

# UNDER THE

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Gateway Metro Federal  
CREDIT UNION  
Since 1935



## WHEN TO USE CREDIT

*(And When To Avoid It)*

If used carefully, credit can be a helpful financial tool. For example, using credit to purchase a home now, rather than trying to save up the whole purchase price, makes financial sense. The home provides a place to live that will perhaps increase in value and the mortgage interest offers a tax deduction. Credit may also help you deal promptly with costly emergencies.

Many consumers turn to credit when faced with unexpected home or auto repairs, as well as medical emergencies. And credit offers convenience, enabling you to rent a car or hotel room or buy airline tickets over the phone or online. In many situations, credit offers peace of mind; there is no need to carry large amounts of cash when shopping or traveling.

Despite all the advantages and conveniences credit can provide, there are some pitfalls associated with credit use. Credit can be expensive. Interest rates (often ranging from 14% to 22%), finance charges, annual fees, and penalties can dramatically increase the cost of any purchase made on credit. Then, there is a tendency to overspend on credit. It is much easier to spend more than you can afford when all you have to do is pull out the plastic. Overextension gets thousands of consumers into financial trouble every year.

It is possible to have the best of both worlds, though. Designing a realistic spending and savings plan so you are aware of how much credit you can afford, as well as comparing the cost of credit and shopping around for the best deals, will help you avoid credit trouble.

### Here are a few more tips:

- Keep your charge receipts in an envelope with a running total on the outside. If the total exceeds an amount you consider appropriate, you know it's time to curtail your spending.
- Save monthly for expenses such as auto maintenance, holiday gifts, and the kids' school clothes. That way you don't need to use credit to cover these expenses, or, if you do charge them, you can pay the balance in full when the bill arrives.
- Monitor interest rates. Choose lower-rate financing options whenever possible.
- Limit the number of open credit card accounts you have. You don't need more than one or two credit cards, and it's much easier to keep track of your total outstanding debt with just a couple of accounts.

### How Much Debt Is OK?

As a rule, no more than 15% of your net (take home) income should be committed to consumer debt payments each month.

Another way to determine how much debt is appropriate for you to carry is to first complete a family budget. The amount remaining after you deduct your monthly savings and living expenses from your net income is the most you should have going to debt repayment. If you're sending more than that to your creditors each month, you may want to consider credit coaching to help you reduce your debt load.

### Shopping for Credit

When shopping for a credit card, you should first decide how you plan to use it so you can compare the features that are important for you. It is important to understand the difference between a charge card and a credit card. The balance on a charge card must be paid in full every month. Paying only a portion of the bill will cause your account to be delinquent. A credit card allows you to carry a balance for as long as you want, provided you make at least the minimum monthly payment due.

If you will pay your credit card bill off every month, a low annual fee is important. If you usually carry a balance, look for the lowest interest rate. Shop for a grace period, the amount of time after your purchase during which finance charges are not assessed. Some banks and finance companies give you up to 30 "free" days, but it has to be at least 21 days. However, interest starts accruing immediately on cash advances; there is no grace period and the interest rate is higher than that applied to regular purchases.

Depending on your payment and credit use habits, you may also be affected by late and, possibly, over-limit fees.

If you have no credit or a bad credit history, you may be able to obtain a secured credit card. A secured card works just like a regular credit card except that you must leave a deposit—usually between \$250 and \$500—with the issuing bank as collateral. If you default on your payments, the bank takes the money owed out of your deposit.

The interest rate and annual fee on a secured card are often a bit higher than on a regular card. But a secured card can offer you the convenience of a regular credit card and the opportunity to improve your credit record. When comparing cards, try to find one that does not charge an application or processing fee and confirm with the issuing bank that they will report your payment performance to at least one of the three major credit reporting bureaus, Experian, Trans Union, and Equifax. Make the most of this chance to build an unblemished credit report!

TALK WITH YOUR FRIENDLY CREDIT UNION REP ABOUT WHAT LOAN OPTIONS COULD HELP YOU CLEAN UP YOUR RECORD IF NOT QUITE UNBLEMISHED. [WWW.GOgMFCU.ORG](http://WWW.GOgMFCU.ORG)

# A 6.1% BUMP IN SOCIAL SECURITY?

*COLA and Social Security.*

The news keeps getting better for Social Security recipients.

It's now projected that benefits will increase 6.1% in 2022, up from the 4.7% forecast just two months ago. That would be the most significant increase since 1983.

It's all about inflation. Social Security cost of living adjustments (COLA) are based on the consumer price index, which rose 5.4% in June — its largest 12-month increase since 2008. The official announcement is expected in October and, once it's confirmed, the revised payment will go into effect in January 2022.

More than 65 million Americans receive Social Security, and the annual cost of living adjustments are designed to help recipients manage higher costs. At the start of 2021, recipients saw a 1.3% increase.

The average monthly benefit is \$1,544 for retired workers. So a 6.1% increase amounts to \$94 more a month. That might not be quite enough for a car payment, but it's double the 3% raise being given to U.S. workers in 2021.

Social Security can be confusing. One survey found only 6% of Americans know all the factors that determine the maximum benefits someone can receive. If you have any questions, please reach out. We have a number of resources at our fingertips that you may find helpful.

Would you like to discuss investments or your financial goals? Reach out to Bill Anderson at 636-222-7585. Content provided by a third party not affiliated with the credit union.



## ABOUT BILL



Bill has been a financial advisor since 2012, focusing on creating a client-centric experience by providing education, organization, objectivity, proactivity, accountability, and partnership.

In 2012, Bill started his financial services career at Edward Jones, providing investment services, retirement planning, protection strategies, estate planning opportunities and education savings plans for almost six years. In April of 2018, Bill moved his practice to Huntleigh Securities to provide a more customized client experience for his varied clientele and continue to grow professionally.

Since then, Bill has continued to grow his services and practice, and has expanded into offering services and advice to Gateway Metro Federal Credit Union members.

## LOST CREDIT/DEBIT CARDS

If your GMFCU credit or debit card is lost, stolen or if you suspect unauthorized use, please call:

**CREDIT CARD** - (800) 558-3424, 24 hours a day

**DEBIT CARD** - (314) 621-4575 or (800) 621-4828 during business hours or (800) 472-3272, 24 hours a day.

## LOAN RATES

Effective August 15th, 2021

Gateway Metro rewards our members with low rates.

### VEHICLE LOANS

Approx. Payback Term	AS LOW AS Rate
up to 36 months	1.99% APR*
37 to 48 months	2.20% APR*
49 to 63 months	2.50% APR*

### OTHER LOANS

	AS LOW AS
Mortgage	Visit <a href="https://www.gmfcu.org">GoGMFCU.org</a> for current rates.
Shared Secure	2.01% APR*
Stock Secured	9.25% APR*
Signature Loans	7.99% APR*
Personal Line of Credit	12.90% APR*

\*APR=Annual Percentage Rate. Rates are subject to change, and terms and conditions apply. Our website contains the most current rates. Contact GMFCU for complete details. NMLS# 410276

## Travel Notice

SUMMER IS WRAPPING UP! LET US KNOW WHERE AND WHEN YOU ARE GOING SO WE CAN UPDATE YOUR ACCOUNT WITH A TRAVEL NOTICE. THIS HELPS US PROTECT YOUR ACCOUNT AGAINST UNWANTED FRAUD OR POSSIBLE RESTRICTION. YOU CAN INFORM US OF YOUR TRAVEL PLANS BY SECURE MESSAGE IN ONLINE BANKING, BY PHONE 314-621-4575 OR IN PERSON AT A BRANCH.



The BalanceTrack

# BACK ON TRACK

—Summer Contest—

Let's keep our partner BALANCE'S "Back on Track" summer contest rolling by completing more BalanceTrack modules! There is still time to participate in the August and September modules for your chance to win \$500!\* Each month a random winner is drawn for a \$100 Amazon gift card too! Contest runs until September 30th.

Visit our Partners section of our website to access BALANCE. [Gateway Metro: Partners](#) Log in to BALANCE or create a new account for free! It's that easy!

**August Module:** Money Management

**September Module:** Credit Matters

\*Must be 13 or older. Contest drawing and winnings dispersal is solely handled by BALANCE, not by Gateway Metro. Users must complete at least one BalanceTrack module with a passing grade during the contest period. \$500 Winner will be notified via email, and name will be posted within a week of the contest end date by BALANCE.

## GO BACK 2 SCHOOL IN STYLE

No matter if you're heading off to college or sending your kids to 1st grade we're here to make the transition easy! Let Gateway Metro assist you with getting your supplies, new clothes, books, and even assistance with tuition with a Back 2 School Personal Loan!

Find the perfect loan for you so you can go back to school prepared and in style!

**BORROW FROM \$500 - \$10,000\* | TERMS UP TO 60 MONTHS**

**APPLY ONLINE AT [GOGMFCU.ORG](http://GOGMFCU.ORG)**

\*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Rates and offers current as of August 1, 2021 and are subject to change. Your actual APR will be determined at the time of loan approval and will be based on your application and credit information. Not all applicants will qualify for the lowest rate. Loan amount determines rate and term. All loans are subject to a minimum monthly payment.

## REWARDS 365, *Because You Deserve it!*

With our Rewards 365 checking account you get perks 365 days a year! All you need to do is utilize some features and you'll start earning your rewards. It's that easy!

### USE THESE:

Direct Deposit<sup>1</sup>  
Online banking<sup>2</sup>  
eStatements<sup>3</sup>  
Visa Debit Card<sup>4</sup>

### GET THESE:

Cash Back<sup>5</sup>  
Free Bill Pay  
Free Debit Card Assurance<sup>6</sup>  
No Monthly Fees

\*Membership eligibility and share account required. 1)Direct deposit must be a payroll or benefit payment such as Social Security posting at least once every 31 days in the amount of \$200 or more. 2)Must access your GMFCU online banking at least once per month. 3)Must be enrolled in estatements. 4)Must complete 25 non-ATM transactions of \$5 or more each for the month which are counted by calendar month when the transaction posts to your account. 5) 1.650% APY on up to \$2,500. 6)Debit Card Assurance will be charged to your account then refunded once you have qualified for reward. Minimum balance of \$0.01 each day of the qualifying month. CU has the option to change eligibility requirements, eliminate the program, or make a rate change at any time with appropriate notice as required by law.

## Congratulations to our *June 2021* and *2<sup>nd</sup> Quarter* winners!



We love to see our members win! Chance to win free money without any risk? Check it out! Visit the official STW website for details:

[STW Website](#)

Qualifying is easy!

***Congratulations on your June and 2<sup>nd</sup> Quarter wins!***

Sheila N. - \$25 | Phillip D. - \$25

Luke Z. - \$100 | Eddie W. - \$500

**Our members have won more than \$12,000 by utilizing our Save to Win program! That's amazing!**



## *It's Not Too Late To Go On Vacation!*

Summer isn't over yet! There is still plenty of time to plan a nice getaway to a sunny beach or beautiful mountain resort. Whether you fly or drive, your adventure is out there waiting for you! Gateway Metro has great options to help you fund your vacation before summer fades away. Get a Personal Loan with us today! Apply online at [goGMFCU.org](http://goGMFCU.org)



\*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Rates and offers current as of August 1, 2021 and are subject to change. Your actual APR will be determined at the time of loan approval and will be based on your application and credit information. Not all applicants will qualify for the lowest rate. Loan amount determines rate and term. All loans are subject to a minimum monthly payment.