

Essentials

Take advantage of the equity in your home.

Welcome to the Select Savers Club! The Select Savers Club (SSC) is a not-for-profit club designed to educate and empower its members with financial knowledge. We are committed to helping our members achieve their financial goals with information on spending, saving, borrowing, and managing money and debt wisely. Membership is open to anybody with a desire to learn about financial matters, savings and the wise use of credit.

In This Issue: If you are a homeowner, make sure you're getting the most out of your home. By using the equity in your home to your advantage, you are utilizing funds that would have otherwise remained inactive. There are different ways to use the equity in your home, so make sure to do your research before making any major financial decisions. Continue reading to learn more!



Home Equity Loans: *Which type is right for you?*



Home equity loans allow homeowners to tap into their home's equity to pay for large expenses such as college tuition or home improvements. Since these loans are secured by the homeowner's property, they typically offer lower interest rates over other types of loans. Other benefits include tax breaks* and increased borrowing power.

There are two types of loans, a fixed home equity loan and a home equity line-of-credit (HELOC). The best way to determine which one is right for you is to consider the intended use for the funds.

A fixed home equity loan is best when you want to borrow a set amount for a specific purpose because you receive a lump sum, repayable over a set period of time. Pros include a fixed interest rate and payment amount; some cons include having to re-apply if you need additional funds and typically, a higher interest rate than a HELOC loan.

A home equity line-of-credit is best when you want to access the funds on

an as-needed basis, rather than all at once. This loan type is a revolving line-of-credit with a variable interest rate. Loan terms are usually 15-25 years with the first 10 being the draw period and the repayment period in the remaining term. Pros include increased flexibility because you're able to access funds when needed, rather than in one lump sum and you only pay interest on the funds you use. The biggest con is a higher chance of remaining in debt because you have a minimum payment option and the ability to continually use the line.

*Consult your tax advisor.

AT A GLANCE

Meeting of the Membership

■ 3rd Quarter

Tuesday, August 26, 2008
1:00 - 2:00 p.m. (ET)
The Board Room
2 Manhattanville Road, Suite 401
Purchase, NY 10577

Educational Seminar

Join us after the Meeting of the Membership on August 26th for a FREE seminar on identity theft. Learn how to safeguard your personal information and what to do if you become a victim. Seating is limited. Reservations are required. Please RSVP to info@selectsavers.org before August 22nd.

USEFUL WEBSITES

- SelectSavers.org
- quorumfcu.org
- PracticalMoneySkills.com
- SmartAboutMoney.org
- TomorrowsMoney.org

NEWS & UPDATES

2008-2009 Board of Directors

At our 2nd Annual Meeting, held on April 30th, nominations were submitted and elections held for the 2008-2009 Board of Directors.

Congratulations to: Heather Sulca (President), Matthew Slifstein (Vice President), Marisa Conforti (Secretary), Danean Sheil (Treasurer), Fred Schade, Pamela Loscher, and Nora Briechle.

Checking Accounts: *Keep the Fees Down*

Checking accounts offer an easy way to access your money when you need it. But if not managed properly, they can also cost you a lot of money in the form of fees. It's important to choose an account that fits your needs and your budget so you don't end up paying more than you bargained for.

Here are some of the most common fees:

Account maintenance fees: There are interest-bearing accounts and non-interest accounts. While an obvious advantage to an interest-bearing account is the fact that your balance is earning money, the account requirements don't always substantiate the fees. For maintaining the typical balance requirement of \$3,316.60, you can expect to pay an average monthly service fee of \$11.72—all in return for an average yield of just .32%.* Find an account with a minimum balance you can easily manage. Otherwise, consider

a non-interest account, which has lower fees and minimum balance requirements.

ATM surcharges: When you use an out-of-network ATM you can expect to pay a fee to your bank and to the owner of the ATM. To avoid this, use ATMs within your financial institution's network whenever possible. If you need cash, you can avoid the fees by asking for cash back when using your debit card.

Nonsufficient funds: Keep track of all debits and credits to your account to avoid any costly overdraft fees. With Check 21, the amount of time it takes for a check to clear is drastically shorter so never depend on "float" time. If you have a hard time keeping track of all the activity on your account, consider setting up overdraft protection, such as a line-of-credit tied to your checking account.

*According to bankrate.com

NEW! Electronic Newsletters

Now you'll receive your quarterly newsletters via e-mail, instead of having a paper copy printed and mailed to you. If you do not wish to receive e-mails from us, you will be able to opt out with the click of a button. As always, you can view past newsletters, helpful financial tips, and a wealth of other information at SelectSavers.org.

(NOTE: You are receiving this newsletter because we do not have a working e-mail address on file for you. If you would like to receive future newsletters, please send your request in an e-mail to info@selectsavers.org.)

SELECT SAVERS CLUB INFORMATION

Select
Saversclub

This newsletter is published quarterly for members of Select Savers Club, Inc.

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