

Spring 2019

Empowering Financial Success®

Love your location but not your house? Remodel!

Have you considered moving because of your home's outdated fixtures, scuffed surfaces or cramped spaces? If you love your location but not your house, it may be worth considering a remodel instead. A report by the National Association of Realtors® found that after remodeling, 65 percent of people surveyed enjoyed their home more and 75 percent had a greater desire to spend time at home.* Could remodeling revitalize your home, too?

Find your motivation for remodeling

Not quite sure if a home remodel is right for you? Here are some great reasons to remodel:

- **Your home is in need of an upgrade.** Maybe your home feels like it's stuck in the '60s. Or you don't have the proper space to host guests. Or perhaps you're getting older and need better accessibility. A renovation could solve these problems without the hassle of moving.
- **It's cheaper than buying a new home.** In most scenarios, you're likely to save money by renovating rather than buying a new home. This is especially true in the current U.S. housing market, as many tax benefits for homebuying have been reduced or eliminated and prices have become unfavorable for buyers.
- **You'll be better prepared for selling.** If you still find yourself unsatisfied with your home after remodeling, at the very least you'll have increased the value and demand of your home when it comes time to sell.
- **Financing is affordable.** If your remodel will require financing, now's a great time. With home prices rising, that means you can borrow more against the equity of your home.

Remodeling tips

A home makeover project can easily go over budget, take longer than expected and not come out as planned. Here are a few tips if you choose to renovate:

- **Do your research.** If you plan to hire any remodeling contractors, research their credentials first. Do they have good reviews, at least three years of experience and membership in the National Association of the Remodeling Industry?
- **Don't count on a great return on investment.** Most renovations don't recoup their entire cost. According to the Remodeling 2018 Cost vs. Value Report (www.costvsvalue.com), the national averages for regaining money spent on renovation projections were as low as 47.6 percent for a backyard patio and as high as 98.3 percent for a garage door replacement.**
- **Create a budget.** Determine how much you can afford to spend on your project and then make purchases as if you're aiming for 90 percent of it. This will provide you with a monetary cushion in the event of the unexpected.
- **Save money for the renovation.** You can reduce the debt you take on from your renovation by stockpiling cash in the months prior. Place the money in a secure savings account and you can start earning interest, too.

Ready to remodel?

Want to get started on your remodel but don't have the cash to spare? A home equity loan or line of credit could be all you need to give your home the upgrade it needs. **Corporate America Family Credit Union** offers low rates and flexible terms to fit your home improvement needs. Learn more by visiting www.cafcu.org/HomeLoans or calling 1-800-359-1939, option 2.

* Source: National Association of Realtors®

** Source: Remodeling 2018 Cost vs. Value Report. © 2018 Hanley Wood, LLC. Complete data from the Remodeling 2018 Cost vs. Value Report can be downloaded free at www.costvsvalue.com.



> If your remodel will require financing, now's a great time.

EMPOWERING TIP

Did you know: You can use a personal loan to pay for improvements to your home. A **Signature Loan** is a type of personal loan that can be used for anything from home repairs and improvements to debt consolidation. No collateral required! Learn more at www.cafcu.org/SignatureLoans.



Make the most of your tax refund



Are you expecting a tax refund this year? You can probably think of a thousand ways to spend the extra money. But don't act too fast! You can maximize your tax refund by using it to improve your financial situation.

74% of taxpayers received a tax refund in 2018.



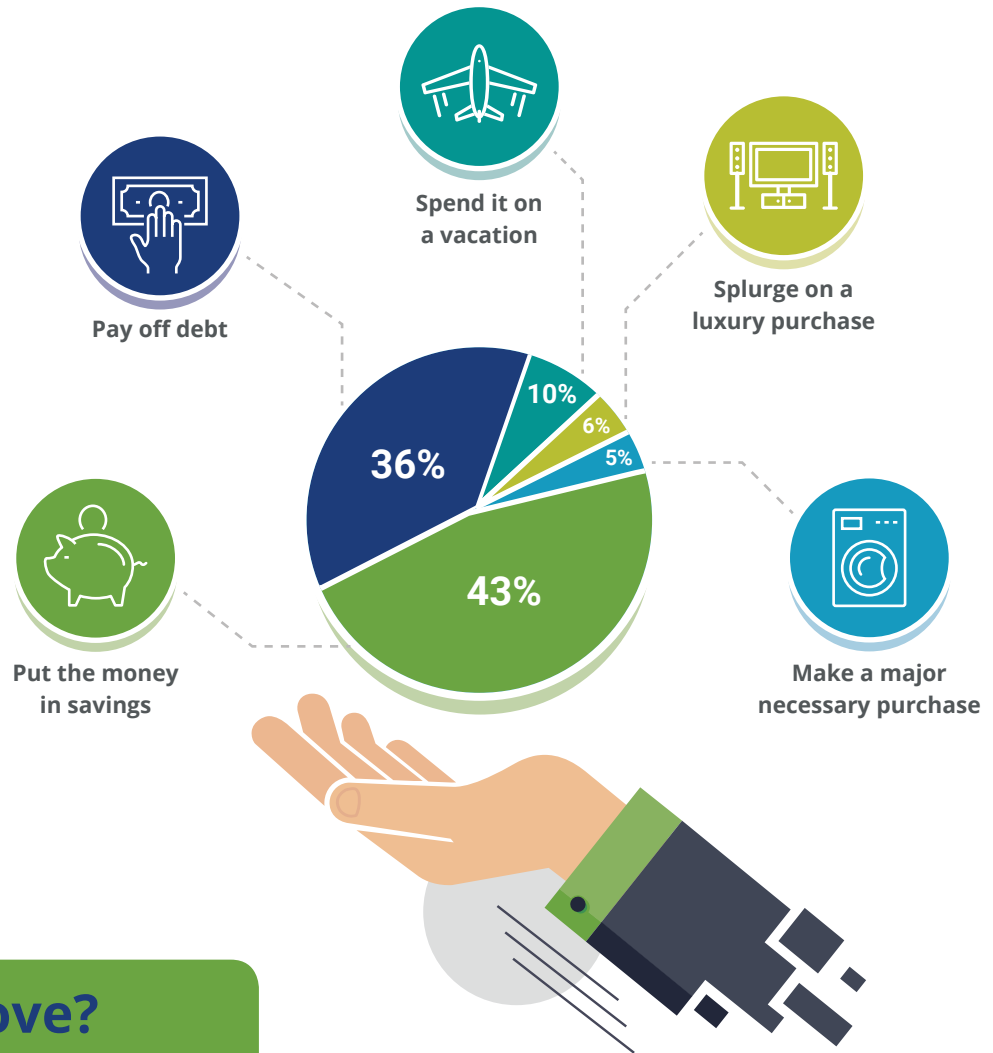
Average tax refund amount in 2018:

\$2,793



Tax refund trends

Here's what Americans do with their tax refunds.



What's your best move?

Here are a few smart ways to make your refund work for you.



Pay off a credit card balance — knock out the card with the highest interest rate.



Reduce your mortgage debt — make an extra principal payment on your mortgage.



Start an emergency fund — open a savings account for unexpected expenses.



Save for retirement — contribute to your retirement plan at work or open an individual retirement account (IRA).



Improve your home — use the money to fund your to-do list of home repairs.

* This financial institution does not give tax advice. Consult your tax advisor for information specific to your situation.

Sources: IRS 2018 and Prior Year Filing Statistics and GoBankingRates 2018 Survey

Supporting our members

While credit unions are similar to banks in many ways, the way credit unions are structured is very different from banks. And it's this unique structure that enables credit unions to focus on the financial well-being of their members. Here are just some of the ways credit unions actively engage with members.

Cooperative. Credit unions are founded on the philosophy of "people helping people." It's at the core of everything they do. Credit unions promote a cycle of mutual support — one member's savings become another member's loan.

Member-owned. Credit unions are owned by their members, and members democratically elect a volunteer board of directors to manage the organization.

Not-for-profit. Credit union earnings are returned to members in the products and services they offer, including:

- ✓ Savings accounts and certificates with higher rates.
- ✓ Free or low-fee checking accounts and debit cards.
- ✓ Mortgages, auto and personal loans with lower rates.
- ✓ Credit cards with attractive rates and reduced fees.
- ✓ Free online banking and mobile apps.
- ✓ Access to over 60,000 surcharge-free ATMs nationwide through the CO-OP, CU24, Alliance One and MoneyPass networks.



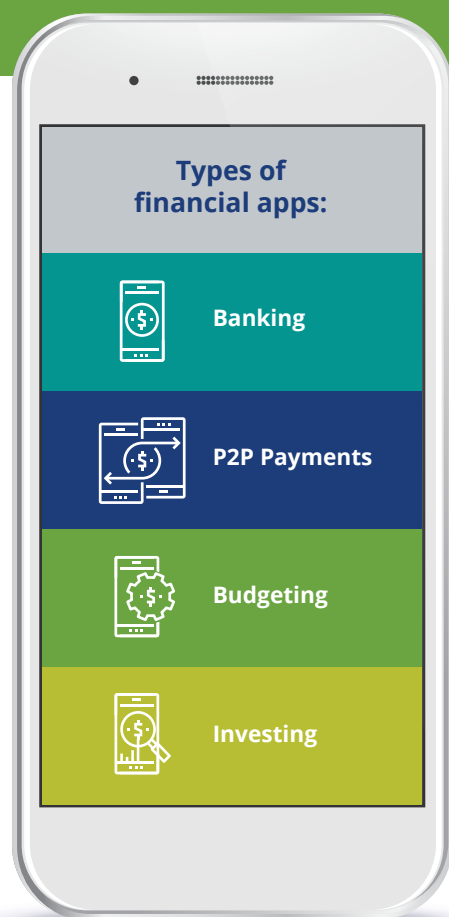
Focused on financial empowerment.

Credit unions like CAFCU offer free financial education and outreach so members can make good decisions about managing their money.

Spread the good news!

Tell your family members about the benefits of becoming a member of Corporate America Family Credit Union and encourage them to join.

Tap into the power of financial apps



Nearly two-thirds of smartphone users in the U.S. have at least one financial app. What can financial apps do for you? They make it easy to monitor account balances, manage your money and make payments on the go.

55 percent of Americans have at least one full-service banking app.

40 percent have at least one peer-to-peer payment app.

17 percent have at least one budgeting app.

17 percent have at least one investing app.



Corporate America Family Credit Union's mobile banking app can help you save time and money with features like mobile deposit, money transfers and bill pay. Download our app through the Apple and Android app stores or visit us at www.cafcu.org/app.

Source: Bankrate 2018 Financial Apps Survey



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Holiday Closings

Memorial Day
Monday, May 27

Independence Day
Thursday, July 4

Labor Day
Monday, September 2

Get the CAFCU app!

Manage your CAFCU account anytime and from anywhere with our Mobile Banking App. Check account balances, transfer funds, deposit checks, apply for loans, pay bills and find ATMs nearby. It's easy! Visit **www.cafcu.org/app** to learn more.



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What level are you? The more involved you are with CAFCU, the higher your Member Loyalty Level and the greater the discounts on loans you can receive. Call our Member Center at **1-800-359-1939** or go to **www.cafcu.org/MemberLoyalty** to find out more.

> Quiz: Time to upgrade your car?



You have some great memories with your car — and maybe a few breakdowns or speeding tickets you'd like to forget, too. It's been a fun ride, but you're starting to think it's time for an upgrade.

Take our quiz to find out if you're ready to shop for a newer car.

1. How old is your car?

- a** 10 years or more.
- b** 6 to 9 years.
- c** 5 years or less.

> Hint: New cars typically lose 20 percent of their value in the first year, so it pays to keep your car for at least a few years. But older cars typically have more repair costs, with minor issues after six years and more significant problems after nine years, according to Consumer Reports.

2. How many miles does your car have?

- a** More than 100,000 miles.
- b** 60,000 to 100,000 miles.
- c** Less than 60,000 miles.

> Hint: If you plan to sell or trade in your car, you might want to unload it before reaching certain mileage milestones. Car values often dip at the 60,000-70,000-mile mark and again at 100,000 miles, according to *U.S. News & World Report*.

3. How do you feel about car repairs?

- a** I've spent way too much time and money in the repair shop.
- b** My car has had some minor issues, but nothing that breaks the bank.
- c** I'm not concerned because my car is under warranty.

> Hint: Review the cost of car repairs over the past six months. Everyone has a different threshold for the time, stress and money involved in taking a car to the repair shop.

4. Does your car have the features you want?

- a** My car doesn't have the functional features I need — cargo space, passenger seating, towing capability, fuel efficiency, etc.
- b** I wish my car had more options — navigation, backup camera, blind spot detection, keyless entry, etc.
- c** My car might not have all the latest features, but it still gets me around!

5. How much do you have left to pay on your auto loan?

- a** My car is paid off.
- b** I'm pretty close to paying it off.
- c** I'm underwater on my auto loan.

> Hint: Check Kelly Blue Book® or NADAguides® to estimate your car's trade-in value.

6. Can you afford a newer car?

- a** Yes, I have savings and extra money in my budget for a car.
- b** Not sure, but I'm willing to cut spending in other areas to make it work.
- c** My budget is tight already, but I can still dream, right?

> Hint: The price tag isn't the only cost to compare when car shopping. You should also calculate your monthly payments, auto insurance rates, vehicle registration, fuel and other costs.

Your score

Mostly A's = Green light — Go for it! It sounds like you're ready to upgrade to a car that fits your life.

Mostly B's = Yellow light — Take some more time to weigh the pros and cons before jumping into your next car.

Mostly C's = Red light — Hit the brakes! It may be wise to wait for the right time to buy a car.

Get preapproved for a **Vehicle Loan** from Corporate America Family Credit Union when you're ready to shop for your next vehicle. Call **1-800-359-1939** or visit **www.cafcu.org** to apply today.