

Meet Your Livermore Downtown Branch

For 33 years Livermore members of SLFCU were served by just one branch, located near Sandia National Laboratories' Livermore site. After the events of September 11, 2001, access to the area was restricted and, as a result, many members were no longer able to visit the Credit Union.

The downtown branch was opened in 2003 to provide a convenient and accessible location. Today the Livermore Downtown branch has four employees, and they're quick to praise the benefits of the location.

"Working in the heart of beautiful downtown Livermore keeps you in touch with the community," says Janice Johansen, Teller/Financial Services Representative (FSR) Senior. "The branch is also accessible to family members and retirees of Sandia National Laboratories. This helps us build lasting relationships with our members and their families."

"The atmosphere of our branch is very friendly and welcoming," says Teller/FSR Senior Brittany Sevier. "The close and caring relationships we have with our members make working here a great experience."

Branch Manager Diane McDonald agrees that the members who visit the branch are like family. When it comes to recommending SLFCU services to members, she touts the benefits of our auto loans. "With our great rates and long term financing, members are able to purchase a new or used vehicle or refinance their auto to consolidate credit cards and other loans for a better rate and a more comfortable payment plan."

Teller/FSR Manju Kaul recommends SLFCU's credit cards for their low interest rates and the ability to earn a rebate on some cards. Brittany agrees, saying, "I like recommending our credit



From left to right: Brittany Sevier, Teller/Financial Services Representative Senior; Diane McDonald, Branch Manager; Janice Johansen, Teller/FSR Senior; Manju Kaul, Teller/FSR

cards to our younger members who want to build credit. Unlike other credit card companies, SLFCU credit cards are designed with the member's best interest in mind."

Visit the Livermore Downtown branch at 39 South Livermore Avenue, Suite 101.

By Dagny Cosby

You Don't Need a 20% Down Payment, Even for SLFCU's New Fixed Rate Mortgages



It's a common misperception that lenders require a down payment of at least 20% of the price of the home.

SLFCU offers loan programs with down payments as low as 5% in most markets and with a good credit history; in some cases, a 10% down payment is required. Qualified first-time home buyers have the option of putting down as little as 3% when they have adjustable rate mortgages.

SLFCU can lend 80% on our new fixed rate mortgage and finance the rest (up to 15%) with an adjustable rate second mortgage. Home buyers looking for

lower closing costs and a down payment of less than 20% can apply for first and second adjustable rate mortgages. By pairing first and second mortgages, you avoid paying Private Mortgage Insurance (PMI).

Continued on page 2

In This Issue

- Changes to www.slfcu.org 2
- Avoiding Check Fraud 3
- Tell Your Beneficiaries About Your Accounts and Policies ...4
- Online Help With Buying Your Next Car 5
- Support for School 5
- Scholarship Competition 6

You Don't Need a 20% Down Payment

Continued from page 1

Some simple savings strategies can help you reach your goal of owning a home much sooner than you might imagine.

Open a Savings Account for Your Down Payment

Open a dedicated account for your down payment savings so you have a clear picture of how close you are to your goal.

To set up an additional savings account, log in to CU@home®, click the "Self Service" tab, and "Open a New Account." It's also a good idea to give the account a nickname in CU@home. You'll be less tempted to spend the money in your "Down Payment" account than a "Savings 2" account.

Automate Your Saving

Have paychecks automatically deposited into your savings account. You can set up a recurring transfer to have money shifted from your checking account into your savings account every week or month. Or you can have your direct deposit

automatically split between your checking and savings accounts.

To set up a recurring transfer, log in to CU@home and click the "Transfers" tab. To have your direct deposit split between multiple accounts, click the "Self Service" tab and then "Direct Deposit Distributions."

Use Gifts for Your Down Payment

Some home buyers receive part of their down payment as a gift from a family member. SLFCU accepts gifted money as a part of a down payment.

Talk to Us, No Matter Where You Are in the Process

We encourage all potential home buyers to meet with a loan officer to discuss questions and concerns and to learn about SLFCU's home loans. Call 505.293.0500 or 800.947.5328 to talk to a loan officer or for help with setting up recurring transfers or direct deposit.

NEW

FIXED RATE MORTGAGES!

All SLFCU home loans are serviced by our staff. Learn more at www.slfcu.org.

FIXED RATE MORTGAGES • ADJUSTABLE RATE MORTGAGES • JUMBOS • HOME EQUITY CREDITLINES • AND MORE



Changes to www.slfcu.org Get to Know SLFCU's New Website

Last month SLFCU launched a new website at www.slfcu.org with a more modern design and layout. The new look has expanded menus so you can find information quickly and more easily.

Look for these other highlights:

- **New Account Access Login Box:** Now you can log in to online banking from any page on the website. Using the login box in the upper right, you may also select other login options for mortgages and student loans, loan applications, and business accounts.
- **Alerts:** When we have breaking news to share, information will be displayed in red or gray bars – the color will depend on the level of urgency – across the top of each page. After reviewing the message, you may dismiss the alerts.
- **Featured Content:** On the homepage below the links to rates, locations, and the calendar, you can find featured information, such as special offers and upcoming events. This information will change over time.
- **News & Resources:** We've grouped the tools that can help you make more informed financial decisions. Under NEWS & RESOURCES, you'll find two dozen financial calculators, information for teaching kids and teens about money, and links to additional resources. The Dollars & Sense link takes you to a growing list of helpful articles. You can search by topic, such as budgeting, building credit, buying a home, and investing, or browse the most recent articles.

- **Expanded Business Services Information:** Business members can click BUSINESS to access a menu devoted to their needs. In the business section, the account access login defaults to Business Online, and the business routing number is displayed at the top of each page.

If you have any questions about the new website or need assistance, please call 505.293.0500 or 800.947.5328.

By Becky Richards





Avoiding Mail Theft and Check Fraud

Mail theft and check fraud are causing increased concern for individuals trying to keep their financial information safe.

What is Mail Theft?

Mail theft occurs when mail is stolen from a person's home mailbox or from other public mailboxes and drop boxes. Mail is a target for thieves because it often includes items thieves can use to try to steal your identity. Bills, statements, checks, and forms with account numbers or other sensitive data printed on them are prime targets for acquiring identity information. Valuable packages, cash, and other documents are also at risk.

To guard against mail theft, it is helpful to sign up for electronic bills and statements. If you do receive paper mail, be diligent about collecting it from your mailbox as soon as possible after it is delivered. Never leave mail in your mailbox overnight. If you will be out of town, you can put a temporary hold on your mail through the United States Postal Service so that your mail will be held at the post office and delivered once you have returned.

What is Check Fraud?

Check fraud occurs when a fraudster uses a person's name and/or bank account number to create fraudulent checks. Often thieves get this information from checks they have stolen out of the mail.

To help prevent check fraud, reduce the number of checks you write by using your debit or credit card to make purchases and pay your bills electronically either with a credit or debit card or by setting up automatic withdrawals with your billers. If you must write a check that you need to mail, it's more secure to drop it off inside a post office than to leave it in any mailbox for pickup.

Keep a close eye on your SLFCU accounts by reviewing statements and monitoring your transactions using CU@home Online banking. If a check you have written does not reach its intended recipient or if you notice a transaction you did not make, call SLFCU at 505.293.0500 or 800.947.5328 as soon as possible.

By Nicole Riner



SLFCU/Kirtland FCU Merger Update

What Would SLFCU Gain by Merging?

Because the proposed merger was introduced by Kirtland Federal Credit Union, our members might be wondering what SLFCU stands to gain from a merged organization.

One of the major benefits to SLFCU is that the merger would allow us to make more commercial loans. Credit union business lending is generally limited to 12.25% of total assets, and SLFCU is nearing that cap. By combining Kirtland FCU's assets with SLFCU's, we'll have the opportunity to originate up to \$90 million in additional business loans. More business loans help SLFCU's bottom line while supporting the local economy. As a locally based business lender, SLFCU meets a need in the Albuquerque and Livermore markets and can make loan decisions faster, keeping small businesses running.

Kirtland FCU's membership - more heavily weighted toward borrowers - would also complement SLFCU's membership, which is dominated by savers. A healthy balance of borrowers and savers allows us to use more of our deposits to make loans, which earn more than the deposits we invest. Earnings from this wider margin could be used a number of ways to benefit members, including better rates, lower fees, and investments in technology and other infrastructure.

The Merger Process

The due diligence process - a detailed study of both credit unions' policies and outstanding contracts, loans and investments, and the organizations' similarities and differences - has been completed. The merger requires approval of Kirtland FCU's members and the National Credit Union Administration (NCUA), the independent federal agency that oversees federal credit unions.

Even after receiving the approval of both groups, there will be some time before Kirtland FCU's systems would be merged into SLFCU.

If you have any questions or concerns, please email ebranch@slfcu.org or call 800.947.5328 or 505.293.0500. If you have account-specific questions, please send a secure message via CU@home Online banking.

By Becky Richards

Email and Phone Numbers Help Us Reach You Faster

In an effort to ensure the accuracy of our records, you may be asked to verify or update some of your personal information when you call our Contact Center or visit a branch. Keeping our records current helps us get in touch with you more quickly and provide you with important information like monthly statements, fraud alerts, account notifications, and SLFCU news.

To update your address, phone number, or email address, log in to CU@home Online and click the Self Service tab, call our Contact Center at 505.293.0500 or 800.947.5328, or stop by any branch.

Tell Your Beneficiaries About Your Accounts and Policies

Let them know how they will receive retirement assets and insurance benefits.

Brought to you by the MEMBERS Financial Services Program* located at SLFCU



Will your heirs receive a fair share of your wealth? Will your invested assets go where you want them to when you die?

If you have a proper will or estate plan in place, you will likely answer “yes” to both of those questions. The beneficiary forms you filled out years ago for your IRA, your workplace retirement plan, and your life insurance policy may give you even more confidence about the eventual transfer of your wealth.

One concern still remains, though. You have to tell your heirs that these documents exist.

That does not mean sharing all the details. If you have decided that some of your heirs will one day get more of your wealth than others, you can keep quiet about that decision as long as you live. You do want to tell your heirs the essential details; they should know that you have a will and/or an estate plan, and they should understand that you have named beneficiaries for your retirement accounts, your investment accounts, and your insurance policies.

Over time, you must review your beneficiary decisions. In fact, you may want to revisit them. As an example, say you opened an IRA in 1997. Your life has probably changed quite a bit since 1997. Were you single then, and are you married now? Were you married then, and are you single now? Have you become a parent since then? If you can answer “yes” to any of those three questions, then you need to look at that IRA beneficiary form now. Your choices may need to change.

Here is a quick look at how beneficiary decisions play out for a few of the most popular retirement accounts.

Employer-sponsored retirement plans. These are governed by the Employee Retirement Income Security Act (ERISA), which rules that if the late accountholder was married, the surviving spouse is entitled to at least 50% of the account assets. That applies even if another person has been designated as the primary beneficiary. In such a case, the spouse and the primary beneficiary may split the assets 50/50. (The spouse can actually waive his or her right to that 50% of the invested assets through a Spousal Waiver

form. A spouse usually has to be older than 35 for this to be allowed.) These rules also apply for other types of ERISA-governed retirement assets, such as pension plan accounts and corporate-owned life insurance.^{1,2}

The Supreme Court has decided that these rules take priority over state laws (*Egelhoff v. Egelhoff*, 2001; *Hillman v. Maretta*, 2013) and divorce agreements (*Kennedy Estate v. Plan Administrator for the DuPont Saving and Investment Plan*, 2008).^{3,4}

If a participant in one of these retirement accounts remarries, the new husband or wife is entitled to 50% of those assets at death. While a plan participant may name a child as the beneficiary of a retirement account after a divorce, remarriage will leave only 50% of those assets with that child when the accountholder dies, rather than 100%, unless the new spouse waives his or her right to receiving 50% of the assets. The new spouse will be in line to receive that 50% of the account even if unnamed on the beneficiary form.¹

IRAs. Unlike an employer-sponsored retirement plan, a spouse does not have automatic beneficiary rights with an IRA. That is because IRAs are governed under state laws rather than ERISA. One interesting estate planning aspect of an IRA rollover is that the owner of the new IRA has the freedom to name anyone as the primary beneficiary.¹

Life insurance policies. The death proceeds go to the named beneficiary; occasionally, a beneficiary may not know a policy exists.

Recently, 60 Minutes did an exposé on the insurance industry. Major insurers had withheld more than \$7.5 billion in life insurance death proceeds from beneficiaries. They had a contractual reason for doing so: the beneficiaries had never stepped forward to file claims.⁵

While many of the policies involved were valued at \$10,000 or less, others were worth over \$1 million. The deceased policyholders had either failed to tell their heirs about the policies or misplaced the copies and the paperwork. Their heirs did not know (or know how) to claim the money. As a result, the insurance proceeds lay unclaimed for years, and the insurers only now feel pressure to pay out the benefits.⁵

Update your beneficiaries; let your heirs know how vital these forms are. Make sure that your beneficiary decisions on retirement, brokerage and bank accounts, college savings plans, and life insurance policies suit your wealth transfer objectives.

MEMBERS Financial Services may be reached at 505.237.3930 or by emailing memfs@slfcu.org to schedule a no-cost no-obligation appointment.

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Citations:

1 - 401khelpcenter.com/401k_education/connor_beneficiary_designations.html [4/21/16]

2 - nolo.com/legal-encyclopedia/claim-payable-on-death-assets-32436.html [4/21/16]

3 - marketwatch.com/story/check-your-beneficiary-designations-now-2013-09-17/ [9/17/13]

4 - forbes.com/sites/deborahljacobs/2013/06/03/supreme-court-favors-ex-wife-over-widow-in-battle-for-life-insurance-proceeds/ [6/3/13]

5 - cbsnews.com/news/60-minutes-life-insurance-investigation-lesley-stahl/ [4/17/16]

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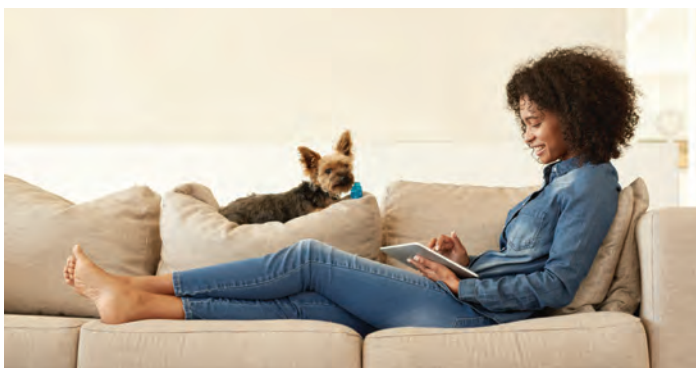
*Available rate is based on credit history and may be higher than rate listed here. Rate subject to change without further notice.



Apply now
at www.slfcu.org
or call **505.293.0500**
or **800.947.5328**.

Online Help with Buying Your Next Car

SLFCU has resources to help you navigate the car buying process so you can make informed decisions.



Get Pre-Approved to Know What You Can Spend

A pre-approval can help you determine your price range before you search for your vehicle. SLFCU's online loan application takes only five to ten minutes to complete and allows you to upload documents to complete the approval process. Apply online, check your application status, and submit additional documentation at www.slfcu.org. Once your loan is pre-approved, you can shop with confidence, knowing you aren't going outside of your price range.

Calculate Your Budget for Your Next Vehicle

At www.slfcu.org, there are calculators that can help you figure monthly payments, see how those payments fit into your budget, and compare low rate offers with dealer incentives. Find your payment amounts or how much you can afford after entering a down payment and desired monthly payments. Other calculator options can help you decide if it's best to lease or buy and determine if an auto rebate is better than low interest financing.

Do Your Research

To see multiple vehicle options and determine what best fits your needs, visit AutoSMART Car Buying Tools in the Resources section of www.slfcu.org.

Find the right vehicle by making your criteria as detailed as you like, including price range, model year, mileage, make, and model. Review the descriptions of the vehicles, photos, and prices that can help you negotiate when the time comes.

Through AutoSMART, you can access previously owned vehicle history on CARFAX® with the vehicle identification number (VIN), to make sure the car you're buying hasn't been in an accident, salvaged, or stolen.

Visit www.slfcu.org for other car buying information like auto insurance, tips for negotiating at the dealership, and our current rates and terms.

By Krystyna Ciszek

Support for School SLFCU Scholarship Recipient Provides Community Support

Caroline Stapleton was one of 12 recipients of SLFCU's 2016 Scholarship. A student of Communication Disorders at New Mexico State University, she hopes to pursue a Master's Degree in Speech Language Pathology when she graduates in 2018. Although she received a scholarship at New Mexico State that helps pay for her tuition, Caroline is responsible for other necessities such as textbooks, housing, and food. "This scholarship allowed me to diffuse some of the cost for expensive textbooks, which was a huge relief," Caroline says.

Caroline's decision to pursue her area of study was influenced by her own experiences with speech therapy when she was a child. "The speech therapist was very sweet and determined," Caroline says. "I want to be able to help others the way that she had helped me."

Her interest in helping others isn't limited to her career plans. Caroline has volunteered with various organizations in Las Cruces as part of her Spanish class and participates in Autism Speaks events organized by her sorority, Alpha Xi Delta. "My sorority encourages all its members to realize their potential, and I have been able to do this through various volunteer activities," Caroline says. "Helping others brings me so much joy, and I plan on continuing this throughout my lifetime."

Caroline has had an account with SLFCU and has understood the importance of saving money from an early age. "I have been saving since I was little," she says, "so that I could use those savings towards my future education." These days, she also has a checking account and a credit card with SLFCU. The checking account, she says, helps her keep track of her spending money, and the credit card is essential in case she has an emergency while she's away at school.

By Kasie McCoy



SLFCU Scholarship Competition: \$3,000 Top Prize

Application Deadline: May 31, 2017

Members of SLFCU attending college in 2017-2018 are invited to enter our annual essay scholarship competition. The top prize is \$3,000. Applicants must be new or returning students with a minimum GPA of 2.5 out of 4.0, who will attend school full-time in a bachelor's or master's program at an accredited institution. Previous winners are welcome to enter.

The application must include a letter of recommendation, resume, grade report, and a short essay. The essay should be approximately 500 words in length and address the topic: **"What are the advantages and disadvantages of borrowing money?"**

Entries must be submitted by 11:59 p.m. Mountain Time, Wednesday, May 31, 2017. Winners will be notified in August and announced publicly in September. More information, including application requirements and instructions, is available at www.slfcu.org/Scholarship.



Scholarship Judge Request Help Choose the Winners

SLFCU needs 30 volunteer judges to help select winning entries for the 2017 essay scholarship competition. Judging is completed online. If you would like to participate, please complete the registration form at www.slfcu.org/Scholarship.



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On the Calendar

Seminar: Starting a Business

Thursday, May 11, 6 p.m. • Juan Tabo Branch

A seminar for those who are thinking about starting a new business in New Mexico, whether it's a large company or a one-person business

Register at www.slfcu.org/Events.

Shredding Event

Saturday, May 20, 10 a.m. - 12 p.m. • Juan Tabo Branch

Please bring a donation of non-perishable food for Rio Grande Food Project. There is a limit of two boxes of paper per member, no folders or media. Arrive by 11:30 a.m. to be assured of service.

Memorial Day

Monday, May 29 • All Branches Closed

Brought to you by the MEMBERS Financial Services Program* located at SLFCU. Register at www.slfcu.org/Events or by calling 505.293.0500 or 800.947.5328.

Seminar: Securing Your Retirement

Tuesday, May 23, Noon - 1:00 p.m. Tech Park Branch
Tuesday, May 23, 5:30 - 6:30 p.m. Juan Tabo Branch

Transforming Social Security into a winning retirement strategy

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