

Report Card

SUMMER 2023

Steer Clear of
Impersonation Scams

The Pros and Cons
of a HELOC



“We count on the Credit Union to be there for us and the diverse community it connects us to.”

BETTY V.
BOARD MEMBER,
SANTIAGO CANYON COLLEGE FOUNDATION
MEMBER SINCE 1995

CEO'S MESSAGE



“The best way to predict your future is to create it.” – Abraham Lincoln

Summer is typically a time to relax and spend time with family and friends. But for many Americans, financial stress is affecting their ability to enjoy the summer months. If you find yourself worrying about your budget, day-to-day spending, or debt you don't need, we can help. We're here to help your current situation and help you build lasting financial well-being.

Your Credit Union Is Financially Strong

SchoolsFirst FCU is financially strong with a regulatory capital ratio of 10.15%, which measures funds in reserve against liabilities. Anything above 7% is considered well capitalized by our financial regulator, the National Credit Union Association.

Our strong capital position allows us the ability to be there for Members through both good and bad economic cycles, offering higher rates on savings and low to no fees on products and services. And when you need financial guidance, we're here to help you find solutions that match your unique needs.

How We Can Help

An inflationary environment makes managing money more challenging than ever. Whether you want to buy a car or home,³ get out of debt, or save more for your future, we're here for you. We offer workshops,

advice tips on our Extra Credit blog and financial advisors who will review your unique situation. And for a more in-depth conversation about your circumstances, we offer one-on-one, no-fee coaching sessions with our partners at GreenPath Financial Wellness.

What Is Your Dream?

Since 1934, we've helped school employees and their families improve their financial lives and achieve their dreams. That's why we want you to take advantage of all the Member benefits we offer. We are grateful that you've chosen us as your financial partner. Together, we can help make your dreams a reality.

I hope you have a wonderful summer. I appreciate your loyalty and support.

Best Regards,

Bill Cheney | CHIEF EXECUTIVE OFFICER

REAL MEMBER, REAL SAVINGS



Betty never graduated high school, but fortunately, she decided to give education a second chance. Her academic journey began with a GED but didn't stop there. Betty went on to earn her bachelor's degree, master's and a doctorate in educational leadership. Today, she passionately advocates for education, helping college students explore their options and achieve their goals.

She joined the Credit Union in 1995 while working at Tustin Unified School District. “My first product was the Summer Saver,” Betty says. “It helped me manage my

money and learn to save, while supporting me during the summer months.”

For Betty and wife Laura, the Credit Union was instrumental in their ability to purchase and refinance their home. Betty is an avid user of Online and Mobile Banking to pay bills, send money with Zelle® and manage her accounts, but she also enjoys visiting her local branch when she needs to. “We count on the Credit Union to be there for us and the diverse community it connects us to,” she says.

BETTY V. | MEMBER SINCE 1995

GREENPATH FINANCIAL WELLNESS

Through our partnership with GreenPath, you can get financial coaching – for free. Visit greenpath.com/partner/schoolsfirstfcu to learn more.



24,678

Members served by Greenpath Financial Wellness



\$9,859,226

Repaid by GreenPath to Members' creditors



88%

Felt more confident in their ability to reach their goals after getting financial counseling



9.3

Overall satisfaction with GreenPath (on a scale of 0–10)

#ILOVEMYCREDITUNIONDAY IS COMING UP!

Join the celebration on social media. Follow us @schoolsfirstfcu. [f](#) [i](#) [in](#)

1. Source: creditcards.com. 2. The most commonly used prime rate is the rate as published in The Wall Street Journal. 3. All loans subject to approval.

DON'T FALL FOR THESE

IMPERSONATION SCAMS

Fraudsters bait victims with scams known as phishing (emails), smishing (texts) and vishing (phone calls) by expertly impersonating friends or reputable companies to hook unsuspecting consumers. They create the illusion of legitimacy to convince people to hand over sensitive financial data or money.

Here's what you should know about impersonation scams to keep your finances safe.

How can I recognize a phishing or smishing scam?

Phishing and smishing scams convince a victim to share private information with someone they've never met. The scammer uses that information to make unauthorized financial charges.

Sample scenario:

Someone posing as a fraud department employee sends you an email or text. The message contains a warning about unusual debit or credit card activity. The scammer claims the only way to resolve the situation is by responding to the email or text with credit card details, such as card security codes and personal identification numbers. They then use that information to commit fraud.

How can I recognize a vishing scam?

Like phishing and smishing, scammers use fraudulent phone calls to try and access your private financial data. But with this vishing scam, crooks hope to access your bank account to change the login credentials. Once you're locked out of your account, the scammer transfers the money to another account.

Sample scenario:

Someone calls from a phone number that appears to originate from your

financial institution. The phony employee says there is an issue with one of your accounts. But before they can resolve the "problem" they need you to provide the one-time passcode just sent to your mobile device. They may even attempt to reset the security questions by asking you for the answers.

Protect Yourself from Impersonation Scams 1.0

- Never send account details to anyone via email or SMS text. Legitimate card activity verification typically requires a simple YES or NO response to a text message.
- Delete emails or SMS texts instructing you to click hyperlinks. Malicious links could download malware to your device.
- Don't trust unexpected calls about fraudulent activity. Contact the fraud department on the company's website for more information.
- Never provide a one-time passcode sent to your mobile device to anyone via phone, email or SMS text.

Impersonation Scams 2.0

AI Cloning

Scammers feed audio recordings of the person they want to impersonate into voice-cloning software that studies things like pitch, tone and speech patterns. Within minutes, the software reproduces a person's voice well enough to fool their closest friends and family members.

How do AI voice cloning scams work?

Scammers cast a line of fake audio that describes a dire emergency to provoke a swift reaction. They may use the audio file to leave a voice message or during a live phone call.

Sample scenario:

(Phone rings)

Scammer (AI Voice Clone): Hi, Uncle Dave. It's your nephew, Ben. I'm sorry to bother you like this, but I'm in a tight spot. I don't know where else to turn.

Dave: Ben, what's wrong?

Scammer: I need \$2,000 for rent. Can you help me?

Dave: Whoa! That's a lot of money.

Scammer: I'll pay you back when I get my tax refund.

Dave: How soon do you need it?

Scammer: Today, or I'll be evicted.

Dave: You're putting me in a tough spot.

Scammer: I wouldn't ask if I didn't really need it. We're family, so that's why I asked.

Dave: Ben, you're right. We are family. OK, I'll loan you the money.

Scammer: Thanks, Uncle Dave. If you could wire me the money, that would be great.

Protect Yourself

If you receive a suspicious call, follow these tips:

- Refuse to commit to anything right away. Give yourself time to think and gather more information.
- Verify the caller's identity by asking questions about things only the two of you would know.
- End the conversation. Contact the person they claim to be by dialing a phone number you know is correct for that person. Don't use the number that called you, as it might reconnect you to the scammer.

You can also report the incident to the Federal Trade Commission.

FINANCIAL WORKSHOPS

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

Homebuying Essentials

6 – 7 p.m. on:

JULY 11 Anaheim Hills

JULY 13 La Habra and Rancho Cucamonga

JULY 18 Torrance and Laguna Niguel

JULY 20 Santa Ana

JULY 25 Long Beach-Lakewood

JULY 27 Riverside Riverwalk

AUG. 1 South Gate

AUG. 3 Tustin

AUG. 8 Orange

AUG. 10 Chino Valley

AUG. 15 Pico Rivera and Moreno Valley

AUG. 17 Cypress and Irvine

AUG. 22 Anaheim

AUG. 24 Redlands

AUG. 29 Los Angeles Ladera Heights

AUG. 31 Huntington Beach

SEPT. 7 Placentia and Cerritos

SEPT. 12 Mission Valley San Diego

SEPT. 14 Fountain Valley

SEPT. 19 Pasadena and Corona-Norco

SEPT. 21 Santa Ana

SEPT. 26 Yuba City and San Juan Capistrano

SEPT. 27 Fruitridge

SEPT. 28 Madison and Menifee

Homebuying Essentials

10 – 11 a.m. on:

AUG. 26 Lancaster

Virtual Workshops

Wednesdays 6 – 7 p.m.

THE PROS AND CONS OF HELOCs

If you're a homeowner, you may be happy to learn you have a unique tool in your financial toolbox, a home equity line of credit, or HELOC. A HELOC allows you to borrow from your home's value at a competitive interest rate, with access to a line of credit. This credit can be used for anything – remodeling, medical bills or a backup emergency fund.



Interested in a HELOC? Consider the pros and cons before applying for this low-cost form of borrowing.

Pros of a HELOC

Competitive Interest Rates

HELOCs are often compared to credit cards, as the funds are not given to the borrower in one lump sum. But there are some major differences. HELOC interest rates are significantly lower than credit cards, which average 20.56%.¹

High Credit Limits

Access to a sizable amount of cash can provide a financial lifeline in an uncertain economy or after an unexpected job loss. HELOC lenders typically let qualified homeowners borrow up to a combined loan-to-value (CLTV) of 80% of their home's equity. The credit limit is contingent on the equity in the property, and homeowners with more equity may be approved for higher credit limits. While the maximum credit line varies greatly based on individual circumstances, it often exceeds even the highest limits available for most credit cards.

Affordable Monthly Payments

HELOC repayment terms are often longer and more affordable than traditional loans disbursed in one lump sum. For example, many HELOCs allow you to withdraw funds during the first 10 years and make interest-only payments during that time. This could give your budget the breathing room it needs during a financial emergency. Principal and interest payments are then required during the remaining 15-year term of the repayment period.

Remember, a HELOC is a line of credit that only requires payment if you borrow funds. There are no payments required unless you draw money from the credit line.

Accessible Funds

HELOCs ensure homeowners have the money they need when they need it. For example, approved borrowers can easily transfer funds from an approved credit line to their checking account.

Low Costs

Unlike a new mortgage, most lenders originate new HELOC accounts with few upfront fees.

Cons of a HELOC

Collateral Required

You must agree to use your home as collateral for the credit line — and doing so assumes you will be able to make timely payments. Failing to repay the loan as agreed could result in the loss of your home.

Less Equity Later

Accessing your equity now likely will mean you'll have less available later. For example, selling your home before paying off the HELOC could reduce the amount you receive at closing. You'll need to subtract the credit line balance, along with any other mortgages or liens, from the expected proceeds.

Frequent Interest Rate Changes

The interest rate on your HELOC is tied to an economic index, typically the prime interest rate². This means your rate and payment may rise or fall as often as the prime rate is changed. You should make sure there is room in your monthly budget should interest rates rise during the life of your HELOC.

SHOULD I APPLY FOR A HELOC?

A HELOC is a low-cost way to pay for unexpected expenses and remodeling projects or create an emergency fund if you don't have enough savings. If you own your home, a HELOC offers a fast, effective solution during turbulent economic times.

Since a HELOC gives you access to funds with interest-only payments during the draw period, you can more easily budget for unforeseen expenses.

TO LEARN MORE, VISIT [SCHOOLSFIRSTFCU.ORG/HELOC](https://schoolsfirstfcu.org/heloc)³

We're Here For You

Go 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

(800) 462-8328 (Toll-free in the U.S.)
Available 365 days a year
from 5 a.m. to 10 p.m.

TellerPhone

(800) 540-4546

Download Mobile Banking

Available in the App Store and Google Play.

ATM Locations

Visit our website or Mobile Banking app for a complete listing of more than 30,000 fee-free ATMs.



Branch Locations

Visit 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.

Tuesday, July 4
Monday, Sept. 4

Independence Day
Labor Day



Insured by NCUA.