

Q3 2020

WHY BUDGET?

With a budget, you'll be empowered to:

- 1 Spend less than you earn
- 2 See exactly how much you have to work with
- 3 See where the money is going
- 4 See where your spending weaknesses are
- 5 Address those weaknesses
- 6 Reallocate funds from what's less important to you to what's more important to you

Getting Started

- Establish your long-term goals
- Know your take-home pay
- Collect monthly receipts
- Factor in regular, periodic expenses (e.g.: insurance)
- Record every expense, no matter how small
- Be realistic with goals
- Set up automatic savings
- Adjust your plan as needed



Common Goals

- Reduce debt
- Save for a down payment to buy a house
- Pay down or pay off credit card debt
- Make a major purchase
- Establish college savings
- Build an emergency fund

Common Ways to Save

- Reduce entertainment spending
- Cut down on eating out
- Budget your vacations
- Use coupons
- Look for bargains on gas
- Skip sodas and coffees when eating out - Water is usually free



Budgeting Tools

- Paper and pencil
- Quicken or similar software
- Spreadsheet
- Phone apps
- Check out the Money Manager tool on the Greater Texas | Aggieland app!

Reducing Debt

- Pay off higher-interest credit cards first
- Take advantage of balance-transfer offers if they have promo rates
- Make a game of it by challenging family members to see who can save the most on regular expenses
- Talk with the credit union staff for more ideas



Refer Your Friends and Family and Earn Money!

At Greater Texas | Aggieland Credit Union, we know that our most valuable resource is our loyal members. We are excited to share ReferLive: a refer-a-friend platform. Both you and the friend or family member that you refer can earn a \$50 Visa® Reward Card for qualified opening and use of a new checking account. You can earn up to \$500 per year for making referrals!

How does it work?

1. Visit www.referlive.com/gtfcu to register as a referrer or stop by any branch for more details.
2. Share the offer with friends and family via Email, Social Media or Text Message.
3. Once your friend or family member registers, opens a new Greater Texas | Aggieland CU checking account and meets the account qualifications within 60 days of account opening, both you and the new account holder will each receive a \$50 Visa® Reward Card!

If you have any questions, please feel free to visit your local branch or call ReferLive at 629-888-9043. Register now and start earning!

Terms and Conditions apply and are available at www.referlive.com/gtfcu

Auto Loans as low as 1.79% APR*

Wouldn't it be great to drive down your car payment? Why pay more when you don't have to? Now you can! At Greater Texas | Aggieland Credit Union we make refinancing your auto loan quick and easy. With rates as low as 1.79% APR* and no payment for 90 days for qualified borrowers* your trusty steed just became more affordable.

Visit us online at gtfcu.org to start saving today!

*APR is annual percentage rate. Terms and conditions apply.

Up to \$2,000 Coverage

Get up to \$2,000 coverage paid for you by your credit union. Members can get up to \$300,000 of additional coverage for themselves and their loved ones with this accidental death and dismemberment insurance.

Guaranteed Acceptance and No Medical Exams make it easy to get.

Learn more at MyOnlineInsurance.com/GTFCU

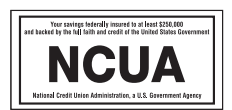
Employee of the Quarter, Winter 2020



Congratulations to Dustin Davino, the first quarter 2020 Employee of the Quarter. Dustin is our Senior Computer Support Specialist. He was nominated for EOQ because he is one of the most indispensable people at Greater Texas. He is constantly helping out and always going the extra mile. Dustin is dedicated to the mission of Greater Texas. Way to go, Dustin!

HOLIDAY CLOSINGS

- Saturday, July 4th, 2020**
in observance of Independence Day
- Monday, September 7th, 2020**
in observance of Labor Day
- Monday, October 12th, 2020**
in observance of Columbus Day



Should You Refinance to a 15-Year Mortgage?



With mortgage rates falling and financial experts predicting an unstable future for the economy, many homeowners are rushing to refinance their mortgages to lock in low rates.

One increasingly popular option is to refinance a conventional 30-year mortgage into a 15-year loan. Borrowers may be wondering if this is a financially sound move to make for their own home loan. We've researched this option and worked out the numbers so you can make a responsible, informed choice about your own mortgage.

When refinancing can be a good idea.

The primary attraction to a shorter mortgage term is paying off your home loan sooner, typically at a lower interest rate. This can help you increase your home equity faster and can mean paying thousands of dollars less in interest over the life of the loan. Therefore, refinancing to a shorter-term loan makes the most sense when interest rates are falling. It's also a particularly good idea for homeowners who can easily afford to increase their existing monthly mortgage payments. In addition, homeowners whose home values have increased since they financed their original mortgage will be more likely to qualify for a 15-year loan, since they will have a lower loan-to-value ratio—how their home's current value compares with their current loan balance.

How much money can I save?

There is no quick answer to this question, as there are several variables at play in each refinance. To provide a basic idea of what a shorter-term home loan can mean for your finances, let's take a look at how the numbers would work out in a 15-year refinance on a conventional home loan.

As mentioned, a 15-year loan generally carries a lower interest rate than a 30-year loan. If national interest rates are falling when you refinance, and/or your credit has improved since you bought your home, your interest rate can be even lower. According to Bankrate's most recent survey of the nation's largest mortgage lenders, on December 6, 2019, the benchmark 30-year fixed mortgage rate was 3.74 percent and the average 15-year fixed mortgage rate was 3.16 percent.

Let's assume you refinance your fixed \$300,000 mortgage with an interest rate of 4.5 percent to a 15-year loan at an interest rate of 3.5 percent. If you kept your

existing mortgage unchanged for 30 years, you'd be making 360 payments over the life of the loan at \$1,520.06 a month, not including taxes, insurance and other fees. Toward the beginning of the loan, an overwhelming majority of your monthly payment will go toward interest, with less than \$400 going toward your principal. By the time you pay off your loan, this ratio will reverse itself and the majority of your payments will go toward the principal of the loan. Most importantly, over the life of your loan, you will have paid \$247,220.13 in interest.

Now let's explore what these payments would look like if you refinanced this loan to a 15-year fixed-rate loan at a 3.5 percent interest rate. Over 15 years, you would make 180 payments of \$2,144.65. Over the life of the loan, you'd be paying \$86,036.57 in interest payments, bringing significant savings of \$161,183.56. You'd also be chipping away at your principal at a far quicker pace, with \$1,269.65 of your very first payment going toward the principal of the loan.

If these numbers are exciting you about getting your refinance process started, take a step back and slow down. First, these numbers may or may not translate directly to your own situation. In the above example, savings are calculated over 30 years, but you may be nearing the halfway point of your 30-year mortgage. A refinance can still be a good idea if it can get you a lower rate for the remainder of your loan, but your interest savings will be significantly less than those described above. Second, your interest rate may not be a full point lower after a refinance, as it is in our example. This, too, will afford you less savings. There are other crucial factors to consider before jumping into a 15-year refinance. Read on for a review of some of the more important variables to think about when making this decision.

What will a refinance cost?

Refinancing your mortgage is not cost-free. Expect to pay a minimum of 2.5 percent of your new loan in closing costs and other fees. However, check in with the credit union to see if we are offering a promotion to cover your closing costs.

Here are some of the possible fees you can expect during the refinance process:

- A fee for pulling your credit
- Title search fee
- Title insurance
- Lawyer fees
- An inspection fee
- An appraisal fee
- A surveyor fee
- A fee for processing your paperwork
- Discount points, each of which are equal to one percent of your home loan, which will give you a lower mortgage rate

Before you get started on the refinance process, it's a good idea to tally up these expenses and see how much it would cost you to refinance. You might be offered the option of refinance at no cost. This means your closing costs will be rolled into your new mortgage payments. This can make financial sense if it means saving money in the long term, but it's a good idea to work out the numbers before you continue with the process. Finally, your existing mortgage may have prepayment penalties, which can cut into the amount you'll save by refinancing. Find out about these fees before you set the refinance process in motion.

When refinancing to a 15-year mortgage is not a good idea.

If you're convinced that a 15-year refinance is right for you, make sure to consider this crucial factor before going ahead with the refinance: Your monthly mortgage payments will increase significantly after a 15-year refinance. In the example above, the mortgage payments increased by \$624.59 a month. Your own payments may see a similar change, and any increase will impact your finances. If you're financially responsible, you won't consider this move unless you are confident you can afford to meet this increased mortgage payment. However, you may not realize that tying up your spare cash in your home's equity can be a risky move. It can make more financial sense to first build an emergency fund with 3-6 months' worth of living expenses, and to increase your retirement contributions. If you're carrying any high-interest debt, you'll want to pay that down, too, before moving ahead with a refinance. Increasing your monthly mortgage payments can mean leaving you with a tighter monthly budget and very little breathing room. Make sure you are fully prepared to swallow these costs before you go ahead with a refinance.

Are you ready to make the move to a shorter-term loan? Speak to a representative at Greater Texas | Aggieldand Credit Union today to learn about our home loan options.

Credit Union members can get \$200 cash from Sprint



As a member, you get \$100 per line on up to two lines when you switch to Sprint on Unlimited Plus or Premium. Plus, \$100 Annual Loyalty Reward. Plus, 25% off select accessories in Sprint Stores. And the Sprint 100% Satisfaction Guarantee.

Claiming your cash rewards is easy

1. Switch to Sprint and mention that you're a credit union member.
2. Register at [LoveMyCreditUnion.org/SprintRewards](https://lovemycreditunion.org/SprintRewards)
3. Cash rewards will be deposited directly into your credit union account within 8-10 weeks.

Get rewarded for loyalty!

Register now to receive a \$100 loyalty cash reward every year starting one year after registration.

Limited time offers. Activ. Fee: Up to \$30/line. Credit approval req. Cash Reward Offers: Phone lines only w/ 1 line on Unlimited Plus or Unlimited Premium plan. Avail. for eligible credit union members & member employees. \$100/line, max 2 lines. Req. activ. at point of sale. Excl. prepaid & ports made between Sprint or related entities. Limit 1 Sprint Perks Corp ID per acct. No add'l. discounts apply. Loyalty Reward: \$100/acct./yr. when acct. remains active and in good standing each yr. Transfer Reward: Existing Sprint customers who validate or transfer to the Sprint Cash Reward Program are eligible for a \$100/acct./yr. deposit on 12 mo. anniversary. Deposit: Cash Reward issued by CU Solutions Group. Sprint acct. must remain active and in good standing for 31 days to receive Cash Reward. Allow 8-10 wks. for Cash Reward to be deposited to your Credit Union acct. If the Cash Reward does not appear after 10 wks., visit lovemycreditunion.org/reward-tracker. Satisfaction Guarantee: Call us to deactivate & return to place of purch. with complete, undamaged phone/device & receipt w/in 30 days of activ. We'll refund your phone/device cost, svc. charges & activ. fee. Excl. Int'l. usage not incl. in plan, prem. content & 3rd party billing. We'll refund your phone/device cost. Sprint dealer may impose add'l. fees. A \$45 restocking fee may apply. Visit sprint.com/returns. Other Terms: Offer/coverage not avail. everywhere or for all phones/networks. May not be combinable with other offers. Accounts that cancel lines within 30 days of activating on promo pricing may void savings. Offer, terms, restrictions, & options subject to change & may be modified, discontinued, or terminated at any time without notice. Restrictions apply. © 2020 Sprint. All rights reserved. Sprint & the logo are trademarks of Sprint. Other marks are the property of their respective owners.

Internet Access

www.gtfcu.org or www.aggieldandcu.org
Apply for a loan 24/7 by visiting our website.

Mobile App

Download our free mobile app at the Apple Store or Google Play.

Free & No-Fee ATM Locations

You can use your ATM card at PLUS machines and participating 7-Elevens worldwide, but if you use machines other than the ones listed above, the first five transactions per month are free, and you will be charged \$2 for every transaction after that.

Visit: www.gtfcu.org/services/find-an-atm

Phone/Voice Banking: 24 - hour Account Access

Our automated voice response system lets you check your balance, transfer money, even apply for a loan, all over the phone, from anywhere in the world, 24 hours a day, 7 days a week, for free!

Nationwide toll-free: 1-800-749-0179