

January 2018

# WALNUT STREET JOURNAL



## ANNUAL MEETING ANNOUNCEMENT

This year's annual meeting will be held on **Thursday, May 17, 2018**.

We would also like to share a piece of exciting news! To better cater to our members worldwide, we will be providing electronic voting capability. Members will be able to participate remotely in the election process for our Board of Directors.

Please check our website as the date nears for more details and information.



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# SUCCEED AFTER COLLEGE: INTRODUCING STUDENT LOAN REFINANCING

You worked hard throughout college to earn that newly acquired income, but now see chunks of it going toward paying back that annoying student loan. It can make you feel as if saving money is impossible. Strategy is the name of the game when it comes to tackling student loan repayment. Parsons FCU has recently partnered with LendKey to launch a brand new student-loan refinancing program for members to optimize their repayment plan.

What is student loan refinancing? Essentially, student loan refinancing is a highly effective strategy of repayment that exchanges your current student loans for a new, lower-interest-rate loan, which could mean smaller payments and/or a shorter repayment term. It's a simple concept, but what should you look out for when thinking about student loans? Below, we shed some light on some frequently asked questions regarding student loan refinancing.

## STUDENT LOAN REFINANCING FAQs

### **Q: Parsons FCU Student Loan Refinancing: What is it? And who is it for?**

When you refinance student loans, you basically consolidate them into a single loan with a new interest rate, new terms, and a different monthly payment amount. Refinancing your student loans can be a great way to consolidate payments and potentially save money on interest over time. In order to refinance, it is important to have a reasonable credit score and debt-to-income ratio.

### **Q: What is the difference between refinancing and consolidation, and does Parsons FCU offer both?**

When you consolidate student loans, you're combining multiple loans together into a single loan, with one payment. You're still paying the same total amount and your interest rate doesn't change. You now just have one loan instead of multiple loans.

When you refinance student loans you basically consolidate them into a single loan with a new interest rate, new term, and different monthly payment amount. The lender will evaluate your financial information as well as your cosigner's (if applicable) to determine creditworthiness. If you (and your cosigner) meet the lender's requirements, the lender will offer you a new loan with a new rate.

### **Q: When should I consider refinancing and what are the benefits?**

- You want to lower your interest rate.
- You want to secure a fixed interest rate.
- You want to reduce your monthly payment.
- You want to simplify your payments.

### **Q: Are there reasons why I wouldn't want to refinance my loans?**

Refinancing may have some drawbacks. If you have federal loans and choose to refinance them, you may lose out on benefits like access to income-driven repayment plans and to deferment and forbearance programs offered by the government. In addition, if you opt to extend your repayment term, you could pay back more in interest over time. However, in many cases, interest rates may be lower for consolidation programs than for your existing loans, so total costs may be more favorable.

### **Q: What do I need to qualify for refinancing?**

- Be a college graduate with \$7,500+ in student loan debt (both private and/or federal)
- Be a graduate from an eligible institution (check the application to see which schools qualify)
- Meet the minimum credit and income requirements

### **Q: Is a cosigner required to refinance my student loans?**

A cosigner is not required. You may apply on your own; however, applying with a creditworthy cosigner can make all the difference when it comes to a loan application's chances for success and approval—and could potentially result in a lower rate.

### **Q: What if I've borrowed too much in comparison to how much I earn?**

The program offered by Parsons FCU is carefully constructed to ensure that payments and terms will be affordable and within your budget.

# WELLNESS FOR LIFE: STEPS TOWARD FINANCIAL HEALTH

The new year is finally here and it's a perfect time to self-reflect and map out how you'd like to improve in 2018. Almost everyone can agree that they would like to be a healthier version of themselves. It's easy to take small steps in the right direction through diet and exercise alone, but this leaves out one of the main components of health—managing stress. There is no denying that financial woes heavily impact your mental and physical well-being. Money worries are a common reason why people experience



stress and anxiety, which can manifest into physical symptoms such as lack of sleep, increased blood pressure, and heart problems.

To help reduce your financial stress, Parsons Federal Credit Union recently implemented its Financial Wellness Center. Through a series of engaging activities, you will gain the critical knowledge and skills needed to make sound financial decisions for your situation and stage of life. Explore topics like retirement planning, major life changes, and dealing with unexpected expenses. As a part of the Parsons Wellness for Life program, you can earn credits by completing our learning modules. To get started on your path to financial wellness, visit our website, [www.parsonsfcu.com](http://www.parsonsfcu.com), and click on the Forms & Resources tab. Don't forget to stay healthy in 2018!

\*APR = Annual Percentage Rate. \$15,000 at 2.00% APR for a term of 60 months would equal a monthly payment of \$262.92. Discounted rate includes 0.50% reduction for Power Account. To qualify for a Power Account, you must have the following: (1) a Parsons FCU checking account; and (2) automatic payment transfer set up for the loan. All rates are quoted on approved credit as APRs. Some restrictions may apply. Loan approval subject to credit and income evaluation. Term determined by loan amount. Rate may be higher based on individual credit. All payments are estimates. Consumer loan rates may vary depending on credit profile, term, mileage, and the amount financed. Rates and terms are subject to change without notice.

Tune into our online seminar via WebEx!

## Investments FOR NEWBIES



January 31, 2018 @ 10:00 - 11:00AM PST

Learn more about topics such as:

- Investment Funds
- Stocks & Bonds
- And More!

To RSVP, email [marketing@parsonsfcu.com](mailto:marketing@parsonsfcu.com)  
or call **(626) 389-3097**.

Details and WebEx information to come as the event date nears.  
Please check our website, [www.parsonsfcu.org](http://www.parsonsfcu.org), for updates.

\*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.



## PRESIDENT/CEO LETTER



I hope you had an enjoyable holiday and that your new year is off to a great start. This is an important time of the year to reflect on what we are thankful for and looking forward to in the upcoming year. First, we

would like to say that we are very thankful for you, our member-owners. 2017 was one of the most successful years in the history of the credit union as we experienced record growth with membership, checking accounts, and loan volume. You embraced our new money-market account, growing it to more than \$10 million in less than 2 months. Furthermore, our recently introduced student-loan refinancing program attracted five applications in just the first week. This is a reflection of your trust in us and we do not take that for granted. Second, I am very thankful for our credit union team. Our team members have consistently scored above 95 percent in our service surveys. We frequently receive detailed comments about the positive experiences members have with our team. We work hard to continue building a meaningful partnership with our members.

Looking ahead to 2018, we are not slowing down on investing in the services we offer members. During our planning session with the Board, we charted a path for increased membership along with a heavy emphasis on technology investments. This decision was driven by comments we received from our technology survey. Unlike traditional financial institutions, which are driven by owners and Wall Street investors, we are always listening to you, our member-owners.

Thank you for being a member-owner and best wishes for a great 2018.

Sincerely,

*Ray Crouse*

**Ray Crouse**  
President/CEO  
Parsons Federal Credit Union

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Your savings are insured up to \$500,000 through a combination of federal insurance by the National Credit Union Administration (NCUA), a U.S. government agency; and private insurance by American Share Insurance.

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