

Spring 2016

REDWOOD REVIEW

A Publication for Members of Redwood Credit Union



UNDERSTANDING HOME EQUITY

Using your home equity can be a great way to fund a large or unexpected expense.

What is home equity?

Home equity is the difference between the appraised value of your home and the balance owed on your mortgage.

For example:

- The appraised value of your home is \$300,000
- The balance owed on your mortgage is \$170,000
- The appraised value (\$300,000) minus the balance owed (\$170,000) equals your home's equity (\$130,000)

Most lenders will allow you to finance up to 85-90% of your home's equity. In the example above, that means you would be able to take out an equity loan up to \$100,000. A home equity loan (or line of credit) is a second mortgage that allows you to turn your home's equity into cash that can be used for home improvements, medical bills, education costs, debt consolidation, and other expenses. Interest rates on home equity loans and lines of credit tend to be lower than credit card rates, which make them an attractive option for many homeowners. In addition, the interest on both types of loans is potentially tax-deductible (speak with a tax advisor for details.)

Interested in putting your home's equity to work for you? Contact RCU's mortgage lending department at **1 (800) 609-9009**, or visit redwoodcu.org/homesolutions.



INSIDE THIS ISSUE:

- Learn About: Reverse Mortgages
- How Much of My Income Should I Save For Retirement?
- Annual Meeting Notice

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WE'RE DIFFERENT

A Message from RCU's President & CEO Brett Martinez



We're not a bank.

We provide the same services – and, in fact, more services – than most banks, but we do it

differently. We're here to provide you with affordable, personalized financial solutions to help you succeed. And we're local, so we're committed to making a positive impact on the communities we serve. You're an owner of the Credit Union and we work for you. It's that simple.

As a cooperative, it's our responsibility to make sure your money is safe, secure, and working to keep RCU strong for the benefit of all our Members. Your participation in the cooperative helps us keep fees low, pay competitively on savings, and provide affordable loans that our Members can pay back. And it's our goal to provide you the financial services you want and need to make your life better. We take this seriously, and we rely

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CEO MESSAGE CONTINUED FROM PAGE 1

on you to provide us feedback so we can continue to improve and meet your needs. In addition to everyday banking, we offer many more services to add value and convenience to your membership, including home loans, business loans, a free debit and credit card rewards program, insurance services, financial planning*, and an auto sales center. We want you to know that whatever your financial needs, RCU can serve them and do so with exceptional value and personalized service.

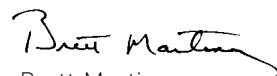
I invite you to attend our Annual Membership Meeting on April 21st at our Santa Rosa offices on Cleveland Avenue

*through CUSO Financial Services, LP.

to learn more about how your Credit Union is doing. Afterwards, join us for refreshments and door prizes, and the opportunity to connect with RCU employees, leadership, and Members.

I hope to see you there!

Best regards,



Brett Martinez
President & CEO



TIMELY TIP | AIM FOR PROGRESS, NOT PERFECTION

Financial expert Jean Chatzky says, "Aim for progress, not perfection." Nobody's perfect. So don't beat yourself up if your financial habits aren't perfect, either. Aim to take one step at a time towards your goals, even if you need to amend them along the way. Maybe you can't save as much money as you'd like. Or perhaps you need to dip into your emergency savings. That's okay. Taking little steps towards meeting your financial goals is better than not having goals at all.

For more financial tips, check out Jean Chatzky's book "Money Rules," or visit jeanchatzky.com.

LEARN ABOUT: REVERSE MORTGAGES



A reverse mortgage, also known as a home equity conversion mortgage (HECM), helps people who are at least 62 years of age convert part of their home's equity into income. Unlike a home equity loan that requires monthly repayments, a reverse mortgage doesn't have to be paid off until the owner sells the property or moves out permanently. Funds can be utilized for whatever the borrower desires or as peace of mind for unexpected financial obligations.

The amount of equity you can borrow depends on several factors, including your age, your home's appraised value, your current mortgage interest rate, and the amount of equity in your home. To find out whether you're eligible and if a reverse mortgage is right for you, contact RCU's trusted partner, Alliance Reverse Mortgage at 1 (800) 816-2655 or visit AllianceReverse.com.



WHAT'S NEW AT RCU!

RCU Rewards Visa credit cards now compatible with Android Pay™ and Samsung Pay!®

Known as "mobile wallets," Android Pay™, Samsung Pay, and Apple Pay™, give consumers a safe, convenient way to pay for transactions using their mobile device. Now, all three are compatible with RCU Visa credit cards (and Apple Pay™ works with debit cards, too.) It's fast and easy to add your RCU cards to a mobile wallet app and use your phone to pay for purchases!

A mobile wallet is considered highly secure because it does not store your credit card number. For more information, and to find out whether your device is compatible, visit redwoodcu.org/mobilewallet.

BEST PRACTICES: BACK IT UP!

Tips for backing up your digital information

You may have heard how important it is to back up your digital data, such as photos, financial documents, and videos. But did you know it's equally important to back up your data in more than one place? That way, if one backup is compromised, you have another copy you can count on.

Back up your data using two different formats in different locations. For example, use an external hard drive for one copy and a cloud-based service (such as Dropbox) for the other. Some people store their external hard drive in a safe-deposit box in case of fire, flood, or theft. When it comes to protecting your data, it's better to be prepared.

Want more information? Visit redwoodcu.org and type "backup" in the Ask RCU bar.

HOW MUCH OF MY INCOME SHOULD I SAVE FOR RETIREMENT?

When it comes to saving, time is your best friend.

When it comes to saving money for retirement, time is your best friend. Statistics show that it's best to start saving in your 20s. If you can't or weren't able to, don't beat yourself up. You can still benefit from saving at any age. Start now and you may thank yourself later.

How much should you save?

The amount you should save depends on a number of factors, including your age, the type of retirement you want to have, and how much you've already saved (if any).

Determine a percentage that feels comfortable for you. If you currently can't save as much as you'd like, set a modest goal and raise your contribution by 1% each year until your goal is reached. If your employer offers a 401(k) matching program, take advantage of it! It's free money that can make a significant impact on your savings.

Need help setting your retirement savings goals?

Contact RCU's Investment Services and Wealth Management department available through CUSO Financial Services, LP*, at 1 (800) 479-7928, option 4.



*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The credit union has contracted with CFS to make non-deposit investment products and services available to credit union members.

APRIL IS CREDIT UNION YOUTH MONTH

Credit Union Strong: Pump Up Your Savings!

This year's National Credit Union Youth Month invites kids to become "Credit Union Strong" and RCU wants to help! That's why we'll be helping kids "pump up" their savings and become more financially fit. For the month of April, RCU will host a variety of events that will help kids strengthen their money skills and learn the importance of saving. Jr. Rangers can participate in a coloring contest, while Jr. Partners can submit entries into an essay contest. One lucky essay winner will appear in the Jr. Partner Post's 2016 summer newsletter! For more information, visit redwoodcu.org/youth.

EVERY DAY IS EARTH DAY AT RCU | APRIL 22, 2016

Happy Earth Day! As a socially-conscious organization, RCU is committed to earth-friendly business practices that benefit the environment for generations to come. Simply put: We love being green.



Some of our green efforts include:

- We save paper and add convenience by offering mobile and online banking, eStatements, and electronic bill pay
- We offer loan discounts on qualified fuel-efficient vehicles
- We offer solar loans to help make your house more energy-efficient
- Most of our printed materials are on recycled paper with earth-friendly inks

To learn more about our green business practices, visit redwoodcu.org/green.



ANNUAL MEMBERSHIP MEETING & ELECTION

Thursday, April 21, 2016 at 5:30 p.m.
RCU's Administrative Offices
3033 Cleveland Ave., Santa Rosa, CA 95403

The business meeting and election of officials will be followed by a reception with light refreshments.

Please RSVP at redwoodcu.org or by calling 1 (800) 479-7928, option 3, then 6.

CLOVERDALE • NAPA • NOVATO • PETALUMA • POINT ARENA • ROHNERT PARK • SAN FRANCISCO • SAN RAFAEL • SANTA ROSA • SEBASTOPOL • SONOMA • UKIAH • WINDSOR

Member Service Center: 1 (800) 479-7928 • (707) 545-4000 • Monday through Friday 7 am – 8 pm • Saturday 8 am – 5 pm • P.O. Box 6104 • Santa Rosa, CA 95406-0104

The Redwood Review is a quarterly publication of Redwood Credit Union. All editorial questions and comments are welcome. Please call our Communications Department at 1 (800) 479-7928, ext. 65276.



*Home equity: Rates effective 3/2/16, assumes excellent credit history and are subject to change. Certain restrictions may apply. Maximum Loan to Value (LTV) is 60% for manufactured homes, investment properties and 2-4 unit properties. RCU mortgage loans are available on CA properties only. The HELOC is tied to the Prime Lending Rate as published in the Wall Street Journal, which is variable, plus a margin with a maximum rate of 18.00% APR, depending on the initial CLTV. Average fees on a no point loan of \$200,000 or less range from \$0-\$1200. A No Closing Cost option is available for loans up to \$200,000. Must have a CLTV of 80% or less, an Automated Valuation Model (AVM) must be available, and a limited title policy must be obtained. A \$750 early closure fee applies if the loan is closed within 36 months of the date of the security instrument. Any loan greater than \$200,000 requires a full title policy at cost to the borrower in addition to all other loan fees and any loan greater than \$250,000 requires a full appraisal at cost to the borrower in addition to all other loan fees. Consult your tax advisor for details regarding tax deductibility. IRA certificate: APY=Annual Percentage Yield. Certificate Yields assume dividends remain in account until maturity; penalty imposed for early withdrawal. Fees may reduce earnings. In order to open and maintain this certificate, you must have an active checking account at RCU. Active checking is defined as a checking account having three or more transactions per month (excluding online banking, telephone teller or dividend posting transactions). Visa: 8.99% APR as of 3/1/16. All rates, terms, and special offers subject to change. For cash advances at non-RCU locations, the greater of 2% of the advance amount or \$20 will apply. Certain restrictions apply. Mobile wallets: Apple®, the Apple logo and iPhone are trademarks of Apple, Inc., registered in the U.S. and other countries. Apple Pay™ and Touch ID™ is a trademark of Apple, Inc. RCU Visa credit cards are compatible with Samsung Pay. RCU Visa debit cards are not compatible at this time. Samsung, Samsung Pay, Galaxy S (and other device names) and Samsung Knox are trademarks or registered trademarks of Samsung Electronics Co., Ltd. Other company and product names mentioned may be trademarks of their respective owners. Samsung Pay is available on select Samsung devices. RCU Visa credit cards are compatible with Android Pay. RCU Visa debit cards are not compatible at this time. Android and the Android logo are trademarks of Google, Inc. The Android Robot is reproduced or modified from work created and shared by Google and used according to terms described in the Creative Commons 3.0 Attribution License. CUNA MUTUAL GROUP hereby provides you with notice regarding the preexisting exclusion provision on open-end credit life and/or credit disability accounts as required annually by the California insurance department. NOTICE: This insurance may not cover an advance or charge under your credit line if your disability or death results from a condition for which you have seen a doctor or chiropractor in the six months before the advance or charge. License #0D91054 NPN #7612227

FEATURED PRODUCTS & RATES[†]

For a full list of savings and loan rates, visit redwoodcu.org/rates. Rates and yields subject to change.

Apply & Save!

HOME EQUITY

Loans & Line of credit

Rates from **4.00% APR****

Remodel • Renovate • Consolidate

3-YEAR NO FEE IRA CERTIFICATE

As high as **1.25% APY†**
(with active checking)

VISA CREDIT CARD

As low as **8.99% APR†** with free rewards!

BUSINESS FINANCING

- SBA and Commercial Loans
- SBA Preferred Lender

Call **1 (800) 479-7928** or visit redwoodcu.org for details today!

It pays to read the Review! Do one of the Member numbers below belong to you? If so, you've won \$100! Please call 1 (800) 479-7928, ext. 65276 to claim your prize. There are two lucky winners in every issue!

Member #227435, Member #161732

CALENDAR

All RCU locations will be closed:

Memorial Day

Monday, May 30

Independence Day

Monday, July 4