



First Choice
Federal Credit Union

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The New Direction - October 2022

A Letter from our CEO - Our Purpose Gives Us Meaning

So what is the purpose of a credit union? No really? I mean I had spent a lot of time thinking about that over the last few years. When the pandemic closed our doors, I didn't know what to expect when or if they would ever re-open.

As an industry, we suffer from a lot of problems. We have the word "union" in our names. To many in the general population, this conjures images of special rules or labor affiliations. We are constantly thought of as being "small", "backwards", "insignificant", and "irrelevant". That is where you keep your "extra money". I think I used to have a "Christmas Club" there. (You don't know how many times I have thought about getting rid of those Club Accounts just because of the stigma attached to them. - By the way, either you already received your check or the money was transferred to your savings account. **Merry Shopping!**)

Our staff boasts a combined 250+ years of financial institution experience among us. Most of us starting our careers in the Retail Banking world, working for institutions significantly larger than First Choice. We speak often of the differences in our experiences. You know the number one thing that we all say... **"here, we can make a difference in the lives of people."**

Our size can be a disadvantage. We don't have a marketing budget to name arena's after us. We don't have lobbyists to carry our special interests to Congress. We don't send you endless junk mail daily or call you on the phone to beg you to come in because we want to chat.

Our size can also be an advantage. We are small enough to be nimble and still know our people and our Community. This is where we work and live. We aren't making loans for anonymous people half a world away, we are making them for our neighbors and our friends. We understand this community and the businesses that are in it. We understand the reputations of the companies you work for, their histories, and what they



do. We know what your story is, and **your story still matters.**

It is true, we haven't always thought of

ourselves as worthy of being your primary bank. We felt like we were second class citizens in the financial world. Quite frankly, we didn't have the money or the resources to compete. Slowly, but surely, we have been eliminating the hurdles to bring you a full service banking relationship. Let us start with the building block of all financial relationships...



The Checking Account:

- ◆ No Minimum Balance
- ◆ No Monthly Fee
- ◆ No Monthly Deposit Requirement
- ◆ Free Mobile Deposit
- ◆ Free Online Access
- ◆ Free Mobile Access
- ◆ Free Bill Pay Service (we pay the stamps)
- ◆ Free Access to any Money Pass ATM location
- ◆ **FREE Instant Issue Debit Card** - That is right, we can produce your debit card right from our State Street location. No more waiting by the mailbox for one to arrive.
- ◆ Member Pays for cost of checks (single or duplicates same cost) if you want them

How does your Financial Institution's Checking Account stack up to this?

We don't just want to be the credit union of your "extra money", we want to earn your relationship. We want to be your primary bank. **Let us treat you like you deserve to be treated, like a person...** not a number or "profitable household unit". We want to be a part of your story. If something is holding you back, let us know, we will work to knock down that wall too!

Board of Directors

- Pamela Miller *President*
- Brian DeVivo *Vice-President*
- Russ Carley *Treasurer*
- Marilyn Wehr *Secretary*
- George Fiacco
- Jenny Flannery
- Michael Vatter

Meet Our Staff

- Michael Vatter CEO
- William Wehr CFO
- Brayden Ayres
- Missy Currie
- Lillian Charles
- Maureen Dierfield
- Erica Holian
- Susan Canary
- Christopher Litrenta Jr
- Kathy Lorello
- Mary Lou McPheron
- Connie Million
- Carley Price
- Rebecca Rice
- Charlotte Sonntag
- Sharlene Warner
- Bonnie Williams

Hours of Operation

- Monday - Friday** (All Offices)
9:00AM - 4:30PM
Drive-Thrus open at 8:30AM
- Saturday** (Neshannock Office)
9:00AM - 12:00PM

Proud Member of



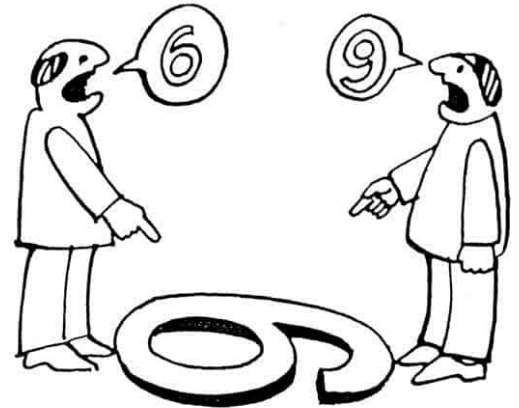
Accounts Federally insured

So are we in this Recession or not?

Like my two friends to the right, the answer to this question depends on your perspective. By the technical definition of a Recession, we are not in one. However, major economic indicators are split. Some industries like Construction, Real Estate, and Home Building would clearly indicate that we are in a significant economic downturn. Yet Tourism, Restaurants, and even Retail are increasing and show a strong rebound from down quarters. Want to know how confusing this is? Jobs creation is increasing while the unemployment rate is also increasing. Re-read that last sentence slowly just incase the first time it didn't give you a headache.

What does all this mean? We are not Economists. Quite frankly all the graphs looked the same to us (that's Economist humor... and they aren't very funny, so...), we won't speculate with the great minds. **What does it mean to us common people?** The Fed is going to keep increasing the Fed rate. **Why?** Because they want to control inflation. **Why?** (You ask a lot of questions) Because without taxing the pants off of people, the government wants to encourage saving by making things cost more.

Well when is this going to end? Good question... since it officially hasn't "started", it is going to take longer to "stop". Unfortunately, we think it is going



to take a little longer than the initial 12-18 months that everyone was hoping for. **Well that stinks, what are you going to do about it?** What we always do, keep our rates as low as possible because we know that people still have to deal with life. Cars still need replaced, Christmas still happens, things still break. We can't promise that rates aren't going to increase, but we do promise that we are here for our members. We want to help.

What should we do if we run into problems and we can't afford all of our payments? Make a call. Listen times are tough and they could get even tougher. Groceries alone are going to get more expensive and you are not in this by yourself. We are here for you. If we can help, we will. We just need to communicate. Don't be embarrassed, just call. We will work it out.



Have a Loan Question?

Call when you can.

Text when you can't

to 724 - 856 - 0997

Why is there more than one credit score? Which one is the right one?

This is an excellent question and can lead to some significant frustration. Unfortunately, it is not a simple answer to give. A “credit score” is a generic term. It is a number that represents the risk a lender takes when someone wants to borrow money. Generally, the higher the score, the less risk.

Most lenders use the Fair Isaac Corporation (FICO) score to determine credit risk. However, not every FICO score is the same. There are different models that each lender can ascribe. Some place a higher value on most recent activities. Some devalue debt attributed to medical bills. Still others take into account various average debt in regard to secured versus unsecured debt.

There is an app for that.

Actually, there are several. Many consumers have done what we have preached for years, check their credit report to make sure of its accuracy. There are so many tools that consumers can use now. In fact, a credit score is often prominently displayed on several credit card providers statements for free. One of the more popular apps is Credit Karma.

Credit Karma, and many like it, are GREAT services at helping you to see the week-to-week impact of decisions on your score and helping you to keep your information correct. However, these apps are **credit monitoring services**. They are not to be used as a basis of determining lender’s risk.

For instance, Credit Karma uses a credit score called VantageScore. It derives data from two of the three major credit bureaus in the US. Their scoring model is transparent, but independent from those bureaus. It is a wonderful free tool. However, Credit Karma is a for-profit company that makes money by giving you a free credit score in exchange for learning more about your spending habits and charging companies to serve you targeted advertisements. This is not a deceitful practice. Many companies make money in this way, like Facebook and Amazon.



Timing matters- some things are slower than you think. Credit Karma updates scores every seven days. However, most lending institutions update monthly. This makes sense considering the normal payment cycle that we all enjoy.

When you make a payment on your house, the mortgage company does not alert the three major credit bureaus daily. They update once a month.

Timing matters- some things are faster than you think. There is nothing wrong with shopping, it is how deals are found. However, if you go from one dealership to another, they are going to keep running your credit score. The dealers want you to drive that car off their lot. They will look for the best deal they can find. Many of them have several options to

finance you. The challenge is that each one of those companies will pull your FICO score through their model. That can mean each dealer could have your credit pulled as a “hard hit” 5-9 times. Those inquiries can add up quickly and drop your score. And that is just at one dealership. (Incidentally, that is why we encourage our members to get a preapproval

before going shopping. See Article One)

How does FICO figure out my score? I can’t tell you; it is a secret. No really, it is. Fair Isaac Corporation uses a complicated proprietary algorithm to determine an individual’s credit score. However, we do know that they use the following weighted factors:

- 35% is on payment history
- 30% is on total amount owed
- 15% is the length of reporting to the credit bureau
- 10% is new credit applied for
- 10% is the type of credit you have (secured vs. unsecured)

Does it really matter? In preparation for this article (originally written in October 2020) I signed up for two free credit monitoring services. I

Continued

Why is there more than one credit score?

applied for a loan the previous month so I had a recent pull of my FICO score. The first score I received was 910. Which is problematic, because the highest FICO score possible is 850. Their scale had a high score of 1,100. I got a second score from Credit Karma. According to the app my score was 27 points higher than my FICO score at the credit union. The data was accurate, and it was close to my score, but because of the things we discussed earlier, they are not the same.

From experience, some of our members report that their Credit Karma score is closer than 27 points away. However, some have a greater disparity.

Keeping current on your credit score is a great idea. For those who have had missteps in the past, we want to help raise that score and protect it. It can literally save you tens of thousands of dollars over your lifetime.

A credit score is not a life sentence, you



don't have to keep the one you have. We have been very successful in raising scores and helping our members save money, some times it takes a little bit of time and effort, but it is worth it. **Success for us is when we are able to make a difference in the lives of our members and they keep coming back to us** because we helped make a difference.

We want to make a difference in your life too.

Loan & Savings Rates

Loan Rates in APR*, Savings APY**
Effective 7/5/22

Rates start as low as...

Personal:
Up to \$4,000 6.24%
Up to \$10,000 9.99%

Share Secured: 2.49%

Untitled Autos:
Up to +40 Mo. 1.74%
41-52 Mo. 2.37%
53-64 Mo. 2.74%
65-76 Mo. 2.99%
77-88 Mo. 3.74%

Used Autos: 2022-2020
Up to 40 Mo. 2.49%
41-52 Mo. 2.62%
53-64 Mo. 3.24%
65-76 Mo. 3.49%
77-88 Mo. 4.24%

Used Autos: 2019-2018
Up to 52 Mo. 2.99%
53-64 Mo. 3.49%
65-76 Mo. 3.99%

Used Autos: 2017-2016
Up to 52 Mo. 3.49%
53-64 Mo. 3.99%
65-76 Mo. 4.49%

2015 & older
Up to 48 Mo. 6.24%
Up to 60 Mo. 6.99%

Home Equity: (1st Position)
1-5 years 4.24% Fixed
6-9 Years 4.49% Fixed
10-14 Years 4.74% Fixed
15 years 5.24% Fixed

(2nd Position)
1-5 years 4.74% Fixed
6-9 Years 4.99% Fixed
10-14 Years 5.24% Fixed
15 years 5.74% Fixed

Members pay costs

** Rates impacted by credit score.

ALL RATES REFLECT A 0.25% DISCOUNT FOR AUTO PAY

For a Mobile Deposit... Sign like this... (except with your name)



VISA Cards - No Annual Fees

Platinum - 12.90% Fixed
Rewards - 15.90% Fixed

Share Accounts 0.100%

Loan Collateral 0.100%

IRA Accounts 0.750%

Unless tied to a CD

Club Accounts

Christmas Club 0.200%

Vacation Club 0.200%

Escrow Accounts 0.100%

Interest paid on share accounts
with a balance > \$100.

Inquire about rates for Motorcycles, ATVs,
RVs, Watercraft, and Other Titled Vehicles.

Anyone who lives, works, volunteers, or attends church or school in Lawrence County is eligible to become a member and take full advantage of belonging.