

philosophy, credit unions really look out for their members' best interests. Most credit unions are happy to provide personal financial advice and consumers who use credit unions know that their consumer-friendly pricing can result in savings of hundreds of dollars annually," says CUNA's Schenk.

Don't wait until you're in deep trouble to ask for a financial checkup at your credit union. In fact, the earlier you ask for a review, the better the outcome can be.

Maxed out? Seek help at:

- Your credit union—Ask if someone there provides one-on-one credit counseling to help get your finances in order.

- The National Foundation for Credit Counseling (NFCC)—The NFCC in Silver Spring, Md., has nonprofit Consumer Credit Counseling Services (NFCCS) affiliates around the country ready to help you get back on track from financial difficulty. To locate the nearest CCA office, call 800-388-2227 or visit nffc.org.

When Times Are Tough We Can Help



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In tough times, it's more important than ever to develop and maintain good financial habits. "Having a household budget and shedding high-rate credit card debt are two obvious things that could benefit most consumers," says Mike Schenk, vice president of the Credit Union National Association's (CUNA) economics and statistics department, in Madison, Wis.

"The thing to remember is that it's never too late to ask for help—a trip to your credit union should be 'Job No. 1.'"

Manage your mortgage

If you have an adjustable rate mortgage (ARM) and are facing a rate adjustment, consider refinancing your home loan with your credit union. If you qualify, you could:

- ▶ Refinance into a fixed-rate 30-year (or shorter term) mortgage or refinance into a new ARM that has terms better suited to your situation.

Even if you have a fixed-rate home loan, refinancing may free up some money you could use to:

- ▶ Pay down more expensive debt such as credit card bills, or build your emergency fund for unexpected expenses, such as car repairs or a new furnace.

Tap equity

A home equity line of credit can be a useful cushion if you're not already overloaded with debt.

- ▶ You can set it up and never draw on



it, but have the comfort of knowing it's there if needed.

Cut credit card costs

Switch to a credit union credit card—interest rates average more than two percentage points lower than interest rates on bank cards, and have lower fees as well.

- ▶ Pay on time, and whenever possible, pay the balance each month.
- ▶ Avoid cash advances—the interest rate on these is higher than on straight purchases.

Pass up payday loans

Payday lenders charge interest rates from 300% to 1,000%.

- ▶ Check the Consumer Federation of America's www.paydayloaninfo.org Web site to see how much loans really cost, and

visit your credit union—Credit unions offer alternatives with fairer terms and lower rates, such as short-term signature loans and low-cost cash advances.

Use direct deposit

Those using direct deposit save \$390 a month, \$90 more than those saving manually, according to NACHA, the electronic payments association, Herndon, Va. Direct deposit gives you:

- ▶ One less thing to worry about; it's safe,
- ▶ An easier and more convenient way to save, and
- ▶ More control over your money and your time—it's predictable and dependable.

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