

BERKELEY COMMUNITY Federal Credit Union



Post Office Box 206 • Moncks Corner, South Carolina 29461 • Phone (843) 761-8298 • FAX (843) 761-2013 • Teller-Mate Audio Response (866) 810-6119 • www.berkcofcu.com

YOUR PLACE FOR...

FINANCIAL SERVICES WITH A PERSONAL TOUCH

JULY 2021



As A Reminder... Our lobby is now open!
We respectfully ask that members wear facial coverings upon entering!

SANTA HELPER CHRISTMAS LOAN



We will again offer the promotional Santa Helper holiday loans beginning Monday, November 8th through Wednesday, November 24th. As has been the case in previous years, due to heavy loan demand, application processing could take up to three weeks. The loan terms are as follows: \$1,200 for 12 months at 17.99%. Applications can be downloaded from our website. **Please find below the special features and requirements associated with this loan promotion:**

- (1) Members must be in good standing with the credit union.
- (2) A direct deposit relationship must be established twelve months prior to the loan being originated i.e., prior to November 8th of last year (2020).
- (3) No outstanding fees can be owed the credit union.
- (4) If a member received a "Santa Helper" loan on last year, the entire balance must be paid in full to qualify for new advance.
- (5) No credit check.
- (6) "Santa Helper" loan must be paid off in twelve months from date of origination.
- (7) Proof of income (paystubs, monthly benefit statements, etc.) must accompany loan applications to establish affordability.
- (8) Members could not have caused the credit union to suffer any previous losses.

US VERSUS THEM! (A Staff Commentary)

Recently, we had the pleasure of saving one of our members a large sum of money in finance charges derived from refinancing a dealer arranged loan. This member's vehicle purchase was originally financed with Capital One Finance at an Annual Percentage Rate (APR) of 14.48% with the total finance charges estimated at \$16,784.75. Within a couple of weeks after purchasing the vehicle, we were able to reduce this member's rate to 5.24% with the total finance charges estimated at \$5,473.93. A difference of \$11,310.82; think what you could do with an extra \$11k (estimated) in your pocket!



What accounts for the huge differences in APRs and finance charges? Two major factors are in play in the ways some dealerships view employee compensation and profitability. Finance managers at larger dealerships are compensated in part by selling add-on products such as Mechanical Repair Warranties, GAP Insurance, Maintenance Plans, etc. The markup on these products can be enormous (we will talk about add - on product pricing in a future

newsletter). The other major revenue producer for dealerships and by extension finance managers involves commissions paid through what is sometimes referred to as a finance reserve. This occurs when a lender pays the dealer a fee for arranging the financing. The fee or commission is represented by the difference in the "buy rate" and the "contract rate". The "buy rate" is the minimum rate that the lender offers to finance the vehicle purchase based on predetermined factors established by the lender. The "contract rate" is the actual rate charged the customer. In the example above, lets assume that the member qualified for a "buy rate" of 8.5% but the dealer offered our member the previously mentioned "contract rate" of 14.48%. In this example, the dealership would get to keep a fee or commission of approximately 6% - the difference between the "buy rate" and "contract rate". Assuming a purchase price of \$30K, the dealership would make an upfront fee of \$1,800, at the customer's expense!

As you can see from this one example, it is best to have your auto financing pre-arranged with Berkeley Community Federal Credit Union prior to sitting down with the finance manager at your local dealership! Even if the interest rates offered by the dealer are competitive, in most instances, we can save you money in a variety of other ways. Stop in and see us and put us through the TEST!

FREE YOURSELF FROM CREDIT CARD DEBT

Don't forget that Netbranch (on line banking) and Teller-Mate (audio response unit) offers you 24/7 access to your accounts even when we are closed. They both provide self-service functions such as; transfers between accounts, account inquiries, line-of-credit advances, statement transaction histories, etc. Netbranch can be accessed from our website at www.berkcofcu.com. You will need to call the office for assistance to initially set-up your account. Teller-mate can be accessed by calling 866-810-6119.

You may also obtain surcharge free cash back by using your ATM or VISA Check card at participating POS (primarily STAR) terminals and COOP, STARsf (MoneyPass), and Accel-Exchange ATM locations. The following represents a partial listing of retail merchants that participate in the credit union's surcharge free ATM networks; Circle K, 7Eleven, Publix, among others. (Note: surcharge free ATM owner participation is subject to change without prior notice given to Berkeley Community Federal Credit Union).

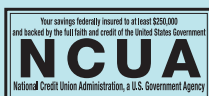
TELLER-MATE MENU

Call Toll Free 1-866-810-6119 from a touch-tone phone. Press 1 - Experienced Users Enter your 4-digit member number. Enter your Personal Identification Number (PIN)

Transaction Menu
(Transfer Funds)

Inquiry Menu
(Balances on All Accounts)
Change Pin (Enter any new (4) digit PIN number followed by #)

General Info.
(Office Hours & Interest Rates)



These 4 strategies can help ease the burden

Add burdensome credit card debt to the list of woes the pandemic has made worst. New surveys confirm that many are struggling to make monthly payments while balances grow. If you are still in trouble after receiving your tax refunds or stimulus checks, **here are four options that you might be able to employ to provide some relief:**

- (1) **TRANSFER YOUR BALANCE.** There are more companies offering balance transfers at zero interest rates now than in 2020. Be aware however that these cards typically charge up to 5 percent of the transfer balance up front so make sure the introductory period is long enough for you to make a big dent in your balance.
- (2) **ASK FOR A BREAK.** COVID 19 has made card issuers more flexible. Since the beginning of 2020, roughly 83 percent of people who asked for the a rate cut got it. Explaining how COVID affected your finances could reduce your interest rate and payments.
- (3) **REFINANCE WITH A PERSONAL LOAN.** Berkeley Community Federal CreditUnion has some of the lowest rates in the area for personal loans. Remember that with a good credit score, your personal loan rate could be just slightly higher than the rates for borrowing against your home or car and without the risk of losing your possessions.
- (4) **GET A WORKOUT PLAN.** One final option would be to seek a payoff plan via a nonprofit credit counseling agency, which you can find through NFCC.org. At no cost to you, a counselor will go over your income and debts and determine what's workable and then attempt to negotiate a payment plan that works for you.

ANNUAL MEETING

We are pleased to announce that we will host an in-person Annual Meeting on September 15, 2021 at the Moncks Corner Baptist Church Family Life Center located at 496 E. Main Street, Moncks Corner, SC. CDC Covid-19 protocols will be observed during the meeting. The meeting will begin at 4:00 PM with preliminary activities which will be followed by the business session. Elections will be held for two Board of Director seats. Applications for board membership can be found on our website (www.berkcofcu.com) or can be requested from our office. *We look forward to seeing you there!*



HOLIDAY NOTICE:

Labor Day

Monday, September 6, 2021