

Money Matters



Spring 2008

A Quarterly Publication of New Mexico Energy Federal Credit Union

Visit us on the Web at www.nmenergyfcu.org

National Credit Union Youth Week: April 20-26

Grade: F. That's the average report card 12th graders earned for financial literacy in 2006. For about a decade, the JumpStart Coalition® has been surveying high-school seniors about personal finance. What our youth don't know is shocking. For example, only 23% understand that interest/dividends on savings accounts may be taxable. Only 40% realize they could lose their health insurance if their parents become unemployed.

Achieving economic prosperity is difficult. It is especially hard for young people who have never learned how to manage money. New Mexico Energy Federal Credit Union is ideally positioned to respond because we believe in the power of education. We're here to help you launch the youth in your life toward financial independence.

Join. As a start, open a savings account for each child in your family at the Credit Union. As soon as your children can write, have them fill out deposit and withdrawal slips. Guide teenagers through using a debit card and balancing a checkbook.

Share. Include your children in your household finance discussions. Show them how you budget income and expenses. As their skills improve, give them challenges — such as finding a better cell phone plan, calculating the total monthly cost of owning a car, or sticking to a budget

with back-to-school or holiday spending.

Coach. Remind your children to ask for help when they need it. And turn to your New Mexico Energy Federal Credit Union when you want help. Our tradition of service and philosophy of self-help make us and all credit unions a natural partner in pursuing financial security.

Join us this year as we celebrate National

Credit Union Youth Week from April 20-26. Our theme for 2008 is "Got Green? Grow It at Your Credit Union." ■



Certificate Laddering: A Strong Alternative for Your Savings

You have accumulated a substantial amount in your share savings account and are thinking of shifting the funds into share certificates to earn higher interest. Here's your dilemma: Do you put your money in longer-term certificates to get the highest rate? Or, do you invest in shorter-term certificates to keep your money more readily accessible — even if it means settling for a lower rate?

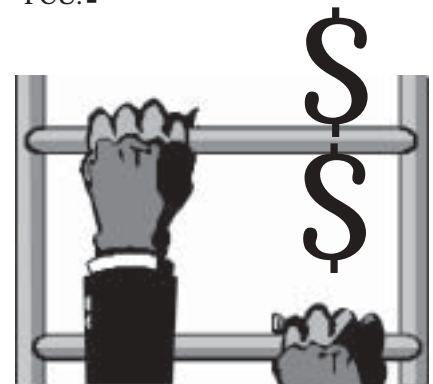
"Laddering" is a strategy that lets you have it both ways. Say you have \$5,000 to invest in certificates. Put \$1,000 each into certificates that mature in one, two, three, four, and five years. One year later, your first certificate matures, yielding you \$1,000 plus dividends

earned. If you need the money, you cash in. If you don't, you reinvest in a new five-year certificate at a higher dividend rate. The next year, the two-year certificate matures. Again, if you don't need the money, you reinvest in a new five-year certificate. By the end of the fourth year, all your money is earning at the five-year rate. Yet a certificate matures each year, so you can tap into the cash if you need it. Laddering gives you both bigger savings and the advantage of maintaining access to your money.

Spreading the maturities from one to five years is just one strategy. If you prefer to tie up your money for shorter time spans, you could invest in two, six,

12, 18, and 24-month certificates. You can ladder any way you wish to best meet your financial needs.

For more information or to start your certificate ladder, contact NM Energy FCU. ■



Understanding Shared Branching

A “Shared Branch Service Center” is a credit union location that is part of a national network of “linked” or “shared” facilities, which are identified by a common swirl logo. Members of participating credit unions may conduct business at any of the shared facilities as though they were at their home credit union.

NM Energy FCU members benefit from access to many branch offices throughout the United States. This means NM Energy FCU members who travel out-of-state or move may now keep their existing relationship and still have a friendly NM Energy FCU office just



down the street. Any NM Energy FCU member may conduct business at any participating shared facility. However, you must first register for the service at our (home) Credit Union office.

We have joined the nationwide Credit Union Service Network to give you convenient locations in New Mexico and the entire United States. Members of the participating credit unions can conduct basic transactions, just like visiting their own credit union in these CU Service Centers.

You can check out current locations on our Web site or at www.cuservicecenters.com. ■

Different Engines, Higher Mileage: Gas-Electric Hybrids & Diesel Engines Go the Distance

The best reasons for you to consider either a hybrid or a diesel vehicle are those numbers on the fuel pump at the filling station. It can boost your mileage by 30% or more over comparable gas-only vehicles — with some models hitting 50 miles per gallon (mpg).

To be sure, both diesels and gas-electric hybrids have some drawbacks you should consider before making any decision to buy one. Hybrids cost more than their gas-only equivalents (for example, about \$2,500 more for a \$21,010 Honda Civic Hybrid than a comparably-equipped regular Civic EX). This is partly offset by the \$2,000 tax deduction you can take when you buy any of the hybrid cars. And, it remains to be seen if post warranty maintenance costs for the hybrid systems could be higher than for regular cars.

Some diesels, on the other hand, cost less than their gas counterparts — about \$1,250 less for the diesel New

Beetle. The disadvantage is in finding fuel; it isn't available at every filling station.

Hybrid cars get more than 50 mpg by using both a gasoline engine and an electric motor powered by batteries. The gas engine recharges the batteries as well as powering the car. Unlike previous cars with electric engines, you never have to plug them in.

Diesel engines get as much as 40% better mileage because they compress air and fuel in the cylinder under high pressure, ignite without a spark, and get more energy from the fuel.

When you're ready to buy a new vehicle—conventional or hybrid—see a NM Energy FCU loan officer for a loan. ■



Join the 2008 Financial Fitness Challenge

The 2008 Financial Fitness Challenge is your chance to share your best ideas for money management with other credit union members. Here's how it works: Submit your ideas and become eligible for monthly prizes of \$50 Visa gift cards and a grand prize at the end of the year of \$1,000. Your idea can be anything that works for you that you think



could be helpful to others. We will share those ideas — and give you recognition for them — all through 2008.

Check out the contest rules by clicking the “Home & Fitness Financial Radio” button on the right side of our home page — www.nmenergyfcu.org. ■

At NM Energy FCU, It's a Family Affair

Did you know that by being a member of NM Energy FCU you entitle other members of your family to join? Yes, you can sponsor your parents, grandparents, brothers, sisters, children, and grandchildren for membership. Maybe your brother or sister is paying a high interest rate on his or her car loan with a bank somewhere out-of-state or the Albuquerque area. Wouldn't it be wonderful if you could have a hand in saving her or him hundreds of dollars just by refinancing a car loan with the Credit Union?



Call or stop by for information ■

Home Equity: It's Like Finding Thousands of Dollars Under the Couch Cushion

There is never been a better time to apply for a home equity loan at NM Energy FCU. You can borrow against the equity in your home to pay for remodeling, your child's education, or consolidating your high interest debts into one easy payment. And the interest you pay on this loan could be tax-deductible!*







Home Equity loans are useful if you need a lump sum of money to pay off your high interest credit card debt. Home Equity lines of credit are more suitable if you need money at intervals over an extended period of time — such as a home remodeling project or paying off college tuition. NM Energy FCU offers fixed rate loans and variable rate lines of credit loans.

Helpful Hints. Before signing loan documents you may want to check a few things. These include making sure the monthly loan payments cover both interest and principal on the loan if it has a fixed rate. Also find out how much and how often your payments can change if you have a variable rate line of credit, and any penalties that might be charged for late payments.

How Much Equity Do I Have? To calculate the amount you have available for a home equity loan, take your home's appraised value or tax assessment and multiply by 80% or 90% LTV (the loan to value ratio), minus any outstanding liens. That equals the potential loan amount.

Visit us at www.nmenergyfcu.org and click on "Loans/Rates" to see for yourself our new low rates. Get started now. Call us at 505-845-4608 or 800-825-5256 for an application or for more information. You can also apply online at our Web site and click "Apply for Loan" on the left side of the page.

*Consult your tax advisor for details on eligibility for deducting interest payments. ■

Life Expectancy of Home Components		
Appliances		Life expectancy in years
	Range	13 to 15
	Dryer	13
	Refrigerator	13
	Washer	10
	Water heater	10 to 11
	Other appliances	6 to 12
Flooring		
	Carpet	8 to 10
	Laminate	15 to 25
	Linoleum	25 (depending on traffic)
	Solid wood & ceramic tile (others not listed)	50+
Heating, ventilating, air conditioning (AC)		
	AC-central	10 to 15
	AC-room	10
	Boiler	13 to 21
	Furnace (gas)	15 to 20
	Furnace (oil)	10 or less
	Heat pump	16
Roofing		
	Fiber cement shingle	20
	Asphalt shingle	25
	Wood shingle	30 (depends greatly on conditions)
Windows & doors		
	Window glass	10+
	Aluminum or aluminum-clad window	15 to 30
	Wood window	30+
	Screen door	20 (pine), 40 (cedar), 60 (mahogany)
	Vinyl exterior	20
	French doors (interior)	30 to 50
Other		
	Paint (interior & exterior)	15
	Asphalt driveway	15 to 20
	Faucets, plumbing fixtures	10 to 20
	Deck	10 to 30 (less in wet areas and the South)

Source: National Association of Home Builders



Welcome to our New Employees

Judy Moore

Welcome Judy Moore, our new chief financial officer. She joined the NM Energy FCU team on November 26, 2007. Judy is a graduate of the University of New Mexico (Go Lobos) and the Anderson School of Management. She has worked in the credit union industry for over 22 years.

She was born and raised in Albuquerque, but had the opportunity to live in Santa Fe for a few years as her late husband was from Santa Fe. While she lived there, she missed Albuquerque, and now back she admits to missing Santa Fe a bit.

Judy is a single parent of two teenage boys. Therefore, her outside activities consist of running them to Albuquerque Boys Choir practice, football practice, and other activities. They are the light of her life.

Her pet menagerie consists of two dogs, two cats, one rabbit (that's unusual), and fish. We are pleased to have Judy as a member of our team!



Chrysta Olszewski

Welcome Chrysta Olszewski (pronounced: Ol-chev-ski), head member service representative since January 23, 2008. Chrysta began her career as a teller at a local credit union in 2005. She rose to the position of teller supervisor and then, for a short time, she was a loan processor.

She has lived in Albuquerque for the past 11 years. Outdoor activities top her list of fun things to do. She also enjoys knitting, but tends to get bored and doesn't always complete projects. The one item she will finish is a baby blanket for her new niece.

Her two dogs, iguana, and fish keep her occupied. Chrysta is proud to volunteer when she can. She spent some time in Louisiana, after Hurricane

Katrina, helping tear down condemned homes. She found it to be hard work, but fulfilling.

Please join us in welcoming Chrysta to our team.

Linda Tangen

Linda joined NM Energy on December 10, 2007 as the new business development officer. She is also charged with training and marketing. She has worked in the financial institution industry many years, beginning as a teller. She has since held the positions of branch secretary, loan processor, as well as served as a commercial, consumer and mortgage lending officer and finally a corporate trainer.

Linda was not born in Albuquerque, but got here as fast as she could - at 6 years of age. While she has also lived in Boston, San Antonio, and most recently Wichita, she feels that Albuquerque is the best place to reside.

Linda is a graduate of the University of New Mexico and attended the University of Phoenix (Albuquerque) for her master's degree. She is married but has no children or pets. Linda is excited about the opportunities NM Energy FCU holds for her. ■

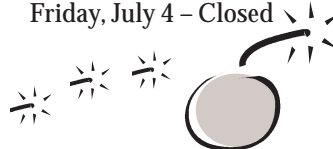
Holiday Closings

• Memorial Day

Friday, May 23 – Close at 2:30
Monday, May 26 – Closed

• Independence Day

Thursday, July 3 – Close at 2:30
Friday, July 4 – Closed



Mailing Address

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E-Mail: nmenergy@swcp.com

Web Site:

www.nmenergyfcu.org

Main: (505) 845-6939 or
(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
Chair of the Board

Alesia Bell
First Vice Chair

Martha Thibeau
Second Vice Chair

Chad Glines
Secretary

Edwin Maestas
Treasurer

Daniel O. Romero
Policy Officer

Madge Gardiner-Clinkenbeard
Marketing Officer

Supervisory Committee

Patricia Padilla, Chair
Leonard Raab Jr.

Jay Pape



All Individual Retirement Accounts are insured separately to an additional \$250,000.