



Members' Quarterly

www.usalliance.org/newsletter • Winter 2016



Six Things You Need to Have in Your Car This Winter

You've probably seen this scene on the news. A monster winter storm hits, making roadways impossible to navigate and stranding motorists for countless hours. Unless you're living in an area of perpetual sunshine, this could happen to you. If it did, would you have a *winter emergency kit* in the trunk of your car? In addition to the daily driving items—jumper cables, a first aid kit, flashlight, etc.—you should enhance your supplies to cover cold weather emergencies. Here's what you'll need:

1. **Spare phone charger**
2. **Hand warmers/blanket**
3. **Folding shovel**
4. **LED flashers/flares**
5. **Windshield de-icer**
6. **Food and drink**

It's also a good idea—anytime of the year—to have access to outside assistance. USALLIANCE members have access to affordable coverage for mechanical breakdown protection including 24/7/365 roadside assistance. Visit the Protect page at usalliance.org.

Is Debt Consolidation the Right Move for You?

The holidays are over. For many, ho-ho-ho will become boo-hoo-hoo as the bills start coming in. It should come as no surprise that one of the most popular New Year's resolutions is "get out of debt". Or that January and even February bring a flood of promotional debt consolidation offers to mailboxes and inboxes.

If getting rid of debt is your personal mission in 2017, debt consolidation may seem like the perfect solution. But, is it? The answer is maybe. Let's start with a definition. Debt consolidation is rolling multiple old debts into a single new one, presumably at a lower interest rate to make payments more manageable, resulting in quicker repayment. Sounds like a good plan—but will it work for you?

Ask yourself these questions:

Are you committed to getting totally out of debt? You must be 100% behind getting rid of 100% of your debt. That means changing the way you manage your money. Your mantra must be "Free in Five," no debt within in 5 years. Can you do that?

Is your unsecured debt (credit cards, medical bills and personal loans) less than half your gross income? If it is, debt consolidation could be the answer.

If you answered "yes" honestly to these questions, then consolidation may just work for you. What options do you have? There are several...

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Transfer Balance to A New Credit Card:

If most of your debt is spread across several high-rate credit cards, you could save big by transferring those balances to one card with a lower rate. And if you have good credit (earned by paying all your bills on time), you may even qualify for a card offering a 0% promotional rate. Keep in mind that the 0% doesn't last forever and eventually you will pay interest on your transfer. The key to success for balance transfers is not to run up new purchases on the card. Do it for one reason only—to pay down your existing debt.

Debt Consolidation Loan: If you prefer to steer clear of the temptation of running up new debt on a new credit card, consider applying for a personal loan. The possibility of a lower interest rate and fixed monthly payments may make it easier to pay down your debt. And there may be an added bonus—you could raise your credit score by

moving credit card (revolving) debt into the installment loan segment. But remember—debt is still debt. You must remain committed to your debt management plan.

Home Equity Line of Credit (HELOC):

Own a home? If you do, you can put the equity vested in it to work paying down your unsecured debt. Since a HELOC is a secured loan, rates are generally low and terms are usually 20 years. Two important facts to keep in mind—HELOC rates are variable, typically indexed to the Prime Rate so they can and do change over the life of the loan. Your rate could go down but it could go up as well. Although you have 20 years to pay back your HELOC, the first 10 are interest only. That means larger than the minimum payments will be needed to get debt-free within a 5 year timeframe.

401(k) Loan: If you are participating in an employer-sponsored 401(k) plan, you may be able to borrow the funds from your

account. It may seem like a good idea—after all, you are just loaning yourself the money. But in reality, it's never a good idea to tap into your nest egg. If you can't repay the loan, you'll be hit with hefty fines and taxes. If you lose your job while the loan is still outstanding, you have a mere 60 days to pay in full or face the same consequences.

The bottom line is there is no easy solution to debt consolidation. It should be part of a carefully constructed debt management program. Commitment, perseverance and even some will power on your part will be needed. But the prospect of being debt-free should make it all worthwhile.

If you would like to discuss debt consolidation options at USALLIANCE, please call Member Services during regular Call Center hours at 800.431.2754.



Finance Weddings? We do!

Engagement season is in full bloom. Approximately 40% of all engagements occur between November and February. If you got engaged (or are getting engaged), congratulations! Now you can think about the dress, veil, venue, food, photographer, limos and more. You probably didn't realize how quickly the costs could add up, and they can add up to a lot—the average couple spends \$32,641 on the big day (honeymoon not included).

You want your wedding to be everything that you dreamed. And USALLIANCE wants

to help. We offer low-fixed rate personal loans that can be tailored to fit any wedding budget. For more information about wedding loans and other nuptial financing options, please visit your local branch or call Member Services at 800.431.2754.

Wedding Trivia



Can you name the ten most popular days for getting engaged? (see below)

10) July 4th (9) December 23rd (8) The Friday before Christmas (7) New Year's Eve (6) 2 Saturdays before Christmas (5) The Saturday before Christmas (4) New Year's Day (3) Christmas Eve (2) Valentine's Day (1) Christmas Day

Meet Your Financial Advisors

USALLIANCE has partnered with CUSO Financial Services, L.P.* to offer our members access to the tools and services needed to make smart investment decisions. Whether you are looking for assistance with a specific goal or would just like a second opinion of your current plan, CFS Financial Advisors are here to help. Stop by or call 888.423.3462 toll free to make an appointment.



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