

Your credit union: a safe harbor

It's unsettling to see major swings in the stock market, or to observe heated exchanges among political leaders about the best financial course for the country. Turmoil in the economy has many consumers feeling at sea. It's understandable that you might be concerned or worried.

You can be reassured on one point, and that's the security and stability of your credit union and your accounts here. Your Kansas Blue Cross Blue Shield Credit Union savings are always insured to at least \$250,000, backed by the National Credit Union Administration (NCUA). Federal insurance protects your money in credit union share savings, share draft/checking, money market, share certificate, trust and retirement accounts.

In addition, our strong capital position — a safety net of undivided earnings and other reserves — helps us weather setbacks. And we keep an allowance for loan losses that provides an additional buffer in case a few members can't repay their loans. Further strengthening

the credit union, federal and state regulators routinely examine our business practices to make sure we're observing safe and sound operations.

If you're concerned about your personal finances, a Kansas Blue Cross Blue Shield Credit Union professional can help, too. Whether you'd like to review current loans with other lenders to see about refinancing at better terms or find out about savings plans to help you attain your goals, we're here to help.

Credit unions provide financial benefits to members through lower loan rates, higher savings rates and fewer fees than other banking institutions. National studies show credit union member households, on average, are about \$225 a year ahead of other consumers.

Our credit union — your credit union — is strong when our members are strong. Together, we can make port safely even when the economy is in rough seas.



When 0% interest isn't your best auto loan

When it comes to auto loans, a 0% interest rate is a head-turner, but it's not always the best deal.

Car dealerships generally advertise 0% offers in the summer when they're looking to make room in the showroom for newer models. The offers come from the financing arms of the large auto manufacturers, which unlike traditional lenders, profit directly off the sale of the car and don't necessarily need the interest revenue.

But like any great deal — there's a catch. According to *The New York Times*, only about 10% of consumers actually qualify for 0% interest loans, which require pristine credit — usually a FICO score of 720 or higher. Those loans typically are reserved for a limited number of models and are not available if you're shopping for a used car — which cost less than newer models.

These 0% loans often are paired with shorter-term loans, which cost you less overall but mean a higher monthly payment. So, before you head to the dealership chasing a 0% loan, keep these points in mind:

- **Look at all available deals.** Check for other offers, such as cash back. If you can get a rebate — which lowers the overall price of the car — paired with a low-interest loan, it may save you more than the 0% financing.
- **Negotiate the price.** Before you get to the interest rate, finalize a sale price and stick to it. Don't feel pressured to accept expensive add-ons. GAP coverage



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and extended warranties are available through the Kansas Blue Cross Blue Shield Credit Union for **much less** than at the dealer. Once the sale price is established, then talk about financing.

- **Get preapproved for a loan at your credit union.** Heading to the dealership with a firm offer in hand will give you a point of comparison and puts you in a stronger negotiating position. Credit unions, as not-for-profit financial cooperatives, offer competitive rates. With rates as low as 2.49% on 2017 and newer vehicles available through April 30, now is the time to shop.

Board postpones annual meeting to July

With the hope of better days ahead for in-person gatherings, the board of directors made the decision early this year to postpone our annual meeting. Currently, the plan is to meet at 5 p.m., July 20 in the Blue's Café' dining room. Watch the credit union website and the next newsletter for additional details.



Important dates

April 15 – 2020 IRA contribution deadline

May 31 – Closed for Memorial Day

July 5 – Closed for Independence Day

