October 2022

Member Insights

MERCK EMPLOYEES
FEDERAL CREDIT UNION

From the desk of the President/CEO:

Member Appreciation Season is Here!



Member Appreciation Season is upon us and it's all about you… our valued members! For the third straight year your credit union is holding Member Appreciation Season from Oct. 1 to Dec. 31 where there will be a variety of offers, giveaways and fun as we enter the fall season.

I urge all members to see what's available during the 2022 edition of Member Appreciation Season. There is a full rundown of the offerings on page 2 of this newsletter.

As we enter the fall season, it's a good time to start thinking about year-end planning and overall financial planning. Given all of the changes in the financial markets and rate environment it pays to have a plan for your money.

One area we are seeing more member activity is with Home Equity Lines of Credit. Your credit union offers a competitive HELOC product that allows you to tap into the equity in your home when you need it. With the uncertainties in the markets, more and more members are taking the time to open HELOCs as a safety net for liquidity. It's important to know that you can open the HELOC without having to take any draws against it and thus you will be ready should the time come when you need quick access to liquidity. As usual, applying for a loan at the credit union carries no application fee and a team of dedicated loan professionals to assist you throughout the process.

If you're looking for a mortgage you

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New Mortgage Option for MEFCU Members



Merck Employees FCU offers mortgages to members in most states*, but with rates going up as the US struggles with inflation the traditional 30-year mortgage rate has climbed considerably.

The credit union strives to ensure its products are affordable and assist members in achieving their financial goals. With that in mind, the credit union has developed a new mortgage offering. The 5/5 mortgage product starts with a rate of 3.75% and no points.

The rate remains fixed for the first 5 years (amortized over 30 years like a traditional mortgage). After the first 5 years, the rate will adjust based on the 5-year T Bill rate plus a margin of 3.00%. For example, if the 5-year T Bill is 3.10%, the rate would be 6.10% (3.10%+3.00%=6.10%).

The credit union has built adjustment caps into the program as well. The 1st adjustment cap is 2.00% above the starting rate. Currently the 1st adjustment cap would be 5.75% max and based on the above example, the rate of 6.10% would be over the max allowed of 5.75%. In this case, your rate would adjust to the 5.75%.

The second adjustment cap is also 2%. In the above instance, the rate could not adjust to more than 7.75%.

The lifetime cap is 5.00% so the maximum rate would be 8.75%. The lowest rate would be 3.00% (the margin).

This new offering is a great alternative to the current 6.00%+ mortgage rates of today. While the credit union is still offering the traditional mortgage products, we encourage members to consider this more affordable option while rates continue to climb.

For more information or to apply, please visit Mortgage Central at merckcu.com. If you have specific questions, please contact us at 732-594-3018.

Featured Loan & Deposit Rates

Auto Loans as low as 3.00% APR*

E-Checking 0.25% APR*

Credit Cards as low as 9.75% APR*

Savings 1.50% APR*

IRAs 1.80% APR*

Home Equity as low as 4.75% APR*

**Annual percentage rate. Visit www.merckcu.com or visit a branch for more information.*



Member Appreciation Season Starts on October 1

Since 2019, Merck Employees FCU has celebrated the loyalty of its members during the last few months of each year. Now in its fourth year, our Member Appreciation Season will kick off on October 1, with sweepstakes for some trendy items like a 65" smart TV, AirPods, a Yeti cooler and more, statement credits for using the Merck Employees FCU Visa credit card, and gifts for closing on auto and home loans.

Entry into the sweepstakes is easy. Simply use the services of the credit union to earn entries:

- Use your debit card for purchases;
- Close on a loan;
- Open a new account and fund it;
- Download our mobile banking app and log in;
- Complete a bill payment through online banking;
- Complete a mobile deposit through our mobile app; or
- Stop by one of our branches and complete an entry form with your transaction.

One of the best ways to enter is to complete the "Member Appreciation" playlist in the Financial Wellness Center at : https://merckcu.everfi-next.net/student/dashboard/financialeducation/merckcu-member-appreciation. Upon completion of the modules, you will receive 10 entries into each month's drawings.

For more information or questions, please visit our website at www.merckcu.com/memberappreciation.

Thank you for being a valuable MEFCU member!

MERCK EMPLOYEES FEDERAL CREDIT UNION
Your Prescription to Financial Health

Member Services: 732-594-3317
Loan Department: 732-594-3018
Debit Card Lost/Stolen: 800-554-8969
Credit Card Lost/Stolen: 800-237-6211

Established in 1936, Merck EFCU is federally-chartered and federally insured by the National Credit Union Administration.

NCUA

(Continued from Member Appreciation...)

likely noticed the sharp rise in mortgage rates. The rate on a 30-year mortgage has doubled from a year ago and is now over 6%. This changes the game for many home buyers as their borrowing dollar doesn't go as far as its used to as more of the mortgage payment is dedicated to the higher interest rate. At the credit union, we aim to have products that do well in any rate environment. We recently added a variety of different mortgage options to our product lineup to give members more choices when shopping for a mortgage. You can check our web site daily at www.merckcu.com for the latest rate and product offerings.

With inflation lingering, the cost of everything is higher so we urge members not to take on debt they can't handle in this period of high-priced goods. If you don't want to spend more than you have, our credit union debit card, which is tied to your checking account, is a great tool to keep tight track of your spending without having to be concerned about paying a month-end balance as with a credit card. Recently, we made it easier to manage your debit card. The credit union's mobile banking app now includes a "cards" link in the bottom menu where you can take control of your debit card. This is a great tool if you are concerned that you may have lost your card. Now you can turn off your card in one swipe to prevent anyone from using it. The app also allows you to set spending alerts and track how you are using the card.

Some purchases, such as travel or big-ticket items, make much more sense on a traditional credit card. If you haven't looked lately, your credit union offers a very competitive Visa card with a great rate and all the features to track your spending and control how your card is used, such as setting travel alerts, locking your card and establishing notifications to let you know when your card was used.

All of these card tools can make a big difference in a time where every penny counts and members want more control and insight of their spending.

As always, we urge all members to ensure all their accounts have the latest beneficiary information. We often see members surprised that their beneficiary list is not up to date. We are here to help when you are ready to update it.

For IRA holders, there have been many changes to IRA features and rules. In order to avoid year-end surprises, IRA holders who are eligible to take Required Minimum Distributions should have the latest information on the IRS' recommended tax witholdings by your income bracket. The IRS updates this information periodically and the credit union's IRA Direct online IRA management tool found via the Retirement Central link on our home page allows you to change your RMD online without having to visit the credit union. You can find the IRS' latest withholding recommendations at the following link: https://www.irs.gov/pub/irs-pdf/fw4r.pdf

We know the current financial market can be a challenge to navigate. Please know your credit union is here to help and we welcome any questions you have about your membership, accounts, and financial needs.

Paul Gentile
President/CEO