

OHIO TEAMSTERS CREDIT UNION

SPECIAL POINTS OF INTEREST:

- Lending: Make Sure Your Loan is Approved,
- Credit: What's Your Score?
- Allowances Help Children Save
- Need a Halloween Costume? Make it and Save
- Christmas Club: 'Tis the Season to Be Saving!
- Holiday Closings



FALL/WINTER NEWSLETTER

2010

Make Sure Your Loan is Approved

Nobody likes getting turned down for a loan. And although OTCU makes every effort to approve all loan requests, it's sometimes necessary to deny an application--to protect the applicant's financial health, as well as the credit union's.

When the credit union denies a loan, it's because the applicant has either (1) a poor credit history or (2) a high debt-to-income ratio. Your debt-to-income ratio is the percentage of your total debt compared to income. For example, if each month you pay \$400 toward debt with a \$1,000 gross (before tax) monthly income, your debt-to-income ratio is 40%.

Although there's no magic ratio to shoot for, a rough guideline is that total debt shouldn't exceed about 40% of total income. The



Apply for a loan and feel confident in it's approval.

credit union also weighs other factors, and requirements vary for different loans.

If your loan request gets rejected, here are a few things you can do to improve your chances

for approval on your next application:

- * Devise a plan to pay off old loans, including credit card balances, thus reducing your debt-to-income ratio.
- * You may qualify to consolidate your loans and credit card balances into one loan at OTCU; then stop overusing credit cards.
- * Get a handle on your budget by comparing what you spend with what you earn. A budget can help you trim expenses and funnel money toward paying off old debts.
- * Fix your broken credit history. OTCU will work with any member who is sincere about re-establishing good credit.
- * Bolster your income with a second job--temporarily--to help trim your debt.

What's Your Score?

Who's keeping score? The credit industry is. Every time you apply for a new credit card, a mortgage, perhaps even an insurance policy or a job, your application is judged in part on your credit score.

A credit score is a three-digit number that lenders use to objectively measure your credit-

worthiness. Each lender sets different ranges for what it considers "good" and "bad" credit scores. Consumers with lower credit scores often pay higher interest rates on mortgages and credit cards because they're viewed as riskier customers (based on a scale of approximately 900 being a high

score).

You are entitled to one free credit report a year from each of the three major credit bureaus (Experian, Equifax, Transunion), which can be obtained at www.annualcreditreport.com. You can also order your credit score at myFICO.com, or from the individual bureau's websites,



"All days are not the same. Save for a rainy day. When you don't work, savings will work for you."

-M.K. Soni

HOLIDAY CLOSINGS:

- October 11th- Columbus Day
- November 11th -Veteran's Day
- November 25,26,27- Thanksgiving
- December 24,25- Christmas
- December 31- close at 12
- January 1-New Year's



Allowances Help Children Save

Having allowances can help children understand the concept of budgeting and saving, but you have to teach them.

If you decide to give an allowance, start one as soon as your children start recognizing money's worth--kids do this fairly early. Janet Bodnar, deputy editor of Kiplinger's personal finance magazine in Washington, D.C., stresses two points in her book "Dollars & Sense for Kids":

* Don't give an allowance until children are old enough to man-

age it, or until your children are at least six years old. There's no need to rush things and pre-schoolers generally don't understand the abstract idea of money anyway. Once children start first grade they begin learning about money in school, so they know if they get a \$1 bill each week, it's equivalent in value to ten dimes or four quarters.

* Keep the system simple so you can manage it. "Denying kids an allowance doesn't make it easier to limit the amount of money

they get their hands on," says Bodnar. Because most children will get the money out of parents anyway, it's better to teach them how to manage it themselves than allow them to nickel and dime you to death. Plus, using an allowance gives parents and children more control over the children's finances.

Contact Ohio Teamsters Credit Union for information about setting up a Teamster Tikes account for your children.

Need a Halloween costume? Make it and Save!

What's your favorite thing about Halloween? Is it the candy? How about the costumes?

Costumes let you explore your imagination and creativity. You can pretend to be somebody--or something--else. It's fun to dress up for trick-or-treating and Halloween parties.

Making a great costume doesn't have to cost a lot of money. The best costumes are usually the ones you make your-

self. Just remember to start early so you have enough time.

Before you get started, decide what you want to be. Check your library for books and magazines with more ideas.

Once you make a decision, look around your house for supplies. Collect old clothing, ribbon, gloves, neckties, and buttons that you can use for your costume. Remember to look for extras like masks, jew-

elry, boa scarves, and wigs.

When you're done, ask your family members to judge your costume. Listen to their suggestions--even the silly ones can help make a great costume.

If you can't find everything you need around your house,



'Tis the Season to be Saving!

Bah humbug. Do Christmas credit card bills leave you feeling like Scrooge? We can help.

A credit union Christmas Club account eliminates

the financial stress of the season. Instead of charging everything at the last minute, save in advance for holiday spending. Determine what you spent last year and add a portion of that to your account each month. Or, have an amount deducted directly

from your paycheck.

Avoid a credit card hangover this Christmas. Come see us today to set up a Christmas Club account.

Stop in today and see any of the friendly tellers to get more information about how to join the Christmas Club.