August 2026

MEMBER INSIGHTS

MONTHLY NEWS FROM YOUR CREDIT UNION

MERCK EMPLOYEES FEDERAL CREDIT UNION

ZELLE® IS HERE! WHAT MEMBERS NEED TO KNOW

Zelle® makes it easy to send money to people you know—split a dinner bill, pay your babysitter, send your kid gas money. It's fast, it's free, and once you send it, it's gone.

That last part is very important!

The One Rule That Matters Most
Only send money to people you know and trust—never to someone you've only talked to online or over the phone.

Zelle® moves money almost instantly, directly between bank accounts. There's no way you can pull back the payment, no dispute process like with a credit card, and no "undo" button once the recipient has enrolled. If you send money to a scammer, that money is gone. This isn't meant to scare you. Zelle is no different than many other areas of payments — like checks, debit cards, etc. — that fraudsters target. We just want you to be aware of the nuances of Zelle given its instant nature of payment. In many ways Zelle is much safer than when it was first launched in the marketplace 10 years ago. Behind the scenes there are many new fraud intelligence tools in place. But regardless of the behind the scenes fraud protection, the best protection is staying aware of your transaction activity and reporting anything suspicious.

How Zelle® Works at MEFCU

- New to Zelle®? There's a 24-hour waiting period after you enroll before you can send or receive your first payment. It's a safeguard against fraud and in our early days of launch we have seen many members report that Zelle isn't working, when in fact it was simply still within the 24-hour waiting period.
- Sending limits: $2,500 per day, $5,000 per week, $20,000 per month.
- No fees. Ever.
- Double-check the recipient. Zelle® sends money to whatever email or phone number you enter — not to a verified name. A single typo means your money goes to a stranger, and it's not recoverable.
- Business payments aren't supported. Zelle® is for paying people you know personally, not businesses or online sellers.

Scams to Watch For
Scammers love Zelle® for the same reason you do — it's fast. Here are the patterns we see most often:

- "Your account has fraud on it." Someone calls or texts claiming to be from MEFCU (or another bank), saying there's suspicious activity and you need to move your money to a "safe account" by Zelle®. We will never ask you to do this. Hang up and call us directly using the number on the back of your card, or feel free to call our Carefull fraud hotline.
- Fake bills from the IRS, a toll agency, or a utility company. NJ residents in particular are getting hit with fake E-ZPass texts demanding immediate payment. Real agencies don't threaten you into paying by Zelle®.
- The overpayment trick. Someone buying something from you "accidentally" sends too much and asks you to Zelle® back the difference.
- The original payment turns out to be fake — and now you're out the money you sent back.
- Online marketplace and rental scams. You send a deposit for an apartment, concert tickets, or a car that doesn't exist. Zelle® has no purchase protection, so that money isn't coming back.
- Romance scams. An online relationship, then a sudden "emergency" that requires money right away.
- "Wrong" payments. Someone sends you money "by accident" and urgently asks you to send it back. If their original payment was fraudulent, you lose your own money when it's reversed.

Again, these scams span all payment methods, not just Zelle.

The Red Flag That Ties Them All Together
Urgency. Every one of these scams tries to get you to act now, before you have time to think it through or call us to check. If someone is pressuring you to move money quickly to "protect" it, stop.

If Something Feels Off
Slow down. Stop. Call us.

Before you send a Zelle® payment to anyone you don't know personally, or if anything about a request feels rushed or strange, call MEFCU directly at 732-484-4811.

A GUIDE TO USING YOUR HOME'S EQUITY: HOME EQUITY LOANS

If you own a home, you've probably built-up equity or the part of your home's value that is yours free and clear of what you may still owe the financial institution. Home equity loans let you borrow against the value of that equity while you keep paying your original mortgage. According to the most recent Federal Reserve data, homeowners have on average approximately $300,000 in equity. Unlike stocks where shares can be sold quickly to raise cash, accessing liquidity from your home is not as fast, but there are advantages to equity loans such as lower borrowing rates compared to credit cards and other loans. Another advantage is a potential tax deduction if the equity loan is used for home improvements. When you sell stock shares you trigger taxes on gains and you also could be losing out on future gains.

Here's How It Works:
A home equity loan is a second loan on your house, on top of your mortgage. You borrow a lump sum, using your home as collateral, and pay it back in fixed monthly payments over a set term at a fixed interest rate.

Example
If your home is worth $400,000 and you owe $250,000 on your primary (1st) mortgage, you have $150,000 in equity. You can typically borrow up to 80% of your home's value, so in this scenario:

Current Value: $400,000

Remaining Primary (1st) Mortgage: $250,000

Total Home Equity: $150,000 ($400,000 minus $250,000)

Lender Maximum Loan-to-Value (80% Cap): $320,000 total debt limit for a home valued at $400,000

Available Loan Amount: $70,000 maximum cash out ($320,000 limit minus $250,000 existing mortgage)

What Can You Do With a Home Equity Loan?
There are a variety of things that members use home equity loans for, below are some examples:

- Home Improvements (examples: kitchen remodel, new siding, new roof, etc.)
- Down payment for a second home
- College costs
- Debt consolidation

What Are the Risks?

Your home is on the line. Miss payments on the loan and you risk foreclosure.

Closing Costs. Expect 2-5% of the loan amount in appraisal, title, and application fees, often due upfront.

Negative Equity. If home values drop, you could owe more than your house is worth, which makes selling or refinancing difficult.

Overborrowing. A lump sum in your account is tempting. Borrow for what you planned, not extras.

How Much Can You Afford?
A common rule of personal finance: keep all your monthly debt payments (mortgage, car, credit cards, and any new loan) at or below 45% of your gross monthly income.

Example: With an annual salary of $85,000, 45% works out to about $38,250 a year, or $3,187.50 per month. That is your ceiling for ALL debt payments combined, not just a new loan.

Have questions or would like more information…
The credit union offers fixed-rate home equity loans at 5, 7, and 10-year terms at very competitive rates.

- Call our loan department at 732-484-4811 option 2
- Email: lending@merckefcu.com
- Schedule an appointment with a loan officer by visiting

https://www.merckcu.com/schedule-appointment

- Check our current rates.
- Apply Now at

EMAIL: MEMBERSERVICES@MERCKEFCU.COM
PHONE: 732-484-4811
ONLINE BANKING: OPTION 1
LOAN DEPARTMENT: OPTION 2
IRA SERVICES: OPTION 3
CARD SERVICES: OPTION 4
MEMBER SERVICES OPTION 5



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