

THE MONEY CLIP

FALL 2008

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5 Questions You Need to Ask About Debt Consolidation Loans

Understanding a debt consolidation loan is really simple. It replaces countless, annoying monthly bills that are all due on different days of the month with a single, annoying monthly bill. Heavily advertised as the solution to getting your bills paid on time, here's a candid look at what you need to be aware of before deciding that a consolidation loan is the right solution for you.

1. Will it pay off all your debts? If not, you may be just changing around the amount you owe on some debt without really accomplishing the goal of simplifying your monthly payments.
2. Will it take longer to pay off now? A lower payment can mean a longer term. That isn't necessarily a bad thing, but be aware of how long it will take to pay off the loan. Also, check how much you'll be paying in interest compared to how much interest you'll be paying if you leave your current debt alone.
3. Will you still be able to use your credit cards or other revolving debt? If so, you may find yourself strapped with the original amount you owed on your credit cards within a few months - on top of the debt consolidation loan you took out to resolve the problem.
4. Are there fees involved? Find out what they are so that you can see if it still makes sense to go ahead with the loan when you take those fees into account.
5. Will your home be used as collateral? Many debt consolidation companies use a regular sales person and call him or her a "consultant." Don't take advice from these people. Ask questions, do research, and find out what the facts are before you sign anything. Using your home as collateral may make it difficult or impossible to refinance or sell your home should the need arise.

Before you decide that a debt consolidation loan is right for you, meet with our loan officer to review your debt situation. We have several types of loans that may benefit you, so come by and let us go over your options.

SPECIAL POINTS OF INTEREST:

- **Prime rate: 5.00%**
- **Loan payment tool available on our website.**
- **Questions, comments, concerns? Email us from our website.**

DIVIDENDS

September 30, 2008

	Rate	APY
Share	.00%	.00%
ShareDraft	.00%	.00%
IRA Clubs	1.25%	1.26%
Special	.30%	.30%
Christmas Club	.30%	.30%

Premiere Savings:

up to \$10,000	.30%	.30%
\$10,000-50,000	.50%	.50%
\$50,000.01 +	1.00%	1.00%

MoneySmart (Money Market):

\$ 2,500.00-\$10,000	.40%	.40%
\$10,000.01-\$24,999	.75%	.75%
\$25,000.01-\$49,999	1.37%	1.40%
\$50,000.01 +	1.73%	1.74%



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TOP FIVE (5) CREDIT MISTAKES (CONT. FROM LAST ISSUE)

Are you an A+ student when it comes to your credit? Most people think they know how credit works. Problem is, there's a lot of bad information out there. Let's go back to credit school and set things right! Watch each issue of *The Money Clip* to get the education you need.

#5: Closing old accounts will improve your credit score Not true.

The key word here is "old." When you close old accounts, you shorten your credit history. And that can actually lower your credit score. If you want to close your accounts, be sure to start with the newer accounts first. This will help keep your long established credit history on your credit reports.



DON'T FORGET!!!!

Daylight Savings Time Ends

November 2nd

Home Economics: MEMBERSHIP MEANS OWNERSHIP

Illustrated by Robert Schoolcraft

