having a financial plan in place and sticking with it is solid advice in both good times and difficult ones. Part of the planning process is to ensure you're taking advantage of higher savings rates, keeping your budget up to date and reviewing your investment plan. This process will identify ways to cut down on nonessentials, reduce debt and build up your emergency account.

Regular savings accounts offer a safe way to earn interest on your money, and federally insured financial institutions protect your principal deposit against loss. And while investing does come with risk, it continues to be a proven way to build wealth over time. The average return of the S&P 500 index over the last 30 years has been 10.7% — 8.29% adjusted for inflation. Historically, inflation has had less of an impact on stocks and they generally hold up better than traditional savings accounts.

**What About Risk?**

Investing does come with risk, but working with a SchoolsFirst FCU financial advisor can give you ways to keep up with inflation that match your risk profile. Given returns in savings accounts have not kept pace with the rate of inflation over time, it might make sense to develop an asset allocation investment strategy that can weather the ups-and-downs of the market.

**Get Help When You Need It**

If you need help creating or reviewing your investing strategy, boosting your retirement savings or managing your estate-planning and insurance needs, our financial advisors will review your unique situation and help you develop an action plan. Speak with one of our financial advisors by visiting your nearest branch location or by contacting us at 800.462.8328, ext. 4116, option 2.


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**GET OUT OF DEBT THIS YEAR**

Our financial partner GreenPath Financial Wellness offers free financial coaching to help you pay off debt. A coach will explain your options, including paying off your debt on your own or using a debt management plan. This year, develop a personal action plan that works for you. Visit [www.greenpath.com/partner/schoolsfirstfcu](http://www.greenpath.com/partner/schoolsfirstfcu) to learn more. One of our branch representatives can also discuss solutions to manage your debt.

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**Holiday Notice**

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

- **Saturday, Jan. 1**
- **Monday, Jan. 17**
- **Monday, Feb. 21**

**New Year’s Day**

**Martin Luther King Jr. Day**

**Presidents Day**

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**We’re Here For You**

**Go Online**

[schoolsfirstfcu.org](http://schoolsfirstfcu.org)

**Call Us**

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

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**Branch Locations**

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**Emergency After-Hours Card Support**

Available 365 days a year from 5 a.m. to midnight.

**TellerPhone**

800.540.4546

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Insured by NCUA.