

Member Insights



**MERCK EMPLOYEES
FEDERAL CREDIT UNION**

From the desk of the President/CEO:

A Look Ahead for Your Credit Union

As we turn the page on 2020 and look to the New Year, here are some things you can expect from your credit union:

- **New Cards Coming Your Way.** In February all MasterCard and Visa credit card holders will be receiving their new credit cards. Why is this happening? The credit union is transitioning its credit card program to include the latest payment and security technologies and to deliver more member value. Key changes include a new credit card rewards program with more options to utilize rewards, such as applying rewards to pay towards your monthly bill, more gift card and product options to choose from, and a higher rate of reward redemption. Please note if you currently have ScoreCard Rewards points please redeem them. Any leftover points will not transition to the new program. You can redeem your points here: www.scorecardrewards.com.

Here are some other facts about the card changeover:

- All cards will include the Tap to Pay technology that is becoming increasingly accepted at retailers.
- There will be two Visa card offerings going forward: Traditional and Signature. Both carry a very competitive rate but have different credit limits and reward structures of either rewards points or cash back.
- Members will have access to a feature-rich mobile app to make payments, get transaction alerts, add travel alerts, and more.

(Continued on back)

Considering Homeownership? Here's What You Need to Know.

Buying a home can be an exciting and emotional process. Before starting your home search, you'll want to understand the ins and outs of the homebuying process. This will empower you to make decisions that are the best for your family – and your wallet.

When shopping for a home, cost is a big factor. It helps to know the upfront and ongoing costs of homeownership and how they fit in with your other expenses. Upfront costs will likely include a down payment, closing costs and additional funds for various required inspections. Ongoing costs may include: mortgage payments, maintenance and repairs, utilities and homeowners association or condo fees.



The majority of buyers afford their home with the help of a mortgage. Your mortgage payment typically includes: principal (the amount you borrow), interest, property taxes and insurance. Along with your homeowner's insurance, you generally pay Private Mortgage Insurance (PMI) until you have 20% equity in the home. PMI protects the lender if you stop making payments on your mortgage. Depending on your mortgage and how much equity you have in your home, you may be able to pay taxes and homeowner's insurance separately from your mortgage payment.

There are two main types of loans—conventional loans and alternative loans with either fixed-rates or adjustable rates. Conventional loans aren't insured by the federal

(Continued on back)

Simplified Home Equity Line of Credit Advance Process

For your convenience, instead of completing another full application, we have created a new, simple form with just a few questions. The new form may be found in Online Banking (bottom right corner by clicking *Home Equity Advance*) and on our website in two places - under *Resources* in the [Online Account Services](#) area under *Lending* and under *Loans* in the [Real Estate Loans](#) area using the button on the left, [Home Equity Advances](#).

The funds may be deposited directly into your checking or savings account or in a check that can be picked up from a branch or mailed to your address on file.

Featured Loan & Deposit Rates

Auto Loans
as low as
2.75% APR*

E-Checking
as high as
0.376% APR*

Credit Cards
as low as
8.28% APR*

Savings
as high as
1.125% APR*

IRAs
as high as
1.875% APR*

Home Equity
as low as
3.25% APR*

*Annual percentage rate. Visit www.merckcu.com or visit a branch for more information.

Have a question? Let's chat!

Communicate with a Member Service Representative right from your browser.

Look for the icon!

Welcome to MEFCU's Chat Service. How can we help?



(Continued from front)

Gift Cards are Here!

Your credit union now offers Visa gift cards in all its branches. The cards are priced at a highly competitive \$2.99 fee and carry all the convenience factors of a Visa card. They can be used online and at retailers.

Serving you in the New Year

The credit union is committed to bringing you the tools to be sure you are in control of your membership. One of the most common member service calls we receive is from members getting locked out of online banking. It happens to all of us, but you no longer have to be inconvenienced by calling the credit union. You can get back into your account by simply hitting forgot password where you will either receive a code via text or a phone call, or be asked to answer challenge questions to create a new password. As a reminder, new security protocols require you to change your password once annually.



On behalf of everyone at your credit union, I wish you a healthy and happy New Year!

Paul Gentile
President

Member Q & A

Question:

Do you offer Visa gift cards?

Answer:

Yes! Merck EFCU is happy to offer its members Visa gift cards for amounts \$25-\$500 with only a \$2.99 purchase fee. Visa gift cards make a great gift for holidays, birthdays and special occasions. Visit a branch to purchase.



**MERCK EMPLOYEES
FEDERAL CREDIT UNION**
Your Prescription To Financial Health.

Member Services: 732-594-3317

Loan Department: 732-594-3018

Debit Card Lost/Stolen: 800-554-8969

Credit Card Lost/Stolen: 800-237-6211

Established in 1936, Merck EFCU is federally-chartered and federally insured by the National Credit Union Administration.



(Continued from front)

government and are an option for those with good credit and who have saved enough to make a larger down payment. FHA Loans are backed by the Federal Housing Administration (FHA) and allow for down payments as low as 3.5%. VA Loans are backed by the Dept of Veterans Affairs (VA), offering a loan program to eligible veterans, current service members, and surviving spouses. Fixed-rate mortgages lock in the same interest rate for the loans entirety. Adjustable-rate mortgages (ARM) typically start with a fixed-rate for a set number of months or years. After the initial period, the interest rate may increase or decrease, and your mortgage payment may increase or decrease as well.

For many people, the biggest obstacles to homeownership are low credit scores and paying off current debts. To prepare for future homeownership, you should:

Improve your credit score

Check your credit report for free at www.annualcreditreport.com and make sure it's accurate. Make on-time payments for all bills and make at least the minimum payments on your debts (but the more you can allocate toward debt payments, the more quickly your credit score may improve over time).

Don't get into further debt.

Examine your current spending and create a sensible budget. Pay down your debts to improve your debt-to-income ratio. Save up for a down payment and other up-front costs. Your debt-to-income ratio, or DTI, equals your monthly debt payments divided by your gross income and is expressed as a percentage. Lenders use this number to determine your ability to afford your debt payments.

Creating a "future homeowner" cash cushion

When you're ready to buy a home, you'll need a big cash cushion for the down payment, closing costs and an emergency fund to cover unexpected home repairs. If you plan to pay property taxes separately from your mortgage, you'll need enough cash to cover one or two lump sum tax payments per year as well.

When considering homeownership, be sure to think about your reasons for wanting to buy a home, your current and future lifestyle and your budget, available savings and current debts. While there are many benefits, homeownership is not for everyone at every stage of their life. By evaluating your specific needs, you'll be better able to identify an ideal time to buy a home.

Merck EFCU is ready to answer any questions regarding your home buying journey, now or in the future. In addition to our knowledgeable staff, we offer our members free online financial education modules to provide advice on buying a home. The Financial Wellness Center also includes modules on overall financial wellness, investing, retirement and small business. Visit merckcu.everfi-next.net/welcome/financialeducation to access the Financial Wellness Center.