

MY NEW CAR OPTIONS


 We C.U.™

NEW CAR
LOAN RATE **3.99%**[†]



The following is an example of a Annual Percentage Rate (APR) for a variable annual interest rate for a New Car loan for a term of 5 years, in the amount of \$30,000, \$540.75 in additional fees (Chattel Fee + Life Insurance) and monthly payments. Other charges may apply.

TERM	INTEREST RATE	APR**
5-Year	3.99%	4.72%

[†] Minimum \$30,000, maximum 5 year term.

* Rate subject to change without notice.

** Annual Percentage Rate (APR) is the cost of borrowing for the loan expressed as a percentage where additional fees apply.

66th Annual General Meeting News

Congratulations to Tim Higgins and John Martin who were elected to the Board and Diane Strumila who was re-elected, all for 3-year terms:



Tim Higgins

John Martin

Diane Strumila

- Membership approves new **By-Law**. Go to www.mycreditunion.ca/belong/by-laws.php.
- Our **2010 Annual Report** is here. Go to www.mycreditunion.ca/annualreports/thecreditunion-annualreport-2010.pdf.

“I want to buy a new car, but... what about financing?”

Spring is finally here! Thoughts of warm, sunny weekends and Sunday drives crowd out memories of shoveling and shocking March snowstorms. Are you picturing that Sunday drive in your new car? Beyond the model, options and colour there is the financial obligation and at the end of the day you want to make sure that you have the best deal.

Lower rate or smaller loan?

No question a new car versus a used car is a more expensive purchase. But purchasing a new car rather than a used car means a lower interest rate. And often an easier time getting a loan. Dependent on the value of the new versus used car you could pay less for the new car in the long run because of the difference in interest. After you have made your purchase and it comes time to insure your car a new car means lower insurance payments. For your lender a new car is “less risky” than a used car.

Is the dealership giving you the gears?

It's hard to resist a 0% financing offer. For many consumers the lure of an “interest-free” car loan is what gets them onto the dealership lot and from there it can be hard to resist a seasoned salesman's pitch. This financing is usually limited to specific vehicles the manufacturer is trying to clear out of inventory and may not include the model you have your heart set on. But be aware – one blemish on your credit report means the 0% will quickly disappear and a less competitive rate will appear. If you and your purchase qualify for 0% financing the term of the loan will typically be over 36 months which means you will be making higher loan payments. If you default or are late the dealership will quickly repossess your car. By choosing 0% financing you will not be able to take advantage of cash back or other incentives that can actually mean you pay more for your purchase even including loan interest. If you were going to use a car for its trade-in value make sure you agree on its value before you start on the financing conversation. Remember your salesman is on commission for both the sale and the financing. It is in the dealership's best interest for you to pay the most on your total purchase including any interest payments.

Before you drive off the lot with a new car...

You have picked the model, the colour, the options and have been given the hard sell on dealer financing – now what? Take a test drive, a breath and the time to call your financial advocate to talk about what all this adds up to. More than a great rate on a new car your financial advocate can give you the real numbers on the offer from the dealership and by completing our **Financial Fitness** tests your advocate will be able to help you determine what payments best fit into your financial situation. We C.U.™ so you can drive off the lot with the deal best for you and not the dealer.

**The
Credit Union**

For All Government Employees
Ontario Civil Service Credit Union Ltd.

To save on cost and the environment, you will receive a paper copy of the newsletter July, September and October 2011. Note: The Credit Union newsletter will be available online monthly at mycreditunion.ca. If you need a paper copy please contact Member Assistance (Call Centre).

When life throws you a curve ball

Despite our best laid plans, sometimes we experience an unexpected change in our financial situation. Whether caused by job loss, a strike or major home repairs, you may wonder how you're going to keep paying the bills and put food on the table. Staying calm and rational will help you to assess your circumstances and options carefully so you can make better decisions.

Scrutinize Expenses

Your expenses can be divided into two categories. The expenses you must pay to maintain your basic living needs include food, housing, and transportation. Purchases and activities which are desirable but not necessary include dining out, premium digital cable, deluxe wireless plans, and so on. Assess these voluntary expenses to find opportunities to reduce costs. Some obligatory expenses may also be adjustable. For example, if you're not commuting to work, you can reduce expenses for gas, parking and/or public transit.

Debt Payments

The last thing you want to do is pay too much interest or maintain an unnecessarily high debt-load. Consider a consolidation loan to reduce your overall debt payments and interest costs. This can free up significant amounts to help you get through this difficult time. It may also be possible to reduce mortgage payments by renegotiating your term.

Emergency Fund

Financial experts generally recommend having three to six months' expenses in easily accessible cash or cash-equivalent assets, such as a savings account or money market fund. Approach other sources with caution. For example, RRSP withdrawals are subject to withholding tax, and the amount withdrawn will no longer be growing for your retirement needs. During a time of financial stress, this may not seem important, but the impact on your long-term financial

well-being can be significant. Instead, consider withdrawing funds from a Tax Free Savings Account, if available; such withdrawals are not taxable.

Borrowing

Although borrowing may be the only option in some cases, incurring extra debt at a time of financial emergency is generally not recommended, especially with a loss of income. Adding extra interest costs can make your situation more difficult and stressful. If absolutely necessary, use an existing line of credit instead of credit cards; interest rates for lines of credit are generally much lower, making it easier to repay the debt as you recover. Some life insurance policies allow for borrowing or withdrawing the policy's cash value; these options should be considered if available.

The Next Emergency

Following these strategies will help you to get back on solid financial ground as soon as possible. Make sure you consult with your financial advocate to assess your overall financial position and emergency fund needs. After all, having a plan in place means you can approach your finances and the rest of your life with less worry and stress. We C.U.™ so you can hit the next curve ball out of the park.



Complementary Educational Seminars Available
Part of a lunch & learn committee or looking for a value add for your staff – consider a financial planning seminar. With topics ranging from debt and credit management to retirement planning we have a topic to fit your needs. Contact The Credit Union for All Government Employees today!

Go to mycreditunion.ca for:

- Good Reasons to Borrow Money
- The Personal – Discouraging Car Thieves

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Home and Auto Group Insurance

No purchase required. One entry per person per insurance category. Contest closes December 31, 2011. Draw date for the grand prize is January 17, 2012. Auto insurance is not available in Manitoba, Saskatchewan or British Columbia due to government-run plans. ™ Trademark of The Personal Insurance Company.

“Recently one of our members applied for a new car loan. In order to get her the best possible rate we took the time to understand her financial and credit history. Once we had approved her loan we had her cheque ready to mail to the dealership. After learning that she was hoping to have her car on Friday we did not want to chance a delay in the mail, so we had the cheque hand delivered the same day. Our member was very excited to be able to take her new car for the weekend. We love going the extra mile for our members.”

— As told by a Personal Account Manager