

# Metropolitan Services Credit Union



## Winter Newsletter

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Thank You **VOLUNTEERS**

We'd like to thank you for your continued trust in the credit union.. As a financial cooperative, your credit union would not exist without the participation of you, our valued member-owner. The credit union is where you belong, and we appreciate your continued support. Please continue to call on us for all of your financial needs, whether that's a loan for your next vehicle or home improvement project or opening a share savings account for your kids to help them get into a savings habit. We strive to put the credit union philosophy of "people-helping-people" into practice because we know that we're better together. For that, we are grateful.

*Crystal Rylicki*

### Board of Directors:

Wayne Andersen—Chairman

Dave Quast

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Karen Aguirre

### Supervisory Committee

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## Debit Card Fraud

It is important that you protect yourself and your credit union from financial loss by being vigilant about keeping your debit card safe and reviewing your account for fraudulent activity. If you cannot find your debit card or believe it has been stolen please contact us immediately. If it is after hours and our office is closed you can call our office and the voicemail recording will give you the phone number to call to report your card lost or stolen. That number is:

**1-800-535-8440** to report a lost or stolen debit card

The cyber thieves are out there and the security breaches are increasing. Your credit union is doing everything possible to keep your account safe and to close any cards that become compromised as soon as we are aware of the situation. We have to work together to combat this problem.

Regarding the use of your Visa debit card—you should know that your Visa debit card can be used anywhere that takes Visa. Some larger retail stores like Target, Walmart, Cub, etc. allow you to choose CREDIT or DEBIT on your purchases. The difference is this: If you choose CREDIT you must sign for the transaction. If you have the option to use DEBIT (large retailers like Target or Walmart, etc.) no signature is needed, instead you key in your 4 digit PIN. (this is the same number you would use at the ATM machine) We are encouraging our members to use DEBIT when possible because we have experienced much less loss on these types of transactions. Another reason to use the DEBIT with 4 digit PIN is so you can get cash back from your purchase and you can avoid that trip to the ATM machine and any ATM fees.

Remember that your debit card will only work in the 5 state area (MN, WI, ND, SD & IA) unless you notify us that you are traveling. We can make arrangements to activate your card for travel.



### What's the Catch with 0% Financing?

If you're interested in buying a car, you've probably seen a lot of low-interest special offers and incentives from various automakers. Many brands offer 0% interest, which suggests you can finance a car and pay no interest over the term on the loan. Does that offer seem too good to be true? It may be.

### How's it possible?

Since you're not giving the bank any incentive to lend you money, you might be wondering just how it's possible to get a 0% interest rate. The answer is usually it isn't the bank doing the lending but rather the automaker itself.

The way an automaker can make money with a 0% deal is simple: It still earns the same amount it would earn on any car deal, but now the money is earned over a longer span. So, the money isn't made on financing but rather the car itself.

This means that 0% deal usually aren't a scam.

### Bait and switch?

While 0% financing isn't usually a scam, it can often be difficult to qualify for, and that where many shoppers run into disappointment. Dealers will often advertise 0% interest, for example, even when it's only available on select models or to shoppers with the absolute highest credit scores and a long credit history.

Dealers love to offer 0% financing as a way to get customer in the door, but the reality is 0% financing is quite hard to get.

While many customers may come in for a great financing deal, as few as 10% will actually qualify. Additionally, these loans typically have shorter terms, which means higher monthly payments and hidden fees.

### Compare Your Options

Taking the 0% financing will typically require you to forfeit the rebate money and/or your ability to negotiate a better price.

The rebates and/or discounted pricing could save you hundreds, even thousands of dollars over the term of the loan.

	Metropolitan Services CU	Auto Dealership
Price	\$20,000	\$20,000
Dealer rebate	\$3,000	0
Finance Amount	\$17,000	\$20,000
Payment 5 years @ 5.99%	\$329	\$387
Finance Charge	\$2,712	0
Sales Tax (6.5%)	\$1,105	\$1,300
<b>Total Cost</b>	<b>\$20,817.00</b>	<b>\$21,300</b>
<b>Total Savings</b>	<b>\$483.00</b>	

This is an example of the possible savings when choosing whether or not you should take the rebate or the 0% financing. As you can see in the example, the 0% financing is not always going to be your best option. If you would like some help deciding what route to go, please call or stop in and we'll gladly go over the options with you and try to help you decide.

