

Money Matters



Winter 2006

A Quarterly Publication of New Mexico Energy Federal Credit Union

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WiFi Hot Spots Are Hot, Hot, Hot!

Hot spots are popping up everywhere. Hot spots, wireless access points, connect laptop users to the Internet via high-speed networks in public locations. While only 6,000 hot spots were available in 2004, 2005 should bring that number to 24,000. So, how do you access these hot spots? First, your computer must have wireless Internet capabilities. Hot spots are commonly found in coffee shops, hotels, libraries, and airports.

New websites, such as Wi-FiHotSpotList.com, have interactive directories that help you locate the near-

est hot spot. WiFiFreeSpot.com lists all the free hot spots available in each state. However, access isn't always free. T-Mobile, which provides access at places like Starbucks and Borders book stores, offers a 10 cents a minute pay-as-you-go plan. It also offers monthly plans starting around \$30. Each business will differ in its service providers, so check the rates before you provide your credit card number.

While having the option of working outside an office is great, there are some risks. By connecting your computer to open networks, it is susceptible to peer-

to-peer hacking and file sharing. If your laptop is not protected, hackers can implant spyware and viruses, browse your files, and record your Internet activity. Ian Forkash, client desktop analyst with Credit Union National Association's information technology department, offers this security advice:

- * Install a personal firewall and antivirus software
- * Update antivirus definitions regularly.
- * Get computer updates.
- * Install operating system patches. ■

What an Interest Rate Hike Might Mean for You

A hike in interest rates likely will send a ripple through your personal finances. If you have an adjustable-rate mortgage (ARM), expect a quick hit, according to Kiplinger's Personal Finance magazine. The rate increase on a one-year ARM will flow through at the next anticipated adjustment, but the amount of pain will depend on the size of your loan. If you took out a \$300,000, one-year ARM in summer 2003 with an interest rate of 4.1%, a quarter-point increase in the interest rate means your monthly payment will increase by about \$43.

But if you carry a balance on your credit cards, you probably have noth-

ing to worry about, even if you have a variable interest rate. Those rates often are based on the prime rate, but they have a minimum rate, or floor. At 4%, the prime is so low that even a half-point increase in rates wouldn't push the card rate above the floor. For consumers with fixed-rate cards, the issuer probably won't increase the rate given today's competitive credit card environment.

Visit our website to view a full-length version of this article. Just click on the Home & Family Finance Resource Center icon. Enter "rate hike" in the search box. ■

Come Celebrate Our 50th Annual Meeting

Please join us for our **50th Anniversary Celebration** during the annual meeting on Wednesday, February 15, at 4:30 p.m. at the Mountain View Club on Kirtland Air Force Base. Each year the Credit Union holds an annual meeting to report to its members about the previous year, vote for candidates for the Board of Directors, and report on plans for the coming year. Voting begins at the Credit Union office February 10 and continues until 4:30 p.m. February 15 at the meeting.

Please attend the annual meeting! As a member of NM Energy, your opinion and vote are very important. And remember, one member, one vote! ■

CU Outreach

Members of your credit union staff, Diane Carmean, Pamela Gaddy, Annie Cormier, Kari Beg and Sheila Sanchez spent their time October 22 pulling weeds and sanding patio furniture at El Ranchitos de Los Ninos, an orphanage in Los Lunas. All agreed this volunteer effort was a morning well spent. ■



Easy Way to IRA Contributions

It's never too early or too late to plan and save for retirement. Still, the closer you get to retirement, the tougher it becomes. With the hectic lives people live today, an easy, less time-consuming retirement investment is what they need. The solution is an individual retirement account (IRA).

Employers can allow employees to contribute to a traditional or a Roth IRA by direct deposit through payroll deduction. In addition, employees making direct deposits of deductible contributions to a traditional IRA may be able to adjust their federal income tax withholding to receive a more immediate tax benefit from their contributions. Check out the IRS Web site for more information (www.irs.gov).

Make your IRA habit-forming. At NM Energy FCU, we'll help you get your retirement plan off to the right start and make contributing to an IRA easy with direct deposit and payroll deduction. ■



FICO Introduces New Credit Score

Lenders use the Fair Isaac Corp. (FICO) credit score to make billions of decisions about loan applicants every year. The FICO score predicts whether you're likely to repay a loan by evaluating information from traditional financial service providers, including: information about your credit payment history, the length of your credit history, types of credit used, and amounts owed. Fair Isaac offers more information about credit scores in the "Credit Education" section of its website for consumers at www.myfico.com.

To help more people prove they are worthy of credit, Fair Isaac recently introduced the FICO Expansion score. The new score is based on deposit account records, payday loan repayment, purchases made on "payment plans," and other nontraditional data. The new score is expected to help millions of people who are "underserved" by traditional financial services, including people who have been recently divorced or widowed, immigrants, young adults

who are just beginning to handle their own financial affairs, and people who prefer to pay for services with cash.

Even people who have been employed for years can find themselves without a solid FICO score. For example, many older retirees come from a generation that preferred cash to credit. These retired adults may have paid off their mortgage and then avoided other types of borrowing, only to later find they have a low or nonexistent credit score.

If you have questions about your credit record or score, ask us about it at the Credit Union. We can explain what goes into creating your credit history, and suggest ways to build it or repair it. Visit our website and click on the Home and Family icon. It will take you to our financial site where you can view a video showing how you can get your free credit score. ■



Is the Dollar Bill Over the Hill? Assessing the New Electronic Payment Mechanism

Baffled by electronic payments? Boggled by the many ways your money can move—instantly—into the pocket of another? Bewildered at the prospect of controlling your finances in the face of so many new financial mechanisms? Hold on; this article can help.

While many electronic payment systems are new, their roots (literally, this is where they get hold of your money) are in checking accounts and credit card accounts. One of the largest categories of the new electronic payments is called e-checks. Originating in your checking account, they are handled through the same "automated clearinghouse" network that routes other electronic funds transfers,

such as direct-deposit of payroll checks. E-checks may be used at the point of sale, or over the Internet, such as to pay credit card balances.

Checks also can become electronic through "electronic check conversion". When you present a paper check, the retailer electronically enters the amount, as well as your account number and financial institution. The payment is then debited from your account and your voided check is handed back to you.

Another payment mechanism, popular on the Internet auction firm eBay, is called PayPal. You can use a PayPal account to pay anyone who has an e-mail

address, such as small businesses that don't want to go through the expense and hassle of accepting credit cards.

A radically different, but equally successful, approach to electronic payments is visible at Exxon-Mobil gas pumps. Wave a SpeedPass, a little keyring size electronic coding gadget, at the pump, and funds are sucked out of your credit card account. The five million SpeedPasses now in use could gain new talents. Soon, you may be able to buy convenience store items and even fast food burgers with the pass.

For financial institutions and retailers alike, electronic payment systems are supposed to bring convenience, security, and accuracy, all with a welcome reduction in paperwork. ■



Learning Vacations: Travel for Your Mind

Would you like to return home from your next vacation with something more than a collection of photos and souvenirs? The possibilities for learning vacations are nearly endless. How about a wine and cooking tour of Tuscany? You'd visit local markets to buy groceries, learn to prepare gourmet meals, tour area vineyards, learn to choose the perfect wine to accompany different foods, and meet local restaurateurs. If you're a U.S. Civil War history buff, you might enjoy a riverboat cruise that lets you tour battlefields and follow cavalry routes, with lectures by historians on the way.

Perhaps you'll want to immerse yourself in a hobby, be it photography, golf, or quilting. Expand your life experiences, and learn more about yourself in the process, by helping out on a South Dakota Indian reservation. Whatever your personal interests and passions may be, there's a learning vacation to suit you - and if you need it, the Credit Union can help you with financing.

As a participant in a learning travel program, you'll tour with a group of people and be accompanied by a

guide, or guides. Erase, however, any images of the "see five cities in seven days" tours, in which you are shepherded around in a herd of tourists. Learning tours involve more than watching passing scenery through bus windows, with the requisite photo-op stops. What's more, you'll travel with a small group, at most 25 people. You all picked this trip because you share a specific interest.



Guided tours also offer advantages over trying to plan a self-guided adventure, which can take a lot of research and preparation. Expert guides know the best places and the inside information. Plus, you'd find it difficult, perhaps impossible, to arrange certain experiences on your own, particularly if you have limited time or don't speak the language.

The toughest aspect of learning vacations may be choosing from the vast assortment available. To get an idea of what's out there, see *Travel and Learn: 1001 Vacations Around the World*, by Evelyn Kaye (ISBN 1929315015). Another good starting point is ShawGuides.com, which

offers information about learning travel programs and their costs.

How can you size up a trip in advance? Find out how long the business has been in operation. Be cautious of booking with a brand new company that may still be working out the kinks; one that has been leading trips for a number of years may be a safer choice. As you look through promotional materials, you may wonder if a trip that seems so perfect is all it appears to be. To find out more, ask the company for the names of recent customers you can contact. A responsible company will be happy to give you that information.

Also, find out the guide-to-participant ratio. Is the group the right size for you? Is the trip targeted to a particular age group? You'll want to make sure you're as adventurous as the rest of the group. Another factor to weigh is whether the trip offers enough free time. Different programs have varying proportions of free time and scheduled activities, but most allow some unstructured time.

Visit our website to view a full-length version of this article. Just click on the Home & Family Finance Resource Center icon and enter "learning vacations" in the search box. ■

'Blocking' Can Tie Up Your Accounts

Everyone's nightmare: You're at a restaurant with a business client or a date and your debit card is declined. No one wants it to happen to them, but it can, even if you have enough money in your account to cover the bill. It's called "blocking" and it's perfectly legal.

Blocking works similarly for both debit and credit cards. For example, if you check into a hotel or rent a car, the clerk usually contacts the company that issued your card to give an estimated total. A hold then is placed on your card for an amount that is sometimes greater than the actual purchase

amount. This hold can block your use of the money for up to three days on a debit card and possibly 10 to 15 days on a credit card. For debit card users, blocking happens most often at gas pumps, but can occur on other types of transactions.

According to the Federal Trade Commission (FTC), merchants use blocking to make sure you don't exceed your account balance before leaving a gas station or checking out of a hotel, leaving the merchant unpaid.

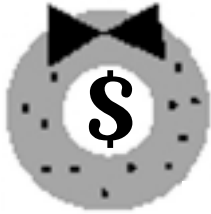
Some tips to avoid blocking are:

- * Use credit cards, not debit cards, for reserving hotels and car rentals.
- * When you're traveling stop at stations of major gasoline brands instead of older, rural, or off-brand stations. Newer, better-known gasoline stations process debit/credit cards faster because of updated technology.
- * When you choose a credit/debit card, ask issuers how long they block accounts for transactions involving hotels, rental cars, and gasoline stations. Typically credit unions lift a hold automatically after a few days even if the transaction has not cleared. ■

Holiday Loans Available Through February

Overwhelmed by all the holiday bills? Consolidate your bills into one low rate loan at New Mexico Energy Federal Credit Union. We offer holiday loans up to \$3,000 at rates as low as 8.0% annual percentage rate for up to twelve months repayment period.

Just give us a call at 845-6733 or come by the office to ease your post holiday blues. Rate offered is based on credit history when application is processed and may be higher than shown here. ■



Silver Gala for UNM Children's Hospital

New Mexico credit unions, spearheaded by the Credit Union Association of New Mexico, raised more than \$25,000 during the first annual Silver Star Gala for the construction of the new University of New Mexico Children's Hospital Pediatric Emergency Unit. Special guest at the event was 6-year-old Emma-Leigh Chambers-Allen, who



has been in treatment for the last year after receiving critical injuries from a dog attack.

The state's credit unions and CUANM are working to raise \$1 million over the next five years to fund the construction of the Pediatric Emergency Unit. New Mexico Energy Federal Credit Union raffled off two tickets to the event which were presented to winning member Valentin Varela. ■

Electronic Income Tax Filing is Easy

You can be prepared for tax season by filing both federal and state tax returns electronically. This gets your return to the taxing authority quickly and accurately. You can also have your tax refund directly deposited into your NM Energy account in as little as 10 days.

Starting January 20th, visit the Credit Union website at www.nmenergyfcu.org and click on the icon for TurboTax® for the Web®. Call for more information. ■



Conducting business at one of our affiliated credit unions isn't very different than being in our lobby. You can make deposits, loan payments, transfers, and most of the other transactions you would do at our teller line.

To find one of our Shared Branch affiliates just look for the swirl. Every affiliate must display the logo shown outside their office. To get a list of locations just call us or visit online at www.nmenergyfcu.org. ■

Holiday Closings

- **Martin Luther King, Jr. Day**
Monday, January 16 - Closed
- **Presidents' Day**
Monday, February 20 - Closed

The volunteers and staff of New Mexico Energy Federal Credit Union wish you and yours a very Happy New Year.

Thank you for letting us serve you. We wish you peace, health, and prosperity throughout the New Year!



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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

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