



July, 2014

MERIDEN SCHOOLS FEDERAL CREDIT UNION: WHERE PEOPLE ARE WORTH MORE THAN MONEY

## Enterprise Car Sales Find a Used Car

[www.EnterpriseCarSales.com](http://www.EnterpriseCarSales.com)



**Board Member Sue Hammar shows off her  
Enterprise Car Sale Purchase !!**

### Rate Sheet

	<u>Rate*</u>	<u>Yield</u>	<u>Balance</u>
<b>Regular Savings:</b>	.05%	.05%	
<b>Money Market:</b>	.15%	.15%	2,500 - 9,999
	.25%	.25%	10,000 - 24,999
	.35%	.35%	25,000 - 74,999
	.40%	.40%	75,000 and over

### Certificates of Deposit / IRA Certificates:

<u>Term</u>	<u>Rate*</u>	<u>APR</u>
6 Months	.25%	.25%
12 Months	.35%	.35%
18 Months	.50%	.50%
24 Months	.60%	.60%
30 Months	.65%	.65%
36 Months	1.00%	1.00%
48 Months	1.15%	1.16%
60 Months	1.25%	1.26%

### Loan Rates

**Personal Loans:** Up to 60 Months 6.75%

**Car Loans and  
RV, Boats etc.**

35 Months	1.90%
36-59 Months	2.90%
60-83 Months	3.50%
Over 83 Months	5.50%

### Mortgage Loans: First Mortgage

- 3.625% 10 Year Mortgage
- 3.625% 15 Year Mortgage
- 4.25% 30 Year Mortgage

**Second Mortgages:**

5 Years	4.50%
10 Years	5.00%
15 Years	5.50%

**Home Equity Line of Credit:** 4.00% Min. Rate

\*Rates subject to change at any time and subject to credit review. See Tina for exact details on loan rates.

## Tips for Savings for College

Know what counts. When an institution evaluates a student's financial aid eligibility, it first analyzes the student's "expected family contribution," or EFC, which is basically the amount the family is expected to pay. It's a good idea to understand how different assets count toward the EFC. Typically, EFC is 20 percent of a student's assets, 50 percent of a student's income, and 22 percent to 47 percent of the parents' income. Go to [Savingforcollege.com/financial\\_aid\\_basics](http://Savingforcollege.com/financial_aid_basics) for more information.

Draw from retirement funds, but sparingly. When calculating a student's EFC, institutions exclude the value of 401k plans, individual retirement accounts, and insurance policies. Home equity is also typically left out, although some private universities are starting to include it. You can take penalty-free withdrawals from traditional and Roth IRAs to pay for education costs. But be careful: The withdrawal will count as income on the next year's financial aid application. It also depletes your retirement fund, which is not a great choice for parents.

Open a 529 account. These investment vehicles are a good way to save for college because earnings accrue tax-free, and tax-free withdrawals can be made for qualified education expenses. This tax advantage was due to expire at the end of 2010, but has been made permanent through recent legislation. Many states are also improving their plans by reducing costs and expanding investment options.

A closer look at 529 plans. You don't have to invest in your state 529 plan. If there isn't a tax advantage to using your state plan, you might want to consider using another state's plan, especially if it offers better investment options with lower costs. Another factor to consider is the ownership of the 529 plan. If a student's parent owns the plan, only 6 percent of the value will count toward the EFC, which isn't bad. But if a grandparent owns the fund, none of it will count toward the EFC.

Put tax credits to work. Learn about education-related tax credits and deductions. These include the Hope Scholarship and Lifetime Learning credits, and deductions for tuition, fees, and student loan interest. If you qualify, these are great opportunities to reduce your tax bill if you're paying for your college education or that of a dependent. Go to [IRS.gov](http://IRS.gov) for more information.

Grandpa can help. A grandparent, relative, or family friend can pay tuition costs — but not room, board, and fees — directly to an institution without incurring a gift tax. This may be a good approach for grandparents who have a secure retirement plan and are interested in reducing their estate tax liabilities.

## VISA Rewards Coming Soon

**The credit union will be launching a Rewards Program for our VISA Classic and VISA Gold Credit Cards.**

**Get your credit union visa card today!**

**Reward Programs is scheduled to be implemented in September 2014.**

**For more information log onto**

[www.scorecardrewards.com/browse](http://www.scorecardrewards.com/browse)



## Erik and Amy Petersen

**Winners of the RiverQuest Cruise Tickets**

