TAKE 5

MIDWEST MEMBERS CREDIT UNION NEWSLETTER

HAVE DIY PROJECTS THIS SUMMER? WE CAN HELP!!

A home equity loan is a loan for a fixed amount of money that is secured by your home. You repay the loan with equal monthly payments over a fixed term, just like your original mortgage. Using the equity in your home is a convenient way to access extra cash. This can be used for home improvement, debt consolidation, educational expenses or other purposes.

The amount that you can borrow usually is limited to 90 percent of the equity in your home. The actual amount of the loan also depends on your income, credit history, and the market value of your home.

So if you are looking to a fund your next DIY project or need a way to finance your big home project, call us for more information.

Holiday Schedule:

- July 5th - Closed
- July 30th- Member Appreciation
- September 6th - Closed

Midwest Members Credit Union
101 Wesley Drive
Wood River, IL 62095
www.midmembers.org

2021 Midwest Members College Scholarship winner

Midwest Members Credit Union is pleased to announce the winner of the 2021 Midwest Members Credit Union Scholarship. The scholarship, in the amount of $1,000, was awarded to Edwardsville High School Senior Olivia Melosci.

Olivia was involved in many activities and organizations while her time at Edwardsville High School including Volleyball, Interact Club, National Honor Society, National English Honor Society, Environmental Club, Animal Rescue Club and Breast Cancer Awareness Club!

Olivia also excelled in the classroom and received many honours and awards from her time at EHS. Some of the honors that Olivia received were the Silver Medallion Academic Excellence Award (top 8% in her class), Illinois State Scholar Award, National Honor Society, Outstanding Service Award, Spanish Top 10%, Volleyball 110% award, High Honor Roll (all semesters) and the Tigers Choice Award which is awarded by the faculty for students "who do the right thing every day!"

Olivia was also very active within her community volunteering for many organizations like Letters of Hope, Warm Up America, Kicks on 66, Sleep in Heavenly Peace, Volley for a Cure and many more. She also was a tutor and helped with varies volleyball camps teaching our youth the fundamentals of volleyball!

Olivia will be attending Illinois State University to pursue a degree in Mathematics.

2021 Oiler, Shell and Eagle Scholarship winners

In partnership with East Alton Wood River High School, Roxana High School, and Civic Memorial High School MMCU awarded scholarships totaling $1,000 to Seniors at each high school. This years winners are Emma Seibert ($1000) from EAWR High School, Matthew Obert ($1,000) from Roxana High School and Shane Hosto ($500) and Tori Sandefer ($500) from Civic Memorial High School. Emma will be attending Southern Illinois University Edwardsville in the fall with a focus in Political Science. Tori plans to attend Mineral Area college to major in General Studies as well as play Basketball. Shane plans on attending Southern Illinois University Edwardsville with a major in Business and minor in Finance. Matthew will be attending the University of Illinois in the fall. MMCU would like congratulate all of this years winners and wish them the best of luck in the future!

Auto Trade-Ins and Negative Equity: When You Owe More than Your Car is Worth

Some car dealers advertise that, when you trade in your car to buy another one, they'll pay off the balance of your loan. No matter how much you owe. But what if you owe more than the car is worth? That's called "negative equity," and the dealer's promises to pay off your loan may be misleading. Learn how negative equity works and what you can do about it.

How Negative Equity Works With a Trade-In:

With rare exceptions, cars decrease in value with age. Depending on other factors, like accidents, repairs, or other damage, the value of a car may decrease even faster. If you borrowed money to buy a car, you might owe more on your car loan than its current value. When that happens, you have negative equity in the car. Some car dealers say you won't be responsible for the remaining balance on your old car loan when you trade in your old car. But that might not be true. Dealers sometimes just roll over the negative equity into your new car loan, so you still end up paying it.

Example
Say you want to trade in your car for a newer model.
Your loan payoff is $18,000
Your car is worth $15,000
You have negative equity of $3,000.
That must be paid if you want to trade in your vehicle. If the dealer promises to pay off the $3,000, it shouldn't be included in your new loan. But some dealers add that $3,000 to the loan for your new car subtract the amount from your down payment or do both
Either way, this increases your new loan amount and its monthly payments: not only would the $3,000 be added to the principal, but you'd also be financing it (along with the new car). Understanding how negative equity works in a vehicle trade-in can help you make a better informed decision about buying and financing a car. It also helps you recognize if claims in car ads that promise to pay off your loan are misleading.

How to tell if your negative equity is part of your new car loan:

Before you sign a financing contract, the dealer must give you certain disclosures about the cost of that credit. Read them. Look for details about the down payment and the amount financed on the installment contract. Make sure you understand how your negative equity is being treated before you sign the contract. Otherwise, you may wind up paying a lot more than you expect.
Look for a section on your contract with this information:
Down Payment
A. Gross Trade-In Value
B. Less Prior Credit or Payoff by Seller
C. Net Trade-In (A less B) (indicated if a negative number)
D. Deferred Down Payment
E. Manufacturer's Rebate
F. Other: _____
G. Cash Total Down Payment (C through G)

Dealing with Negative Equity:

Here are some steps to take if you think you might have negative equity in a car you'd like to trade in:

- Find out what your current vehicle is worth before you negotiate the purchase of a new car. Check the National Automobile Dealers Association's (NADA) Guides, Edmunds, and Kelley Blue Book.
- If you have negative equity in a car, either because of your current car loan or a rollover from a previous loan, consider these options:
- wait to buy another car until you have positive equity in the one you're still paying for. For example, consider paying down your loan faster by making additional, principal-only payments.
- sell your car yourself. You might get more for it than what a dealer is says it's worth.
- ask the dealer how they'll handle negative equity, if you decide to go ahead with a trade-in. Read the contract carefully. Make sure any oral promises are included. Don't sign the contract until you understand all the terms and the amount of your monthly payment. o negotiate your new loan for the shortest time frame you can afford, especially if the negative equity amount is rolled into the new loan. The longer your loan term, the longer it will take to reach positive equity in your new car.

Love My Credit Union rewards

There are more reasons than ever to love being a member of Midwest Members Credit Union!!

Your credit union membership is about the trust and care of community, built around where you live, work and play. That's why Midwest Members Credit Union membership saves you money through exclusive member-only offers through our trusted partners. Through Love My Credit Union Rewards, credit union members have saved over $2 billion with offers like:

» Members can save up to $360 on their wireless bill by switching to no-contract wireless.

» Members can save up to 35% on IdentityIQ credit report monitoring and identity theft protection.

» Savings up to $15 on TurboTax federal products.

» Exclusive access to home tech support and protection with Asurion Home+.

» Exclusive discount from the TruStage Home & Auto Insurance Program.

» Members save on SimpliSafe, the #1 expert pick for home security.

» Exclusive access to the Love My Credit Union Rewards Powersports, RV & Boat Buying Program.

» Save on car maintenance + get $10 off your first service using CarAdvise.

» Save 40% on a 1-year membership to Sam's Club.

» Build your credit history with rent and save up to 30% with Rental Kharma.

» Save $40 on Calm, the #1 app for meditation and sleep.

» Save on your Travel and Entertainment needs like Car Rentals, Hotels, Theme Parks, Movie Tickets and more!

Learn all about how your Midwest Members Credit Union membership gets you all these exclusive savings and more at LoveMyCreditUnion.org. Check them out and start enjoying credit union member benefits you never knew you had.

Investing In Your Future

Living in a time in which the conventional unwritten rules of financial security seem to be dissolving, you may be wondering where to place your financial priorities. Should you pay more on your debt? Set aside money for emergencies? Buy a house? How much should you be putting away for retirement, and when?

A financial advisor can be your guide, helping you to access the information you need to increase your financial knowledge and ability to find a plan that fits your life. I can help you identify short- and long-term goals and provide strategies to help you pursue them.

Call me today for a free consultation so I can help you work toward the path of financial success.

Dale Alcorn
Financial Consultant

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