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## Give Us A Call

For information about services, rates and for member service, you can call us Monday through Friday from 8:00 a.m. to 4:30 p.m. Central Time.

On the third Wednesday of each month, Four Points opens for business at 10:00 a.m.

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# Interest Rates: Opportunities & Challenges

At its August meeting the Federal Reserve, as expected, kept rates low and issued the statement that they will remain so for an “extended period.” Most market observers believe any upturn in rates is pretty much out of the question this year, and any change may not come until well into next year. It all depends on the economy.

This ultralow rate environment provides great opportunity for some and challenges for others. Nearly everyone is affected to some degree because people are either net savers or net borrowers.

The opportunity, of course, is for those who are borrowing. Most loan rates are low, including those in the highly competitive auto finance market. The biggest winners are those financing houses, where today’s extreme low mortgage rates make a tremendous difference in monthly house payments.



Savers, on the other hand, are faced with a challenge. With loan and investment rates so low, deposit institutions aren’t able to pay the returns that savers want, and on which many depend. Among the hardest hit are retired people who were planning on interest from retirement savings to provide a major portion of their retirement income. There is a huge difference between a 1% return and the 5% or more return they were expecting.

This is a great opportunity for borrowers. The challenge for savers is to manage through this extended period of low rates.

## Border to Border



## & Coast to Coast

Distant from us? Don't give it a thought. We serve members throughout the nation and all we do is directed toward making service quick and convenient... no matter where you live.

## Family Members Are Eligible, Too

Four Points is what is called an "occupational" credit union. That means membership eligibility is based on place of employment. We serve the employees of Farm Credit nationally, Ag Processing Inc, and many local farm cooperatives.

***What many don't realize is that eligibility includes family members. If you work for one of the groups we serve, or are a current Four Points member regardless of current employment, the members of your immediate family can also join.***

Of course, we don't have a way of telling your family that they are eligible to become members of Four Points. The only way they can know about us is through you.

Want to share a good thing? Pass along the Four Points newsletter to others in your family.

## Overdrafts: Are You In or Out?

The overdraft rules for debit card users had a major change in August. Effective the 15th, overdraft coverage on debit card transactions became prohibited unless the cardholder "opts in" and gives the institution the authority to let their accounts go negative. Under these plans consumers pay a fee (average \$35 nationally) for each transaction when an account goes negative. Once an account becomes negative the cost of additional transactions can mount up rapidly.

Institutions have been running major campaigns to get customers to opt in. The obvious reason is that it is a big money maker for the institution. The campaigns promote the benefit of having transactions covered but gloss over the high cost of that convenience.

Transactions covered by the new rule are only those involving the use of a debt card at an ATM or at a point-of-sale purchase. Automatic overdraft coverage without an opt-in is still permitted for paper checks and for recurring transfers through ACH.

A recent survey found that about 75% of consumers use debit cards. The same survey indicated that among those debit card users, some 57% planned to opt in for overdraft protection programs.



Consider alternatives: Consumer advocacy groups encourage people to turn away from the high-cost overdraft coverage programs. They point to alternatives. One, of course, is to allow your debit card transaction to be denied if there is not enough money in the account.

The traditional method of covering overdrafts is with an overdraft line of credit. There is usually a fee for a credit line, but the annual cost may be less than the cost of a single negative-balance transaction through today's overdraft coverage programs. Many institutions also allow customers to link overdraft protection to a savings account. How well that works depends on the card system and if it can "see" the backup savings amount.

For those who have a tendency to run close on their checking account balance, it's a good idea to sign up for online banking and regularly check your balance and to know what outstanding checks the balance has to cover.

Many online banking systems also offer a feature to send text or e-mail alerts if a balance is running low. If your bank offers that feature, it's a good idea to get signed up.

Will you be in or out on overdraft coverage? It's your call.

# Rebate or Low Rate? Run the Numbers

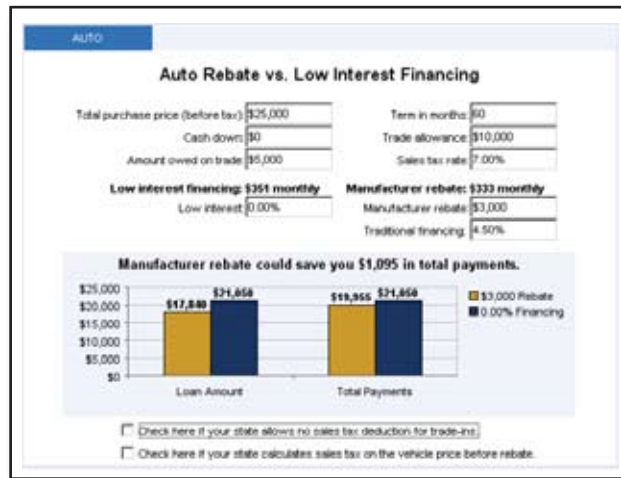
It is certainly an interesting time for new car buyers. The market is highly competitive and manufacturers are eager to move new cars. There are some powerful incentives with choices on selected models of either low-rate financing (many down to 0%) or attractive rebates.

Don't assume that low-rate financing is always the best deal. It depends on your specific circumstances. There are so many variables to consider, though, it is a challenge to run the numbers to determine just what is the best deal.

We saw an excellent rebate vs. low-rate calculator on the website of [bankrate.com](http://bankrate.com). It asks you to key in a number of factors and then calculates which one offers the most savings. With traditional financing rates so low these days, taking the rebate can often make the better deal.

For a short cut to the calculator at [bankrate.com](http://bankrate.com), key in this web address and you should go directly to the calculator page. We found it very easy to use and to play around with different scenarios. The address is:

[www.bankrate.com/calculators/auto/car-rebates-calculator.aspx](http://www.bankrate.com/calculators/auto/car-rebates-calculator.aspx).



A factor that isn't in the calculator is how long you normally keep a vehicle. This is an important consideration. If you take a low rate offer for 60 or 72 months, but don't keep the vehicle that long, you end up giving away much of the interest savings. Remember, you gave away an attractive rebate for that low rate.

For a traditional financing rate to put into the calculator, refer to our rate page. Keep in mind that you take off 0.25% if you

are either at or below loan value (80% of sticker) or a first-time borrower. Take off 0.50% if you qualify for both of these Four Points discounts.

Want to find what incentives are available? There are many websites where you can find current manufacturer offers. One that's easy to review at a glance is [www.cars.com/go/advice/incentives/index.jsp](http://www.cars.com/go/advice/incentives/index.jsp).

## Your Annual Credit Report Can Be a Valuable Tool

Every individual is entitled to receive an annual credit report at no cost from each of the three major credit bureaus: Equifax, Experian and TransUnion. These reports are a valuable tool to check for account accuracy and to spot potential identity theft fraud.

Consumers still aren't using the service to its full extent. First, you have to remember to do it, and then it takes a little time and you have to answer verifying questions taken from information on your report. But, it sure is worth the time and effort. Make it a matter of routine.

Because the credit report information is usually much the same from each credit bureau, it may be a good idea to stagger the reports. Get one from Equifax, get another from Experian four months later, and then get another from TransUnion four

months after that. This way you can get your credit information three times a year.

Avoid websites that offer "free" credit reports because they aren't. You get one free but in the process sign up for some sort of monitoring service you don't need.



There is only one legitimate website for the no-cost annual report. It is [www.annualcreditreport.com](http://www.annualcreditreport.com). Any other site has a catch to it. For a direct link you can go to the Four Points website at [fourpointsfcu.org](http://fourpointsfcu.org). In the box at the upper right there is a link that will take you to the annual credit report website.

You'll be offered the option to purchase your credit score. That's entirely up to you.

## September 2010 Savings Rates

	RATE	APY*
Savings of \$1,000 or more & IRAs	1.00%	1.00%
Savings under \$1,000 & Checking	0.50%	0.50%
Youth Savings (Age 18 & younger)	1.00%	1.00%

\*Annual Percentage Yield



**Dividend Rates** on savings are variable and are established on a monthly basis at the sole discretion of the Board of Directors, and are determined in advance of the month for which they will be paid. Interest is calculated on the daily balance and is paid and compounded on the last day of the month.

**Rates Shown** in the schedule are those in effect as of the month shown in the box. If you are looking at an outdated schedule, please check with the credit union for current rates at (402) 431-5180 or (800) 323-2786.

### Excellent Rates on Time Certificates

Visit our website or call for details.

## Current Loan Rates and Terms

As of September 1, 2010

### Vehicle Year

Vehicle Year	Conventional
2009 - 2011	72 months
2005 - 2008	60 months
2003 - 2004	48 months
2002 & Older Classic	36 months 48 months

### Rate Adjustments

- Deduct .25% for financing at or below loan value on used or 80% or less of retail value on new
- Deduct .25% first time borrower

**Excellent vehicle warranties, excellent prices...call for a quote.**

### Conventional Financing Rates (based on 100% financing at conventional terms shown above)

	Variable Rate		Fixed Rates							
	Est Mo PMTPer \$1,000	36 mo. Est Mo PMTPer \$1,000	48 mo. Est Mo PMTPer \$1,000	60 mo. Est Mo PMTPer \$1,000	72 mo. Est Mo PMTPer \$1,000					
2007 - 2011	4.20%	\$15.74*	4.30%	\$29.66	4.40%	\$22.76	4.50%	\$18.64	5.00%	\$16.10
2005 - 2006	4.70%	\$18.37**	4.80%	\$29.80	4.90%	\$22.98	5.40%	\$19.06	(2009 & newer)	
2003 - 2004 & Classic	5.45%	\$23.23***	5.55%	\$30.22	6.05%	\$23.51				
2002 & Older	6.45%	\$30.63****	6.55%	\$30.67						

Based on \*72 months, \*\*60 months, \*\*\*48 months, \*\*\*\*36 months

### Boats, Motor Homes, Trailers & Campers 100% Purchase Price (see schedule below)

	Variable Rate		Fixed Rates							
	Est Mo PMTPer \$1,000	36 mo. Est Mo PMTPer \$1,000	48 mo. Est Mo PMTPer \$1,000	60 mo. Est Mo PMTPer \$1,000	72 mo. Est Mo PMTPer \$1,000					
	4.20%	\$15.74**	4.30%	\$29.66	4.40%	\$22.76	4.50%	\$18.64	5.00%	\$16.10

### Credit Union Savings Secured (100% of value)

10 years	2.00%	\$9.20	Certificate-Secured 1% over Certificate Rate
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### 2nd Mortgage (80% market value less first mortgage) Rates are for 80% financing.

	Variable Rate		Fixed Rates					
	Est Mo PMTPer \$1,000	36 mo. Est Mo PMTPer \$1,000	48 mo. Est Mo PMTPer \$1,000	60 mo. Est Mo PMTPer \$1,000				
Closed-End 15-Year	4.25%	\$7.52^	4.35%	\$29.68	4.45%	\$22.78	4.55%	\$18.67
Line of Credit 5-15 yrs.	4.25%	\$7.52^	Adjustable Mortgages available - call for rates					

^Based on 15-Year Term

### 1st Mortgage Variable Rate (80% Appraised Value) 30 Years

Variable	4.00%	\$4.77
Fixed Rate	Market Rates - call for quote	

### Rental Units (75% Appraised Value) 15 Years

Variable	4.50%	\$7.65
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### Personal Loans:

Personal loan maximum amounts and interest rates are determined by individual borrower's financial qualifications. Maximum amounts may be as high as \$10,000. Current variable rates range from 7.50% to 12.00%. Add 0.50% for fixed rates. Maximum loan term is 3 years. Estimated monthly payment for 36 month term at 7.50% APR is \$31.11 per \$1,000 borrowed.

**24-Hour  
Loan-By-Phone  
Toll-Free  
(866) 662-0237**

### Boats, Motor Homes, Trailers & Campers

Under \$5,000	72 months
\$5,000-\$9,999	84 months
\$10,000-\$14,999	96 months
\$15,000-\$19,999	108 months
\$20,000-\$24,999	132 months
\$25,000 or more	144 months



**Four Points FCU** is an equal opportunity lender complying with the Federal Truth in Lending Act. Rates, terms and conditions are subject to change without notice. Variable rates on existing loans subject to change with 30-day notice.