

Member Insights



**MERCK EMPLOYEES
FEDERAL CREDIT UNION**

From the desk of the President/CEO:

Members, Your Season is Here!



October 1 marks the start of Member Appreciation Season, now an annual tradition here at the credit union. The season runs through year-end and offers members many opportunities to save.

For starters, on what is typically a consumer's largest purchase, a home, we are offering an 0.25% discount. In

this already low-rate environment that is significant. I would note for members nearing a buying decision or maybe still considering refinancing, the current rate environment we are in has been changing so please keep an eye on rates to take advantage of the current market.

At the Federal Reserve's recent meeting, there were indications that the Fed could raise rates sooner than their expected 2023 target. Mortgage rates are closely tied to the 10-year Treasury, which over the last week has jumped up to 1.5%, so while no one can ever predict where rates are going, there has been some signs that rates are moving upward.

Back to Member Appreciation Season, we are also offering our largest discount on home equity lines of credit, at 0.50%. Please note this applies to new and existing HELOCs, so if you are looking to tap equity from your home, the Season gives you a great opportunity. Finally, on other consumer loans, such as autos, RVs, boats and fixed-rate home equity loans, we are offering an 0.25% discount. Based on member demand for RVs and boats, your credit union has also added more flexible terms for financing these purchases.

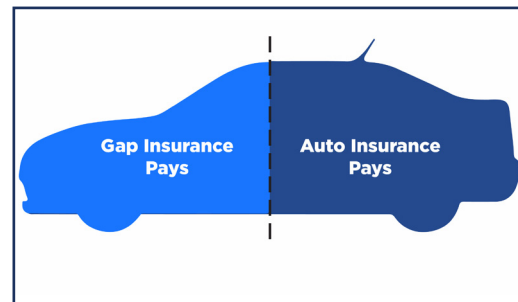
I also want to direct members to the box on the bottom of this page highlighting our first ever educational webinar, which will feature an attorney from the Consumer Financial Protection Bureau to cover the concerning topic of Elder Financial Abuse. We were passionate about making this our first topic as this is a growing problem in our country and we have seen it happen here at the credit union. We want to do everything we can to educate our members on this troubling trend. Please join us for this webinar on Oct. 18th at 10:00 am. You will be able to write in questions during the webinar.

Thank you for your continued support of your credit union.

Paul Gentile
President/CEO

Should You Purchase Gap Insurance?

Guaranteed asset protection (Gap) insurance is an optional car insurance coverage that helps pay off your auto loan if your car is totaled or stolen and you owe more than the car's depreciated value. Gap insurance helps pay the gap between the depreciated value of your car and what you still owe on the car. Gap insurance comes into play if your vehicle is financed and you make a total loss claim — either after your vehicle is totaled (the cost of the repairs would be more than the car is worth) or if it is stolen. When you submit a total loss claim, your insurer will pay a maximum of your car's actual cash value (ACV). In some cases, however, the amount you still owe in car payments can exceed your car's ACV. Gap insurance, also sometimes called loan/lease payoff insurance, makes up the difference. To qualify for gap insurance, you will need to have collision and comprehensive insurance on your car insurance policy.



Here's how a gap insurance claim usually works:

- If your car gets stolen or totaled in an accident covered by your car insurance policy, you'll make a claim on either the collision or comprehensive insurance portion of your policy.
- Your car insurance company will pay the actual cash value (ACV) of your car, minus your deductible. For example, if your car is worth \$15,000 and you have a \$500 deductible, your insurance payment will be \$14,500.
- If you owe more on your loan or lease than the insurance payout for the value of your car, your gap insurance will pay the difference. For example, if you owe \$20,000 and the ACV is \$15,000, your gap

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Join Merck Employees FCU

featuring the

Consumer Financial Protection Bureau

**SAVE THE
DATE**

Elder Financial Abuse Webinar
October 18, 2021
10:00 am

Understand the scams that are currently impacting seniors and the signs to look for.

Member Appreciation Season is here!

We  our members

First mortgage, fixed-rate home equity and vehicle (auto, boat, RV) loans closed during the "season" will receive a 0.25% APR* rate discount.

New and existing Home Equity Lines of Credit will receive a rate discount of 0.50% APR* from Oct. 1, 2021 to Dec. 31, 2021.

*Annual percentage rate. Member appreciation season runs from Oct. 1 through Dec. 31, unless otherwise noted. Visit www.merckcu.com or visit a branch for more information.

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insurance will pay \$5,000.

If you don't have gap insurance and the outstanding balance of your loan or lease is more than your car's value, you'll be responsible for paying off the loan yourself. Some lenders or leasing companies might even require you to carry gap insurance. Gap insurance helps protect them from buyers who walk away from a loan or lease if the car is totaled or stolen.

You should consider gap insurance coverage if:

- You made a small down payment
- You have a long finance period
- You drive a lot
- You purchased a vehicle that depreciates quickly

If you bought a car that quickly depreciates in value, gap insurance becomes a better bet. Certain types of cars, especially luxury cars, often depreciate at a much faster rate. Keep in mind that you will typically need to purchase gap coverage while your vehicle is less than three model years old. If you sell your car, you'll want to cancel your gap insurance.

To calculate the potential value of gap insurance for yourself:

1. Use a site like Kelley Blue Book to estimate your car's value. You may want to also estimate what your car's value will be after each year of ownership until your car loan is fully paid.
2. Review your loan terms. Check how much you will still owe in payments after each year of ownership and compare this against your car's estimated value at that time.
3. Calculate how much you will pay in gap coverage during those years.
4. Compare your results. The difference between your car's value and the amount you will owe in payments is the amount that gap coverage protects you from potentially having to pay.

The bottom line: If you took out a big loan to buy your car, gap insurance could save you from a big financial hit if your car gets totaled, especially if you bought a luxury vehicle.

Merck EFCU offers its members GAP insurance at a very competitive rate. If you think GAP insurance is something you should have, give us a call or stop by a branch today.

Avoid Tech Support Scammers

by Cristina Miranda, Division of Consumer and Business Education, FTC

Hey computer users, it's time for a pop quiz.

- A. You get an urgent call or email from a tech support company, saying your computer has a problem. Should you give the company remote access to your computer to make repairs?
- B. A warning announcing "suspicious activity" or "security threat detected" appears on your computer screen. Should you call the number shown on the screen to talk to a technician?
- C. One of these tech support companies asks you to pay for its services, maybe by using a gift card (like from iTunes or Amazon) or wire transfer. Should you?

The answer to all of these questions is "No."

Here's why: Your computer is almost certainly fine. Legit tech support companies don't operate that way. Tech support scammers sometimes make false claims that they are associated with legitimate computer companies to make you believe them. The person who calls, or who gives you a toll-free number to call, is a scammer who wants to steal your money. If you give someone control of your computer, they can install malicious software that can help them steal your personal information. And anyone who asks you to pay for anything – including tech support services – with a gift card is scamming you. No legitimate company will ever ask you to pay with a gift card. If someone wants you to pay with a gift card, please tell the FTC at FTC.gov/complaint.

For more tips on avoiding a tech support scam, visit:

<https://vimeo.com/352560845>



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Your Prescription to Financial Health.

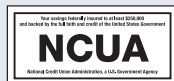
Member Services: 732-594-3317

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.



Featured Loan & Deposit Rates

Auto Loans
as low as
3.00% APR*

E-Checking
as high as
0.25% APR*

Credit Cards
as low as
8.25% APR*

Savings
as high as
1.00% APR*

IRAs
as high as
1.50% APR*

Home Equity
as low as
3.25% APR*

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