



SPE

Federal Credit Union

www.spefcu.org

Memberlink

July - December 2017

Planning to apply for a business loan?

At SPE, we give every credit request the respect it deserves.

Your business is important—not just to you, but to us. When you apply for a business loan, we take time to analyze your information using the “Five Cs of Credit” test.

Understanding the “Five Cs of Credit”

To increase the chances of getting approved for a loan, become familiar with the five Cs: capacity, capital, collateral, conditions, and character.

Capacity. Make sure your business plan demonstrates your business’ ability to repay the loan, as capacity is the most critical of the five Cs.

Capital. Law prohibits us from lending 100% of your start-up or acquisition costs, so to get a loan you’ll need to provide some capital. This may come from deposits, an equity loan against your personal residence, or money from other sources.

Collateral. When evaluating a loan application, a lender will generally look at collateral as an additional credit enhancement. If the collateral is property, the loan request cannot exceed 80% of the property’s value. Other types of collateral, such as accounts receivable and inventory, may qualify you for a lower annual percentage rate or lower maximum Loan-to-Value.

Conditions. Be prepared to demonstrate that there is a market for your business. This should be based on the local, regional, and national economy; the competitiveness of the business; the type of industry and your experience in it; and your experience managing a business.

Character. This includes your educational background, business experience, and the general impression you make on the lender. Remember, we’ll also check your credit score, so it’s important to manage your personal credit carefully. Statistics show that the way a person handles personal credit generally indicates how he or she will manage business credit.

Before applying for a loan, answer the following questions:

- Is my business in compliance with all local, state, and federal regulations?
- Have I researched and evaluated my competition?
- Am I providing a viable product or service despite the competition?
- Am I committed to making my business succeed?

Business Plan Help

Before applying for a business loan, create a business plan that demonstrates your knowledge of your market. For help developing a plan, consider turning to the people at The Penn State Small Business Development Center (SBDC) office, or visit them online at www.sbdc.psu.edu. The SBDC will help you formulate your ideas into a business plan.

Mark Your Calendars

* HOLIDAY CLOSINGS *

September 4 - Labor Day

October 9 - Columbus Day

November 11 - Veteran’s Day
(East College Ave Office Closed)

November 23 - Thanksgiving Day

December 25 - Christmas Day

Looking to Buy a Car?

As a SPE member, you have a wide range of dealers that are located in the Centre and Huntingdon County areas from which to purchase your next new or used vehicle. Visit our online Member Auto Center for the following:

- Preferred Dealers
- Inventory
- Vehicle Values
- Car Buying Advice
- SPE Financing Pre-approval
- Close your loan at the dealership

Get online today to Point, Click, and Drive your new or used vehicle! If you have any questions please contact our loan department at 877-342-5975 or loan@spefcu.org.

Overdraft Options

Before you perform a transaction on your account always try to make sure that you have sufficient funds available so as to avoid overdraft fees or, even worse, the much dreaded declined transaction!

SPE Federal Credit Union understands that life happens and unexpected overdrafts may occur from time to time which is why overdraft coverage can help. Overdraft protection services apply to all types of transactions and may help protect your account from being overdrawn. SPE offers three types of overdraft options; Overdraft Protection, Overdraft Privilege, and Overdraft Privilege Extended Coverage.

Federal legislation designed to protect financial services consumers has changed the way our members must opt-in to overdraft coverage on Debit and ATM Card transactions. This is called Overdraft Privilege Extended Coverage. We want to make sure that our members understand that overdrafts that occur when using a Debit or ATM Card at a retail location,

online or at an ATM machine will be denied unless the member has submitted an Overdraft Privilege Extended Coverage opt-in form authorizing SPE to approve the transaction and charge a \$39 overdraft fee. The new legislation does not affect any current overdraft coverage you may have when you use paper checks and ACH/electronic transactions.

Overdraft Protection, Overdraft Privilege, and Overdraft Privilege Extended Coverage are optional services that you can opt in or opt out of at any time. We reserve the right not to pay overdrafts at our discretion if your account(s) and membership are not in good standing, if we suspect you will not be able to repay your account to a positive balance, if your negative balance(s) exceeds our predetermined limit or if you fail to maintain a positive balance in your account(s) for up to 30 consecutive days.

To ensure that you have the overdraft options you are comfortable with on your account, please contact us or ask about your available options next time you stop by.

Check Your Credit Report.

We educate our members.



Learn about your credit report.
Compare interest rates. Consolidate
debt. Lower your payments. Stretch
your money farther. **Sign up for your
free SPE Credit Checkup!**

CREDIT CHECK UP

Most consumers don't know their credit scores. SPE wants to change that! We believe that every member should know what makes up their credit score and what steps they can take to improve it. We will thoroughly review your credit report and uncover opportunities to show you how to "pay less." Stretch your money farther! Contact us today to get started on your credit checkup. Oh, and did we mention it is FREE!

Request Your FREE SPE Credit Checkup

Most consumers don't know their credit scores. SPE wants to change that! We believe that every member should know what makes up their credit score and what steps they can take to improve it. We will thoroughly review your credit report and uncover opportunities to show you "how to pay less." Complete this form, then mail it or drop it off at one of our offices.

Name _____ Member # (if applicable) _____

Address _____

Phone Number _____ Social Security Number _____ Date of Birth _____

Signature (By signing, I am authorizing SPE Federal Credit Union to request a copy of my Credit Bureau Report.) _____ Date _____

President's Message

What a difference a year makes!

This time last year, we were diligently working on several systems upgrades. Now that those are in the past, we are refocusing our efforts toward improving our members' financial life. That's the reason your credit union exists! Specifically, our objective is to serve as a partner with you to identify your individual needs and look for solutions that will help you:

- Save money
- Make money
- Save time
- Provide peace of mind/remove stress, and/or
- Provide convenience and frictionless service.

Our ultimate goal is to help you in every way at every contact!

Through this value proposition, we continue the journey that our founders started – to improve the way financial services are done and provide a tangible benefit for everyone affiliated with the credit union. Not only is this our proposition, but it is also our culture. We are dedicated to helping every member plan, prepare for, and achieve financial success at all points of their life. Our proudest accomplishment is being able to help members achieve a better financial position. You've probably noticed our

'Feel Good' Friday postings on Facebook. These are just a small sampling of real life situations where we have made a difference with our members. Here are a few examples of ways we believe the credit union can help you too:

- During our free, credit checkup service, we review your credit history, provide education on the report and identify ways to improve your credit score and help lower your costs of borrowing.
- Our Kasasa 'rewards checking' product is a free account that provides high dividends and nationwide ATM fee refunds.
- Our newest products, mobile banking, mobile deposit capture, and text banking are easy to use, convenient and will save you time.

It's challenging in today's environment to find someone that can truly make a difference. SPE strives to do that every day! Contact us today to see how we can make a difference for you.

Have a safe and enjoyable summer.

Michael Meier

Michael Meier
CEO

Burial Accounts vs Single Premium Life Insurance

It's not unusual for people to have a burial account at their credit union or bank to provide funds to cover last expenses at their passing, however, if you're in relatively good health this is a very inefficient way to meet those obligations. You may want to consider a 'Single Premium Life Insurance' policy. As an example, if you have a burial account of \$25,000 you could dramatically increase the benefit payable to your family by taking those funds

and purchasing a Single Premium Life Insurance policy. The immediate benefit would increase to \$37,376 with no further premiums due for a male age 65 **not using tobacco products**. At an interest rate of 1% it would take 40.42 years for the \$25,000 to equal the **immediate benefit** of \$37,376 in a life insurance policy. There are also other benefits which are listed below.

| | <u>Burial Account</u> | <u>Single Premium Life Insurance</u> |
|-----------------------------------|------------------------|--------------------------------------|
| Death Benefit | \$25,000 plus interest | \$37,376.00 |
| Passes tax-free? | No | Yes |
| Passes outside of probate? | Yes | Yes |
| Passes free of creditors' claims? | No | Yes |
| Passes direct to beneficiaries? | Yes | Yes |

If you have an interest in discussing this option further please do not hesitate to contact:
James L. Moore, Jr., CLU The Comprehensive Financial Group at SPE Federal Credit Union
Phone: 800-326-9642, Ext. 4217 / Mobile: 570-971-6046 / Email: james.moore@cfg.jssb.com

*Not FDIC Insured – No Bank
Guarantee – Not A Deposit – May
Lose Value – Not Insured By Any
Government Agency.*



\$100 CASH REWARD WITH EVERY NEW LINE

It's Sprint's best Credit Union Member Cash Rewards offer ever — another **BEN**efit of membership!

Visit LoveMyCreditUnion.org/Sprint to calculate your cash rewards.



That Old 401(k) or Current IRA

Do you have a 401(k) with a former employer? If so, you may want to consider doing a direct rollover to an IRA. A famous CPA once said, "never leave a 401(k) with an old employer. In fact on your last day with that employer you should stop by the HR Department to get the forms necessary to roll that 401(k) to an IRA." Speaking of IRA's, how is yours performing? Like a roller coaster? Call or come see me for some stability, guarantees, and being able to sleep at night.

James L. Moore, Jr., CLU
The Comprehensive Financial Group
at SPE Federal Credit Union
Phone: 800-326-9642, Ext. 4217
Mobile: 570-971-6046
Email: james.moore@cfcg.jssb.com

Not FDIC Insured – No Bank Guarantee – Not A Deposit – May Lose Value
– Not Insured By Any Government Agency.

Please Note:

SPE staff may ask for your identification to be scanned into our system next time you stop by. This is simply to help us better identify you.

Next time you set up an new direct deposit or order new checks, please verify your checking account number with us. As you may know, checking account numbers were updated in 2016. While this had no effect on your accounts, deposits, withdrawals, or checks it is important to begin using your new checking account number when setting up new deposits, new automatic withdrawals, or when ordering new checks. This will help us ensure that there are no issues with your account in the future.



Below is a notice to our IRA account holders who have periodic distributions:

WITHHOLDING NOTICE (FORM 2317)

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding.

You may change your withholding election at any time prior to your receipt of a payment. To change your withholding election, complete the appropriate form provided by your credit union.

Withholding from IRA payments, when combined with other withholding, MAY relieve you from payment of estimated income taxes. However, your withholding election does not affect the amount of income tax you pay.

You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient.

SPE Federal Credit Union's Locations and Hours

SCIENCE PARK OFFICE

650 North Science Park Road, State College, PA 16803
Phone: (814) 237-5458 • Fax: (814) 231-6607

| | | | |
|-------------------------------|----------------------------------|------------------------|---------------------|
| Lobby & Drive-Thru | Mon., Tues., Thurs. 9:00-4:30 | Wednesday 9:00-3:00 | Friday 9:00-5:30 |
|-------------------------------|----------------------------------|------------------------|---------------------|

COLLEGE AVENUE OFFICE

2601-A East College Avenue, State College, PA 16801
Phone: (814) 238-9619 • Fax: (814) 238-9649

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|-------------------------------|------------------------------|---------------------|-----------------------|
| Lobby & Drive-Thru | Monday-Thursday 9:00-4:30 | Friday 9:00-6:00 | Saturday 9:00-Noon |
|-------------------------------|------------------------------|---------------------|-----------------------|

HUNTINGDON OFFICE

1211 Washington Street, Huntingdon, PA 16652
Phone: (814) 643-7910 • Fax: (814) 643-9236

| | | |
|-------------------------------|------------------------------|---------------------|
| Lobby & Drive-Thru | Monday-Thursday 8:30-4:00 | Friday 8:30-6:00 |
|-------------------------------|------------------------------|---------------------|

Nationwide Toll Free Phone Number (877) 342-5975

Federally insured by NCUA



Board of Directors

| | |
|------------------|---------------------|
| John Switalski | Chair |
| Richard Harris | Vice Chair |
| Jeff VanHorn | Treasurer |
| James Rushing | Assistant Treasurer |
| Larry Beahm | Secretary |
| Mark Bamatt | Director |
| Gloria Carbaugh | Director |
| Phyllis Favorite | Director |
| Brad Lunsford | Director |
| Jay Muir | Director |
| Angie Thompson | Director |

Board Emeriti

| | |
|--------------------|----------|
| Joseph Herrle | Director |
| Hugh Mose | Director |
| Richard Singer | Director |
| Peggy Lu Zimmerman | Director |

Supervisory Committee

(supervisory@spefcu.org)

| | |
|----------------|------------------|
| Jeff Stang | Chair |
| Larry Cramer | Secretary |
| Mary Carbonara | Committee Member |
| Chad Horne | Committee Member |
| Ronald Summers | Committee Member |