Ask The Advisor: 5 Money Steps To Take Now

Is It A Good Time To Refinance?

A Sneak Peek Now, A Better Experience Soon

Celebrating Our Heroes

“I have to worry about a lot in my everyday life, but one thing I don’t want to worry about is my financial state. SchoolsFirst FCU takes that worry away.”

MICHAEL H.
MEMBER SINCE 1995
ASK THE ADVISOR:
5 Money Steps To Take Now
by Tom Aguilera

About Our Advisor: Since 1996, Tom has had a passion for helping investors make sound financial plans and discovering the investments that are right for them.

DURING THIS DIFFICULT TIME, you may wonder if you’re making the right decisions when it comes to your finances. Whether you’re worried about job security, your investing decisions or having enough emergency savings to weather the storm, here are some tips to help you stay on track.

1. STREAMLINE YOUR BUDGET
Keeping your spending down is a smart way to help build a financial cushion to navigate the unexpected. Focus on separating necessary expenses from the “extras.” Next, work on cutting out nonessentials, such as magazine and game subscriptions, gym memberships and costly entertainment services. Consider an insurance review to see if you can find additional savings on your policies, such as bundling them and taking advantage of any discounts. You can contact SchoolsFirst FCU Insurance Services to help you find savings.1
Review your cellphone plan to see if there are ways to cut back on add-ons you don’t use, such as insurance, and unlimited data and minutes. Discuss your options with your carrier, and if they can’t help you find a solution that fits your needs, consider switching. Many times your carrier will offer incentives to keep your business.

2. KEEP ADDING TO YOUR EMERGENCY SAVINGS
The bigger your emergency fund, the better able you’ll be to overcome financial setbacks. If you’re working, set aside as much as you can. Once you’ve shored up your spending plan, direct any extra money toward your emergency fund. If you haven’t started an emergency fund, choose a set amount to contribute and increase it over time. Make sure you set up automatic deposits into a high-yield savings account, one that’s not connected to your checking account, so you won’t be tempted to spend it. Any time you get a raise or extra funds, increase your contributions.

3. CONSIDER REFINANCING
With interest rates at historic lows, it could make financial sense to refinance your mortgage or auto loan. If your car payments are up-to-date and you don’t owe more than your vehicle is worth, you may be able to refinance and enjoy a lower monthly payment, particularly if you have good credit.
When it comes to refinancing your mortgage, consider your circumstances. If you don’t plan on staying in your home for at least five years, you may not reach the break-even point, which is the time it takes to recover the closing costs on your new home loan. Our Real Estate Loan Consultants can assist you in analyzing the factors and help you decide if it makes sense to refinance your mortgage.2

4. STICK WITH YOUR INVESTING STRATEGY
When the stock market has a downturn, many investors go into panic mode, selling off parts of their portfolio to avoid temporary drops and then missing potential gains when it bounces back. Keep in mind that historically investing in stocks has provided average annual returns of more than 10%, compared to 6% for corporate bonds, 5.5% for Treasury bonds and 3.5% for cash or cash equivalents such as short-term Treasury bonds.3 Keeping a long-term perspective and reviewing your portfolio at least annually are keys to investing success. Your financial advisor4 can help you rebalance or reallocate your investing mix so it aligns with your goals, risk tolerance and investment timeline.

5. DON’T WITHDRAW FUNDS FROM YOUR RETIREMENT PLAN
If you’re experiencing financial hardship, you should only tap the funds in your employer retirement plan — 401(k), 403(b), 457(b), etc. — as a last resort. Withdrawals will likely cause disruptions to a very important future goal, your retirement. Consider using your emergency funds first, and if you can, get a personal loan. Congress has authorized a coronavirus relief package that may help you avoid penalties for taking an early withdrawal from your retirement plan, but you will still have to pay income taxes on any pretax dollars withdrawn, unless you repay the amount within three years. If your hardship is related to the pandemic, you may be able to take a loan and/or extend repayment for an existing loan. But if you’re worried about job security, taking a loan may become an unwanted burden: Your employer plan may require accelerated repayment of the loan if you are no longer employed with them. Please consult with a tax advisor before considering this move.5
With interest rates at an all-time low, it may make sense to refinance your mortgage loan.

**HERE ARE SOME REASONS TO CONSIDER:**

**SHORTENING YOUR LOAN TERM**
Refinancing to a mortgage with a shorter loan term could cut your monthly expenses, boost savings and provide more cash flow when you retire and are living on a fixed income. Keep in mind that your monthly payment will be significantly higher than before, so you’ll want to review your budget before you take the plunge.

**TAPPING YOUR HOME’S EQUITY**
If you have enough equity in your home, you may want to consider a cash-out refinance, which allows you to take out a new mortgage for more than the amount you owe and keep the difference in cash. You can use this cash infusion for things like home improvements or consolidating debt. Other options include a home equity loan or home equity line of credit.

**GETTING A LOWER RATE**
This would reduce your monthly payment, leaving money in your pocket. For this to make financial sense, there should be at least one percentage point difference between your current rate and the new one. If you plan to leave your home in the next few years, reconsider. You might not have time to reach the break-even point — when the monthly savings on payments surpass the fees you paid to refinance a loan.

**REALIZING WHEN TO HOLD OFF**
If you have a reasonable mortgage rate and haven’t met other long-term goals — such as paying down high-interest debt, or building retirement savings or an emergency fund — it’s important to concentrate on those first. And if you’re considering refinancing for debt consolidation, understand that this can be tricky, because if you can’t meet the higher mortgage payments, you risk losing your home.

**LET US HELP YOU BUY, SELL OR REFINANCE**
Whether you’re looking to buy a home, refinance, purchase an investment property or pull equity from your current home, we have products to suit your unique needs.

VISIT SCHOOLSFIRSTFCU.ORG/HOMEOANS TO LEARN MORE ABOUT ALL WE HAVE TO OFFER.²
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**A GOOD TIME TO REFINANCE?**

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**STAY TUNED:** Whether you're at home or on the road, you can count on our digital banking experience to help you transact easily and securely. We'll keep you informed about when to expect these changes to occur.

**COMING SOON:** Your new home for Online and Mobile Banking. We listened to your feedback and have created an experience that provides the features you need and the experience you deserve.

**NOW: A SNEAK PEEK.**

**SOON: A BETTER EXPERIENCE.**

**YOU’LL ENJOY:**

- Simpler navigation
- Enhanced security features to keep your accounts safe
- A consistent experience from desktop to tablet to mobile phone

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President’s Message

Dear Members,

For all of us, living in the era of the coronavirus has been emotionally, physically and financially trying. But we’ve adapted, finding new ways of working and interacting with one another, while taking care of loved ones and ourselves.

We Are Proud To Serve You

We’re appreciative of the many comments you’ve shared about how we’ve served you during this crisis. Here are just a few:

“Thank you for this comfort in these most uncertain of times. It’s good to know that I can continue to count on SchoolsFirst FCU and it really does make me feel better about the whole situation and a little less anxious.”

“As a Member for eight-plus years, I am not surprised that you all are standing behind your Members as you are! I surely appreciate your kindness and efforts in these trying times. Hooray for SchoolsFirst FCU!”

Financial Concerns? We Have Solutions

Please know we’re here to act as your financial partner, providing the guidance and World-Class Personal Service you expect and deserve. Our branches remain open, and Online Banking and Mobile Banking make it easy to transact conveniently and securely. And when you have questions, we’re here to listen and help you find the right solutions.

Knowing that everyone’s circumstances are different, we remain committed to helping you get through this time and plan for your future. For instance, you may have experienced a job loss or may be struggling to make payments on your loans and credit cards. We have options that may assist you, such as delaying loan payments, increasing credit lines and waiving fees whenever possible.

Perhaps you want to buy a home, take advantage of a home equity loan or purchase a new vehicle, but wonder if it’s the right time to do so. We’ll address your unique situation, help you find the best rates and incentives, and strive to make the buying process safe and secure.

Focus On Your Financial Plan

No matter your situation, it’s important to have a financial plan in place and take advantage of the many resources available to you. For instance, if you’re struggling with debt or credit challenges, we partner with GreenPath Financial Wellness, a nonprofit organization that provides solutions, including one-on-one counseling, to help with your money management. And if you have questions about your investing, retirement or estate-planning decisions, our team of retirement and financial advisors will work with you to address your short- and long-term goals. Visit our advice tab on our website to learn more about all our financial advice options.

As we move forward through this crisis, you can be confident that we have the financial strength to endure and thrive. Together, we can weather the storm. Be safe, stay well.

It’s an honor and privilege to serve you.

Bill Cheney | President/CEO

Better Together: Merger Update

We announced early this year that SchoolsFirst FCU and Schools Financial are now legally one Credit Union. Since then, we’ve been working behind the scenes to prepare for integration later this year.

With integration we’ll be transitioning Schools Financial Members to SchoolsFirst FCU products and services. We will be sharing more details over the coming months. In the meantime, if you have any questions, please ask our team or visit schools.org/merger.

Real Member, Real Savings

For Michael, his relationship with SchoolsFirst FCU has always been a family affair. His mother, Maria, is a long time Member and helped him open his first account when he was just 15. Since then, he planned to become a kindergarten teacher, Maria knew the Credit Union would understand his unique needs and keep his finances secure.

Over the years, SchoolsFirst FCU has always been there for Michael and his family. When Michael was shopping for his first car, the Credit Union worked with him to find one that fit his needs and budget. Once he married and was juggling college and a full-time job, he again turned to us for help with some financial concerns. “I was initially stressed, but within 10 minutes I remember feeling a total sense of relief,” Michael says. “That always happens when I go into the Credit Union because they always find a solution.”

Now a father of six, Michael says he doesn’t have a lot of time to devote to financial matters, so he counts on the Credit Union to answer his questions and guide him toward the right products and services. And with a few of his children ready for their own accounts, the family tradition will continue. His daughter Deisha, 20, wouldn’t dream of going anywhere else. “Going through the process of signing my daughter up for Membership, it was almost like a rite of passage,” he says.

Always on the go, Michael appreciates the security and convenience of our Mobile Banking app. “I never need to go into a branch anymore because of Mobile Banking,” he says. “I use the Mobile App all the time to deposit checks.” Most of his friends are teachers, too, so they use the App to make transfers to each other. “We’re always buying things for school and need to pay each other back. The app makes it so easy to do Member-to-Member transfers.”

“I trust my Credit Union because I've known them since I was a kid.”

Michael H. | Member Since 1995
TO OUR SCHOOL EMPLOYEES: We want you to know we are truly grateful for everything you do for your school, students and community. Your hard work and dedication are why we strive to do our best for you and your family every day.

THANK YOU FOR YOUR SERVICE.

“Everyone is so attentive. They care about making sure I live well and that my money is safe and secure. I know they’re going to be there and be able to help me.”

“At SchoolsFirst FCU, I feel like my vested interests are being upheld, that my values are being upheld. I love the kids in my classroom and I feel like the people at SchoolsFirst FCU love me. They want to see me be successful.”

“I can’t thank SchoolsFirst FCU enough for all the financial guidance you’ve given me in my short time as a Member. I’m just blown away by all the Credit Union does.”

MARIE N. DR. BRIAN M. GARY G.

IF YOU’RE IN THE MARKET TO BUY A CAR, let us help you find, finance and insure it. We’re offering great low auto loan rates, exclusive incentives and discounts.2

Apply for financing before you shop. Visit schoolsfirstfcu.org/auto to learn more.

COMING

SUMMER 2020

NEW BRANCH OPENING

A new SchoolsFirst FCU branch is coming to Northern California. It will be located at 3640 Crocker Dr., Suite 100, Sacramento, CA 95818. This branch will be available to all Members after integration, later this year.

MORE DETAILS TO FOLLOW.

1. CA Insurance License 0193342 2. All loans subject to approval. 3. The Reality of Investment Risk Source: FINRA. 4. Financial advisors 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 SchoolsFirst FCU to make securities available to Members. Not NCUA/NCUSIF/FDIC insured, may lose value, no financial institution guarantee. 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. 5. SchoolsFirst FCU does not provide tax, legal or accounting advice. This material has been prepared for informational purposes only and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.