

Timing Your Auto Trade-In

The combination of time of year and any new car promotions on the same model you are driving—which then affect used car values—can mean thousands of dollars of difference on your trade-in.

Used car values drop more swiftly late in the year. New models have just appeared, while bad weather tends to hurt attendance and values at used car auctions. Hitting used car values even harder, though, are the new car incentives offered by manufacturers. When the value of that new car is reduced by a rebate, prices for corresponding used cars take a hard hit.

More than half of new car buyers trade in their old cars. Most could get up to 15% more if they sold it themselves, but trading is far more convenient. And in many states, trading in reduces the amount on which you pay sales tax. That is, if you bought a new \$20,000 car and had a trade-in for \$10,000, you would pay sales tax on only \$10,000 instead of the \$20,000 with no

trade-in. In a state with a 6% sales tax, that's a \$600 tax savings.

With a trade-in, how your car looks, its mechanical condition, the condition of the tires—even the color—all affect the value. Below are some steps you can take to save yourself some money.



Make the seasonal factor work for you: From April through September, an average used car loses about 0.75% per month in value; in October through December that nearly doubles to 1.5%

per month. But in January—with car buyers and automotive pros at auctions more active again—values stabilize and even may rise a bit. So if it's late in the year, wait until after New Year's, when you are likely to get more for your trade. Some models are special cases.

Get your car in top condition: Get a professional detailing job. You will more than recapture the \$75 to \$150 you may pay for painstaking cleaning in trade-in value.

Get an advance idea of your car's value: You at least will be able to tell if the trade-in offer from the dealer is in the right ballpark. Check Edmunds.com and Kelley Blue Book (www.kbb.com) for an idea of trade-in price for your car. NM Energy FCU also has NADA books available at the office.

Dealing with the dealer: When you get to the dealership, try to negotiate price on a new car before talking trade-in. Otherwise the salesperson may give you a high trade-in value and make it back in a higher price for the new car. ■

Board of Directors Volunteers Needed

Your Credit Union's nominating committee will soon be looking for a few good volunteers to run for election to the Credit Union's Board of Directors. Persons wishing to learn something new can also add a volunteer experience to their resume. Volunteers take home newfound planning and management expertise and help in the oversight of their own financial cooperative.

By submitting your name to one of the members of the nominating com-

mittee you will open up a new dimension to your life and take home a sense of satisfaction that you are giving needed help to your not-for-profit financial cooperative. Volunteers must be a member in good standing of NM Energy FCU as of January 1, 2007, and be willing and able to dedicate the time required to attend monthly and occasional special meetings.

Please contact one of the following nominating committee members before

December 1, 2007: Steve Northrup at 845-5566, Don Garcia at 845-5878, or Charles Trujillo at 845-6128. ■



Four Money Mistakes Every Couple Should Avoid

Money can wreck a relationship. In fact, how they spend, save, and account for money is one of the leading sources of friction between couples. In virtually every study, money ranks as the first or second most argued-about topic for twosomes of all types. Try to avoid these four common mistakes:

- **Extremism.** Work on changing your ways if you're on either end of the spectrum from shopaholic to cheapskate. It's a lot easier to have a meeting of the

minds when both partners practice moderation.

- **Secrecy.** Don't hide your spending from your partner. Once you lose your partner's trust, it will be an uphill battle to win it back.

- **Assigning blame.** If both partners stay involved, one can't blame the other for the household's money troubles.

- **Using money as a weapon.** Spending to get back at your partner won't

solve your relationship issues; it will just make you unhappy and broke.

Ultimately, experts note that peaceful coexistence is possible if couples agree on three things: to live within their means, to take care of the future, and to still be willing to have fun with their money. ■



Two Paychecks: What Money Goes Where

You work hard for your money. When you're part of a couple you can't avoid the fact that at least part—and sometimes most—of your money becomes part of a pool. There are bills to pay and goals to save for. Whether you combine your paychecks, split everything 50/50, or pool some of your money and split some, NM Energy FCU has accounts to help you.

Joint share draft/checking accounts are good for shared household expenses. Once you've determined how much you need to contribute each month, direct deposit and automatic transfer of funds can be useful tools to disperse funds to appropriate accounts.

Also consider overdraft protection with your share draft/checking account.

That way, if withdrawals or checks fail to get logged in the shared check register—so there's actually less money in your account than you thought—funds from another account will cover any checks or drafts you have written. There is a fee attached but it is less than what it would cost you for bounced checks or drafts.

For shared transaction accounts, do the following:

- Avoid writing checks away from the checkbook. Use credit cards instead and then pay off the bills by check.

- Use checks backed by carbons, returning all copies to the central checkbook.

- Return all ATM (automated teller machine) receipts to the central checkbook and log your withdrawals. Do the same with all debit card receipts.

For joint savings accounts you may want to consider a dual-signature account—where both parties must sign before either partner can withdraw any money—especially if one partner has a tendency to dip into the account. ■

International Credit Union Day

International Credit Union Day is on October 18 this year. Join with millions of other credit union members in celebrating the cooperative tradition of service. On this special day, your Credit Union would like to show its appreciation of you, our members, and invite you to come by the office to celebrate with us and let us say thanks for being a part of this important tradition. As an extension of this cooperative spirit, we will join the effort to raise food for Roadrunner Food Bank's holiday food drive.

So come by, enjoy some cookies, and bring some canned goods to share with others less fortunate. ■



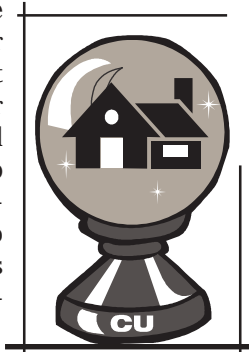
First Mortgages and Second Chances

The monthly payment for a typical \$100,000 mortgage at a fixed 6.54% interest rate on a 30-year loan will cost about \$635—or \$99 less per month than an 8% rate. When interest rates rise they put fixed mortgages out of reach for some buyers and more people will consider adjustable-rate loans. The monthly payment for the 30-year, \$100,000 loan, but with a beginning one-year 5.5% adjustable rate, would cost about \$570 a month. Keep in mind, lenders often tie adjustable-rate loan changes to short-term rates—the very ones most affected by Federal Reserve Board rate hikes.

And don't ignore mortgage refinancing. Even if your current mortgage rate is closer to today's rates, as

long as you plan to stay put for some time you should examine refinancing. A few exceptions: Some homeowners whose housing value has declined may not have enough value in the property to pay off their old loan and come out ahead. Or, the balance left on a current mortgage loan may not justify the up-front expense of refinancing.

Call or stop in at NM Energy FCU for information about first mortgages or refinancing. Our loan officers can calculate how much mortgage you can afford at today's rates. We can explain the features of different mortgage types. And we even can prequalify you for a mortgage, so you can start house hunting. ■



Understand Mortgage Preapproval and Prequalification

Do you know the difference between getting prequalified vs. getting preapproved for a loan? Is one better than the other or carry more weight? Know how to use both.

Prequalification means you have given the loan officer information about your income, debts, and savings. This allows the lender to conduct a quick analysis to ensure you have sufficient assets to purchase a house. The process also helps determine how much money you are eligible to borrow before applying for a loan. That helps you know what price range you can shop for, too.

Preapproval, on the other hand, is when the lender reviews your application and credit report through the underwriting process. When an underwriter examines and approves your application, this typically carries more weight than a prequalification opinion. Sometimes, an underwriter

preapproves a loan with conditions, but without sufficient documentation on employment, income, cash assets, property appraisal, and more. These conditions mean, then, that preapproval is no more binding than prequalification.

While prequalification doesn't bear as much authority as preapproval, the prequalification letter can be issued quickly—perhaps to satisfy a prospective seller while the loan officer gathers additional financial documentation such as tax returns.

Keep in mind that NM Energy FCU offers a wide range of home loans from first mortgages to equity lines of credit. Call our home loan expert at 845-4608 before you take that first step. Your home will most likely be the largest investment you will make in your lifetime and the more information you have about your financial picture, the better your decision will be. ■

Keep It Interactive: Teaching Kids About Money

Children are aware of money at an early age, long before they go to school, according to CUNA's Director of Youth Programs Philip Heckman. Interactive discussions—rather than lectures—are most helpful. Heckman says parents should allow kids to ask questions, express opinions, and have input on decisions.

With young children it's better to wait until they initiate discussions; even older children may be more receptive if they ask the question. Sometimes, however, important matters require a sit-down discussion. Says Heckman: "Be reassuring and assess, based on the age of the child, how much they'll understand and how much detail to offer. If the change will affect the child, such as a cutback in the family budget, that's something that needs to be explained. The child will understand and relate to that."

Indeed, parents often are surprised at how supportive their children are when cutbacks are required. If you discuss how you'll reduce spending, children may volunteer to cut their own spending.

Talk openly with your children about things you would like to buy but can't afford. If you save for an item, let kids see you doing so. If you buy something you haven't budgeted for, discuss what you'll give up buying in exchange. "Show that it's not just kids that have to go without—parents have limits too," advises Heckman. ■



Help Your Family Save Money

Did you know that the typical family spends close to \$2,500 every year on utilities such as water, heat, air conditioning, and electricity? The U.S. Department of Energy (<http://www.energy.gov/kidz/kidzone.html>) says a lot of that money is spent on wasted energy. And if you help your family save energy, there may be more money to spend on things like fun vacations, pizza, and shopping. Teach your children by example and explain the benefits both to the family budget and to the planet.

The following small things can make a difference, especially if you do them every day:

- Turn off the lights if you're the last to leave a room.
- Make sure faucets aren't dripping when you turn them off. Just one day of dripping can add \$2.50 to the month's bill and waste gallons of precious fresh water.
- Shower instead of taking baths and limit your showering time.

- Know what you want before you open the refrigerator door—looking while the door is open will make it run longer.

- Microwave your lunch and small dinner items—it requires less energy than using the stove.



- Close doors and windows when the air conditioning or heat is on. Make sure door and window seals are secure.

- Use cold water rather than hot water whenever possible.

- Put dirty clothes in the laundry—but only if they're dirty. If your clothes are just

wrinkled, re-washing them is wasting water and energy.

You also can spend time learning how to save energy in and around your home. Then you'll be able to make suggestions to your family. Learn more about saving energy at your home at www.energy.gov.

Holiday Closings

- **Columbus Day**
Friday, Oct 5 – Close at 3 pm
Monday, Oct 8 – Closed

- **Veterans' Day**
Friday, Nov 9 – Close at 3 pm
Monday, Nov 12 – Closed

- **Thanksgiving**
Thursday, Nov 22 – Closed
Friday, Nov 23 – Close at 2:30 pm



- **Christmas**
Monday, Dec 24 – Close at 1 pm
Tuesday, Dec 25 Closed

- **New Years**
Monday, Dec 31 – Close at 3 pm
Tuesday, Jan 1 – Closed



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(800) 825-5256, then dial
845-6939

Fax: (505) 845-4855

Smartline: (505) 845-4122
or (800) 837-6065

Lobby Hours

Monday

8:00 AM to 3:00 PM

Tuesday through Thursday

9:00 AM to 3:00 PM

Friday

9:00 AM to 4:30 PM

Closed on Federal Holidays

Board of Director Listing

Raymond Baca
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Martha Thibeau
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Madge Gardiner-Clinkenbeard
Second Vice Chair

Dan O'Shea
Secretary

Edwin Maestas
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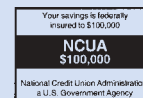
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Supervisory Committee

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All Individual Retirement Accounts are insured separately to an additional \$100,000.