

What to Do When Your ARM is Due

There has been much press about the turmoil in the mortgage market over the past months. NM Energy FCU remains a safe haven from this volatility. Many mortgage lenders use funds from private organizations and those entities have become hesitant or unable to continue funding loans.

Your Credit Union doesn't rely on outside entities. We are well capitalized, have money to lend, and remain a safe and secure place to come for your real estate financing needs. If you have an adjustable-rate mortgage (ARM) and your fixed-rate period is drawing to an end, your first rate adjustment is looming. It's time to devise a plan.

Many ARM borrowers are facing that task with uncertainty. One of three homeowners with ARMs say they don't know what they'll do when their rate adjusts, according to a March 2007 Bankrate.com survey. If you're among those who feel unsure, consider a few pointers.

Begin by examining the ARM you have. How often can the rate adjust?

How much can the rate rise at each adjustment? How much will your monthly payment increase at each adjustment? What's the limit on the rate increase over the life of the loan?

When your ARM comes due for an adjustment, you have three basic options:

1. Refinance into a fixed-rate 30-year (or shorter term) mortgage. You'd never have to worry about rate adjustments again for as long as you live in your home. But fixed-rate loans have higher rates than ARMs. You'll also have to pay closing costs to refinance (usually 2% to 4% of the mortgage amount), and your current ARM may have prepayment penalties. Check your contract.

2. Refinance into a new ARM that has terms better suited to your situation. You'll face the decision again in a few years about what to do when the rate adjusts. Still, a new ARM might be a viable option if you plan to sell your house in a couple of years. You'd save a bit on monthly payments in the mean-

time. Remember to factor in closing costs and any prepayment penalties.

3. Stay with the ARM you have and take the rate adjustment. If you have a low-rate ARM and it can't climb much, you might want to stay in it for the remaining few years and see what happens—if you can live with the uncertainty. It also makes sense to stay in your current ARM if you plan to sell your home soon.

If you need help to decipher your ARM contract and plan your next move, turn to NM Energy FCU. We can advise you with your best interests at heart. NM Energy FCU offers ten, fifteen, and thirty-year fixed rate mortgages. Our rates are competitive and our closing fees are a fraction of what you would pay most other lenders. Call 845-4608 for an appointment or just stop by. ■

Note: A feature-length version of this article appears in Home & Family Finance Resource Center, the online content source for members at www.nmenergyfcu.org.

What's New in 2008 for IRAs?

Gradual increases annually in IRA contribution amounts have been in effect since 2001. The limit for 2008 is \$5,000 so don't miss this opportunity to contribute the largest amount ever allowed by law to your Traditional or Roth IRA. This is an opportunity to more adequately fund your retirement nest egg.

Additionally, prior to 2008 distributions from qualified retirement plans were not eligible to be rolled into a Roth IRA. The Pension Protection Act of 2006 now permits Roth IRAs to receive direct rollovers from tax-qualified retirement

plans, tax-sheltered annuities, and governmental section 457s. The rules that concern Traditional to Roth IRA conversions will still apply. Any portion of the rollover that is not attributable to a return after-tax contributions will be taxable. However, future qualified distributions from the Roth IRA can be tax free. Consult your tax advisor before making any decisions of this sort. There are income limitations that apply. ■



Visit Our Auto Page on the Web

New car models are out and having your financing already in place before shopping is the perfect way to ensure that you'll get the best deal around. Checking our prices and knowing exactly what options and warranties you need will help keep your costs down.

Your Credit Union offers some of the best rates around and lots of tools on our "Buying an Auto" page on our Web site (www.nmenergyfcu.org) to help you get only what you need at the best possible price. And you can apply for your loan online too. ■

Looking for Long-Term Care Insurance?

Whether it's a new policy or a replacement, there are some things to look for in your policy:

- **Cheaper is not always better.** The rate increases that current policyholders are struggling with are proof. Your primary consideration should be the quality of the insurer. The insurer should have both an A rating or better, and a large book of business in long-term care. There are lots of well known insurers, but not all have great expertise or experience in the long-term care business. A result may be that the policies are not priced appropriately. This

can cause the rate increases many are facing today.

- **Secondly, assess your actual needs.** You might not need all the features currently offered in your plan. Some long-term care insurers have created new more-affordable policies that provide basic coverage. If you can't afford your current policy, don't just drop coverage, talk to your insurer. You might be able to modify benefits such as shortening the coverage period, reducing daily benefits, or changing the inflation protection to a simple versus a compound rate. If you still can't afford to keep your policy, check to see if

it has a non-forfeiture clause. This assures that the premiums already paid provide some daily benefits.

- **Always use a long-term care specialist to assess your needs.** Financial professionals and many insurance agents just don't understand the intricacies of the various policies and their coverage. These professionals should have a designation of CLU (Chartered Life Underwriter), ChFC (Chartered Financial Consultant), and CFP (Certified Financial Planner). Ask lots of questions about how well they understand long-term care, and meet with more than one. ■

Concerned Member Takes Action on Global Warming Education

Former Vice President Al Gore and the U.N. climate panel won the 2007 Nobel Peace Prize for their international work as crusaders for climate change. The former Vice President began spreading his message about global warming with a slide show that he presented to audiences around the world and won an Oscar for the documentary version of *An Inconvenient Truth*.

While both his publications and the general subject of global warming has been controversial in the press, our long-time member Mr. Elmer Neuman has been working towards connecting a missing link in the education system. Global warming is the subject of a new book for children (ages 8-12) adapted from Mr. Gore's best-seller *An Inconvenient Truth* for adults. Mr. Neuman believes that children are our hope for a better future and that discussion should start in the schools.

Though the children's version doesn't read like Harry Potter, it has an important message relevant to today's youth. With hundreds of pictures, the book explains what global warming is doing to the world and shows readers the effects. Scientists have proven that glo-

bal warming is a problem that must be dealt with before it gets even worse. For those unclear of the concept and its effects, this version of *An Inconvenient Truth* is a great starting place. It explains in simple terms exactly what global warming is, what will happen if it continues unchecked and what we can do to stop it.

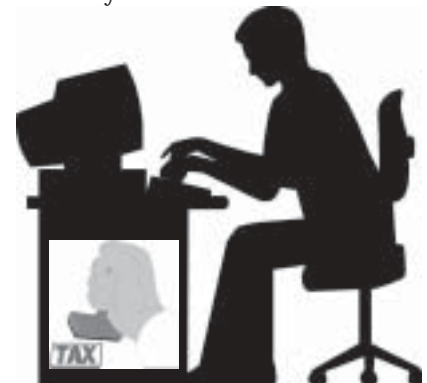
After writing letters to Governor Bill Richardson and Veronica Garcia, NM Secretary of Education, and visiting with Mayor Martin Chavez and talking with Dr. Elizabeth Everitt of Albuquerque Public Schools, Mr. Neuman reports that he has garnered their agreement for teachers to use this resource in the classrooms of New Mexico.

Whether you agree with Mr. Gore's findings or not, Mr. Neuman believes strongly that more education is better than a void and has worked with his daughters Deborah Neuman and Hallie Love and grandson Tristan to get the ball rolling on much needed discussion amongst our next generation of leaders. Mr. Neuman sees this as a starting point to develop a well informed, motivated public. ■

Electronic Income Tax Filing is Easy

Remember, NM Energy FCU can help you to 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 FCU account in as little as 10 days. Starting January 20, visit your Credit Union Web site at www.nmenergyfcu.org or come by the office for more information.

Electronic filing is easy to use and saves the worry of mailing your returns and depositing that refund check when it finally arrives. ■



OMG - What Does That Online Message Say?

Do your kids send online instant messages or cell phone text messages with those crazy abbreviations? Do you know what they're saying? Maybe you should.

Instant messaging has been a crucial part of teen and tween (ages eight to 12) communication for several years now, indicates Anna D'Agrosa of market research firm The Zandl Group in New York. She is the editor of its youth and young adult trends report, the Hot Sheet. "They're definitely IMing nonstop," she says.

Sending text messages via cell phone, or texting, has also become integral. "In a recent interview, one teen girl told us that 'talking is so inconvenient' when she can text instead," D'Agrosa says.

As a result, IM or text lingo has become prevalent in everyday language, and The Zandl Group doesn't antici-

pate it falling out of favor in the near future. "Our annual Hot Sheet consumer panel of 2,000-plus tweens and teens reports on the newest slang they're using, and in recent months we've seen an increase in mentions of 'text talk,' as one panelist put it," D'Agrosa explains.



LOL (laugh out loud) and OMG (oh my gosh) are by far the most popular terms with The Zandl Group's panel. "POS (parent over shoulder) is also common," D'Agrosa notes. "Although teens were the first to use it, tweens are now peppering their speech with abbreviations at the same rate."

Most of the abbreviations are harmless, like BRB for "be right back," or CUL8R for "see you later," but some kids use the lingo to secretly discuss things like sex and drugs via IM or text

message. If you're a parent, you'll probably want to talk to your tween or teen about how they're using IM and texting, and lay down some ground rules. You may want to brush up on your IM lingo too, KWIM (know what I mean).

New abbreviations are invented and become popular all the time, so it's hard to keep up with the latest ones—BCNU (be seein' you) is, like, so yesterday—but you can find a pretty comprehensive list at Techdictionary.com (techdictionary.com/chat.html). Teen Chat Decoder (teenchatdecoder.com) lets you type in an abbreviation and translates it for you. Well, G2G (got to go). ■

Note: A feature-length version of this article appears in Home & Family Finance Resource Center, on our Web site at www.nmenergyfcu.org.

Please Join Us for Our Annual Meeting

Please join us on Wednesday, February 20, 2008 at 4:30 pm for this year's Annual Meeting. The meeting location will be announced in the January statements.

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 five days before the Annual Meeting and continues until 4:30 pm at the meeting location.

Please attend the Annual Meeting! As a member of NM Energy FCU, your opinion and vote are very important. And remember - one member, one vote! ■

ANNUAL
MEETING

Don't Sweat It -- Shred It!

Why make it easy for thieves to get their hands on your sensitive information? Thwart dumpster divers by shredding papers containing confidential information—particularly Social Security numbers, credit card offers, and statements.

It only takes seconds to shred, but months or even years to clear your record once scammers set up fraudulent accounts in your name. ■

Pat Janney Retires!

After six years with NM Energy FCU, our Chief Operations Officer Pat Janney retired on December 7. Pat joined the Credit Union with a long history of achievements in the credit union industry and a brief stint at an El Paso bank. She excelled in a variety of duties during her career. She started out as a part-time teller, making her way through various operational, accounting, lending, and information technology areas. She has spent the last six years here helping us to improve and upgrade our operations while wearing many of these hats.

Pat will leave a very big footprint when she retires, however, she has agreed to return as needed and stay in touch in order to help us as we strive to fill those shoes.

The Board of Directors, staff, and many members will miss Pat and wish her the best of luck as she starts the next phase of her life. ■

One Small Step for You -- One Giant Leap for Online Safety

We're asking for a bit more information when you sign on to online accounts these days. Maybe your high-school mascot, your dad's middle name, or your favorite ice cream flavor. We're not nosy, just cautious. This small extra step confirms that it's really you accessing your accounts — not some impostor who knows just enough about you to be dangerous. ■

Don't Get Hooked by a Phishing Attack

If you have Internet access, you may be under attack—a phishing attack, that is. This high-tech scam involves three components: *Spoofing* is creating a replica of an existing Web site. *Spamming* is unsolicited, or “junk” e-mail. *Phishing* is the act of using spoofing and spamming to lure unsuspecting victims, hoping to deceive you into disclosing your Social Security number, credit card and checking account numbers, passwords, or other sensitive information.



The Federal Trade Commission recommends the following tips to help you avoid getting hooked:

1. If you get a pop-up or e-mail message requesting personal or financial information, don't reply or click on the link in the message. Legitimate companies won't ask for this information. (Your Credit Union will never ask you this type of information.)

2. Be cautious about opening attachments or downloading files from e-mail messages.

3. Never send personal information via e-mail. Look for a closed padlock at the bottom of your browser window, or a URL that begins with “https”—the “s” stands for secure. However, some phishers forge these security icons.

4. Review statements for accuracy as you receive them. If they're late, call the company to confirm billing address and balance.

5. Use antivirus and pop-up blocker software and keep it up-to-date. Run a firewall, particularly if you have a broadband connection. Take advantage of free software “patches.”

6. Report suspicious activity to the FTC at www.ftc.gov, and forward suspicious messages to spam@uce.gov. ■

Holiday Club Accounts

Do you always scramble to pay for presents and other holiday items when the season arrives? One way to relieve your holiday finance anxiety is to open a holiday club account at your Credit Union. Figure out approximately what you spent last year, and divide this into monthly deposits into your holiday savings account. You also can arrange to have that amount automatically deducted from your paycheck. ■

Holiday Loans Available Through February

Holiday bill blues getting you down? Consolidate them into one low rate loan at your 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.

To apply or to learn more, give us a call at 845-6733 or come by the office. ■

* Rate offered is based on credit history when application is processed and may be higher than shown here.

Happy New Year!

The volunteers and staff of NM Energy FCU 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!

Holiday Closings

• **Martin Luther King Jr. Day**
Friday, Jan. 18 – Close at 2:30 pm
Monday, January 21 – Closed

• **Presidents' Day**
Friday, Feb. 15 – Close at 2:30 pm
Monday, Feb. 18 – Closed



Mailing Address

P.O. Box 5400

Albuquerque, NM 87185

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

Martha Thibeau
First Vice Chair

Madge Gardiner-Clinkenbeard
Second Vice Chair

Dan O'Shea
Secretary

Edwin Maestas
Treasurer

Alesia Bell
Policy Officer

Chad Glines
Marketing Officer

Supervisory Committee

Patricia Padilla, Chair
Leonard Raab Jr.

Jay Pape



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