

Consumers Can Profit From a Stressed Auto Industry

Auto sales have dramatically dropped from this time last year. Consumers are nervous about the economy, job security, and financing options. They are also concerned the automaker of the brand they purchase today may be out of business tomorrow, or in bankruptcy. Apprehension is understandable, but consumers should consider the following:

- Several automakers have lay-off assistance plans for consumers during the first year of ownership.
- Bankruptcy does not mean that operations cease. During the restructuring process the government has assured car buyers that it would guarantee warranties. That protection is also extended if an automaker does go out of business.
- Automakers and dealers are offering record incentives to compensate for declining sales.
- Values may decline if an automaker is under bankruptcy protection; however, once the vehicle is five years or older, the difference is negligible.
- While many banks are tightening their lending, we have not changed our lending practices. We are still lending, and lending at fantastic rates.

Certainly, each consumer needs to look at their own situation and determine if a vehicle purchase now makes sense. But considering the great deals and assistance plans being offered, waiting may just cost them more later on.

We are currently offering 4.99% apr* for all model years between 2005 and 2009. 2002 – 2004 model years can be financed at an annual percentage rate of just 5.99%!

This rate is available on all purchases or if refinanced from another institution.

Contact us for a no obligation pre-approval to secure this fantastic rate!

4.99%
apr*
model year '05-'09

5.99%
apr*
model year '02-'04

*apr = annual percentage rate.
Rates effective as of April 1, 2009 and are subject to change without notice.

Credit Unions Helping Credit Unions

“...credit unions have come together to ensure the industry remains strong.”

Over the past year, the banking industry has seen considerable stress. A few banks have failed; some have merged, and many have received taxpayer assistance in order to continue operations. While the credit union industry did not create the current crisis or engage in risky lending, it has not been entirely immune to the effects that have rippled throughout the financial sector. In keeping with the cooperative nature of the industry, credit unions have come together to ensure the industry remains strong. Additional funds have been added to the government-backed share insurance fund which is administered by the National Credit Union Association.

Because of our credit union's superior financial condition, our initial contribution to the fund had little impact to our strength and soundness. After accounting for the contribution, our capital was 15.27% as of December, 2008. Our capital is more than twice the amount our regulators consider well-capitalized, 3% higher than the average Ohio credit union, and 3% higher than one of the healthiest banks in the nation. Our credit union's high level of capital is your assurance that we have the ability to operate soundly in adverse economic conditions.

We remain strong and your deposits are safe. All accounts are federally guaranteed up to \$250,000 and privately insured for another \$250,000. We continue to actively lend at low rates and provide the same great services and products at the same great value.

We appreciate your support and are proud to serve you and the entire credit union community.



Demystifying Mortgage Rate Calculations

Typical scenario: Consumer has a mortgage need. Consumer sees an advertised rate that is low, calls the lender, and after answering many questions learns that the rate they are offered is very different than the published rate. Understandably, the consumer is frustrated because they feel like the rate advertised was misleading. If the consumer had read the fine-print in the ad they would have noticed that the published rate was most likely before any risk adjustments.

In practice, most loans being originated now have at least one adjustment. Last year, Fannie Mae came out with risk based pricing adjustments and many lenders have adopted this method of pricing a loan. What this means is, the interest rate and/or fees paid for a mortgage change based on the conditions of both the borrower and the loan itself. There are many factors that can impact the price or rate of a mortgage loan, but the most important are loan-to-value (equity in the home), credit score, and purchase price. The most dramatic adjustments come into play for borrowers with less than 680 credit scores and who are putting down less than 20%. Adjustments can either be added (or deducted) to the cost of the loan or as a higher (or lower) rate.

Because of the variables associated with pricing adjustments, it's now more important than ever to receive a complete and full pre-approval. This requires a full loan application, verifying income and assets, and a review of the Residential Mortgage Credit Report.

If you have any mortgage-related questions or are interested in a mortgage product, we have a mortgage specialist on staff that can assist you.

Please contact our office at (614) 466-4988 or (800) 434-7300.

Your 2009/2010 Board of Directors

Big thanks to all of our members who used their democratic voice to elect their next all-volunteer Board of Directors! Your Board of Directors is a critical part of the credit union. Their job is to set direction for the credit union and ensure that member needs and concerns are heard.

The Board of Directors is comprised of 9 members. The current board represents a cross section of various employee groups. The diversity on the board ensures that decisions are made for the collective good of the membership.

We would like to express our appreciation to the following board members for their dedication and commitment to this credit union:

Chairperson:	Julie A. Ray
Vice-Chairperson:	Susan M. Grundey
Secretary:	Valerie E. Norris
Treasurer:	Spencer L. Wood
Directors:	Leonard Evans Kathleen Ludowese Michael McColeman Joan Olivieri Brett Shearer

Inactive Accounts

We are required to remit to the state's Unclaimed Fund Division all balances in accounts which have had no activity or have not been acknowledged within the past five years. If your account has remained dormant for any length of time, please contact our office to initiate activity or acknowledge the account.

Contact Us:

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ph: (614) 466-4988 • tf: (800) 434-7300
fax: (614) 466-5118
www.stecu.net
information@stecu.net

Hours of Operation:

Monday-Friday: 8:00am - 4:00pm
Remote Access 24/7/365!

Member of Shared Branch Network.

Visit our web site for locations and hours.

Important Information:

Lost/Stolen Debit or VISA Cards
Debit: (800) 528-2273 or (800) 782-0279
VISA: (800) 808-7230 - 8am to 10pm EST
(800) 991-4964 - after hours and weekends

Need your card limit raised?

Call our office at (614) 466-4988 or
(800) 434-7300

We will be closed on:

Memorial Day • Monday, May 25, 2009