

# MEMBER INSIGHT



Spring 2024



important aspects of our service.

In 2023, we served nearly 6,000 individuals — a significant increase from the 3,700 we reached in 2022 — through our financial education seminars that we offer to the employees of our business partners and our participation in youth literacy programs.

In 2024, we have added a financial literacy partnership with League 42, a nonprofit that provides a low-cost option for Wichita's urban children to play baseball. In a series of workshops that League 42 has named Full Count, we're helping kids ages 9 through 14 get on base with financial concepts such as needs versus wants, debit versus credit, and saving money.

Another area where we want to be of service is educating our members about scams. Scammers are conducting theft

## Understanding Financial Concepts, Avoiding Scams

By Brad Herzet, President/CEO

Helping people understand financial literacy and how to look out for financial pitfalls are

and financial fraud at alarming rates using phone calls, emails, texts and other digital means.

Romance scams are among the fastest-growing types of scams. Loneliness — made worse by isolation during the COVID pandemic — and the development of new technologies, such as mobile dating apps, have contributed to the continued rise of romance scams, according to federal government websites.

To avoid being scammed, never send money to someone you have not met in person.

The number of older adults turning to the internet for dating is going up and as Americans go online to find love, scammers are finding more targets. According to one government website, scammers particularly target recently

widowed or divorced adults because of their vulnerabilities and access to insurance distributions or settlements.

Scammers will work to gain your trust and then inevitably ask you for money. They might even promise they'll use the funds to meet you or arrange a trip together. They'll ask you to pay in ways that make it hard for you to get your money back, like wiring money, sending money through a money-transferring app or putting money on gift cards.

To avoid falling victim, limit what you share online because scammers will use that information to form connections. Do your research on individuals who contact you through a dating app or site — do a search on the person to see if the image, name or other details can be found elsewhere. Ask lots of questions and if the person seems too good to be true, they probably are.

And perhaps most importantly: Never send money or gifts to someone you haven't met in person.

7<sup>mo.</sup> or / 14<sup>mo.</sup>  
**Certificate**

Minimum \$25K New Money

5.15%  
APY\*

\*APY = Annual Percentage Yield. Rates subject to change without notice.  
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## What is Debt Restructuring?

By Emily Reinhardt, blogger for Mid American's [www.moneymatters.coop](http://www.moneymatters.coop)

Mounting debt can cast a shadow on one's financial well-being and outlook. When you, as a borrower, are faced with financial difficulties and cannot meet your debt obligations under the original terms of the agreement, debt restructuring can be an option to make things more manageable and sustainable.

Through debt restructuring, the terms of a debt agreement between a borrower and a lender are modified to avoid defaulting on existing debts.

The specific details of debt restructuring vary depending on the situation and the parties involved, but it may involve the following:

**An extension of the repayment period.** Allowing more time for the borrower to pay off the debt can help reduce the amount of each installment payment.

**A potential reduction of interest rates.** Getting the lender to agree to lower the interest rate charged on the debt can help reduce the overall cost of paying back the debt.

**A combination of extending the repayment time and lowering lower interest rates.** This can typically be a win-win for both parties. It relieves some of the financial burdens for the individual who's in need of debt restructuring, and it provides a better chance for the lender to receive more money this way versus through bankruptcy filings.

**A reduction of the principal amount.** This means the lender forgives a portion of the original amount borrowed and you don't need to pay back that portion.

Debt restructuring generally does not eliminate the debt entirely but rather it modifies the debt repayment terms to make it more manageable.

Debt restructuring is often seen as a preferable, less costly alternative to

bankruptcy. A bankruptcy likely will severely damage one's credit score. By restructuring your debt, you can have a chance to regain financial stability and continue meeting your financial obligations over time.

Individuals can attempt to renegotiate the terms of their debt on their own with their lenders, but there is also the option to seek help from a reputable debt relief company that can assist in negotiations on your behalf. Unfortunately, there are several companies that operate as scams.

A reputable debt relief company should be transparent about its fees, have a long history of excellent customer service and be accredited by either the American Association for Debt Resolution ([aa4dr.org](http://aa4dr.org)) or the Better Business Bureau ([bbb.org](http://bbb.org)) or both.

**Restructuring debt has less severe outcomes than a bankruptcy, which is worse for your credit history.**

## 5 Tips to Afford a Vacation

Take away some of the stress of affording a vacation with these five tips:

- **Open a designated vacation savings account**, available through Mid American, and set up automatic transfers from your paycheck into the account.
- **Use credit card rewards.** Deposit cash-back rewards into your vacation account. Some credit cards provide travel rewards that can help reduce travel or lodging expenses.
- **Try to have some no-spend months.** Only spend money on necessities rather than other purchases and put the money you save into your vacation account.
- **Analyze wants and needs.** Look at your monthly budget and see if there are ways to save, like eating out less, buying generic or store-brand goods or canceling unnecessary subscriptions or streaming services.
- **Earn extra money.** Take extra shifts, turn a hobby into a side hustle or sell unused items.





## The Best Start to Home-buying: Get Mortgage Preapproval

By Debbie Stang, Home Loan Officer

Getting preapproved for a mortgage loan is an important first step in home ownership. That's because being preapproved helps you know how much house you can afford and helps real estate agents and home sellers know you're serious about buying.

### What is involved in the preapproval process?

You'll need to gather up various documents related to your financial status, including recent pay stubs and bank and other account statements (i.e. mutual funds, IRAs) from the past two to three months; tax returns, W-2s and employment history from the past two years; proof of other income, such as child or spousal support or government benefits; documents on other loans; rental or other real estate history information; and, of course, your driver's license, Social Security card or other forms of ID.

It's a good idea to check your credit report and score before you seek preapproval so that you can fix any errors or wrong information before a potential lender accesses your report and score. You can get a free report from [annualcreditreport.com](http://annualcreditreport.com).

The higher your credit score, the better your interest rate and terms will be.

At Mid American, you can expect word back on your preapproval application within one to two business days if all your paperwork is in order.

### What does a mortgage preapproval mean for buyers and sellers?

After analyzing your finances, a lender will provide you with a mortgage preapproval statement, indicating how much money it will loan to you for your mortgage.

This gives you a solid idea of how much you can afford and will help make your home search more efficient. A preapproval from Mid American can be good for 120 days.

Real estate agents and sellers generally will take a preapproved buyer more seriously than someone who isn't. An offer from a preapproved buyer is generally less likely to fall through.

To get your preapproval started today, visit [macu.mymortgage-online.com](http://macu.mymortgage-online.com). If you have questions, please call (316) 722-3921 and ask for either me or LeeAnn Marker in mortgages, or email [debbies@midamerican.coop](mailto:debbies@midamerican.coop) or [leeannm@midamerican.coop](mailto:leeannm@midamerican.coop).



## HOME EQUITY LOAN

 MIDAMERICAN  
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As Low As  
**6.99%**  
APR\*  
5 Years - Fixed Rate

\*APR = Annual Percentage Rate. Rate subject to change without notice. \*Federally Insured by NCUA.

## Get Savvy With Your Credit Score

A credit score is one of the primary ways to tell if you're in good financial health.

Companies use your credit score to make decisions on giving you a credit card, mortgage, auto loan or other lines of credit. It also factors into determining the interest rate you'll be charged.

Because your financial well-being is so important, Mid American has partnered with Savvy Money to make it easy for you to monitor your credit score. The robust credit score tool is available 24/7 through our recently upgraded online and mobile banking tools.

The Savvy Money credit score tool does more than just provide you with a real-time credit score. It also helps you understand the factors that affect your credit score and allows you to set up personalized plans to improve your score and financial well-being.

In addition to monitoring your credit score through Savvy Money, you should request a copy of your credit report to ensure it has accurate credit history information.

You are entitled to a free credit report each year from each of the three credit reporting agencies — Equifax, Experian and Transunion. To request a copy, visit [annualcreditreport.com](http://annualcreditreport.com) or call 877-322-8228.



## Time Can Be a Strong Ally When Saving For Retirement

By Jessica Brokaw

Father Time doesn't always have a good reputation, particularly when it comes to birthdays. But when it comes to saving for retirement, time can be a strong ally.

With time, your retirement plan contributions may earn returns from those investments, then those returns may earn returns themselves — and so on. That's called compounding.

### Compounding in action

For example, say you invest \$1,000 and earn a return of 7% — or \$70 — in one year. You now have \$1,070 in your account. In year two, that \$1,070 earns another 7%, and this time the amount earned is \$74.90, bringing your account's total value to \$1,144.90. Over time, if your account continues to earn positive returns, the process can gather steam and add up.

Now consider how compounding might work in your retirement plan. Say \$120 is automatically deducted from your paycheck and contributed to your plan account on a biweekly basis. Assuming you earn a 7% rate of return each year, after 10 years, you would have invested \$31,200 and your account would be worth \$45,100. That's not too bad. If you kept investing the same amount, after 20 years, you'd have invested \$62,400 and your account would be worth \$135,835. And after just 10 more years — for a total investment time of 30 years and a total invested amount of \$93,600 — you'd have \$318,381. That's the power of time and compounding.

### Other considerations

Keep in mind that these examples are for illustrative purposes only and do not represent the performance of any actual investment. Returns change from year to year and are not guaranteed. You may also lose money in your retirement plan investments. But that's why it's important to stay focused on long-term results when saving for retirement.

Also, these examples do not take into account your plan fees and taxes. When you withdraw money from your traditional (i.e., non-Roth) retirement plan account, you pay taxes on withdrawals at then-current rates.

Early withdrawals before age 59½ (age 55 or 50 for certain distributions from employer plans) may be subject to a 10% penalty tax unless an exception applies. Nonqualified withdrawals from a Roth account may also be subject to regular income and penalty taxes (on the earnings only — you receive your Roth contributions tax free).



At Mid American, Jessica Brokaw, CFS Financial Advisor, is available to assist you in creating an investment plan designed to help you retire with confidence. She can be reached at (316) 722-3921, ext. 182 or [Jessica.Brokaw@cusonet.com](mailto:Jessica.Brokaw@cusonet.com).

\*Non-deposit investment products and services are offered through CUSO Financial Services, LP ("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 for investment services. Atria Wealth Solutions, Inc. ("Atria") is a modern wealth management solutions holding company. Atria is not a registered broker-dealer and/or Registered Investment Advisor and does not provide investment advice. Investment advice is only provided through Atria's subsidiaries. CUSO Financial Services, LP is a subsidiary of Atria. Prepared by Broadridge Advisor Solutions Copyright 2024

## Loan Rates As Low As ...

6.49% APR	New & Used Cars
7.74% APR	New Motorcycles
9.00% APR	New Boats/RVs
6.99% APR	Home Equity
9.90% APR	Select Visa
14.90% APR	Everyday Visa
10.90% APR	Signature Loan

APR= Annual Percentage Rate. Rates effective 4/1/2024. Subject to change without notice. Please call Financial Services, ext. 202, for current rates.



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