



STATELINE

ARIZONA STATE CREDIT UNION

SECOND QUARTER 2015



What to Expect in 2015

You expect the most from your financial institution, and Arizona State Credit Union is committed to helping you reach new heights to meet your financial goals. You will continue to reap the benefits of membership with value-added products and services designed to make your life simpler.

Here are some of the exciting additions you can take advantage of in 2015:

Added mortgage programs. In addition to our regular mortgage programs, you can now benefit from our professional home financing program. This program is designed specifically to give you financial flexibility and savings,

with up to 95 percent financing and no borrower-paid mortgage insurance.

Account Reconciliation/Reverse Positive Pay.

Offered to our business members as a fraud protection service, Account Reconciliation/Reverse Positive Pay notifies account holders of checks paid against their accounts. The Credit Union will review all items paid, and will notify you of any suspicious checks within 24 hours. Using this service protects against check fraud, and helps business owners conveniently reconcile and track their expenses.

EMV chips on business credit cards.

EMV (Europay, MasterCard®, Visa®) is micro-computer chip technology that protects

against the spread of counterfeit card fraud. The Credit Union installed EMV chips on personal credit cards in 2014, and will be outfitting all business credit cards with EMV chips in 2015. Having this technology in place on will provide you with an enhanced level of comfort when making purchases.

These are just a few of the many financial solutions that you can take advantage of this year. We appreciate the support of our members as we continue to find ways to meet and exceed your expectations. To learn more about how Arizona State Credit Union can help you, speak with one of our dedicated associates today at **800.671.1098.** ✈

Congratulations to Our Associate Choice Award Recipients



At Arizona State Credit Union, we believe that the foundation of any stellar organization is built upon the character and achievements of extraordinary people. The personality of our associates is what defines our organization and allows our member-centric culture to thrive. Credit Union associates were recognized for all of their hard work and commitment to excellence at the annual All-Associate Business Meeting on February 21, 2015. Following a company-wide vote, the following associates were recognized by their peers for their significant contributions to the Credit Union in various areas. *AZ*



Timothy Hatch (center), pictured with Joseph Vanden Bosch (left) and Debbie Meshey (right)



Sherri Kempf (center), pictured with Sean Azhadi (left) and David Downing (right)

And the recipients are...

Caprice Daniels – Change Agent Award
 Donna Laxson* – Community Service Award

**Not pictured as she was unable to attend.*

Joseph Huysentruyt – Member Service Award
 Sherri Kempf – Operational Excellence Award
 Shibu Cherian – Business Ethics Award
 Timothy Hatch – Team Player Award



Joseph Huysentruyt (center), pictured with David Sweiderk (left) and Alison McGonagle (right)



Caprice Daniels (center), pictured with Kim Reedy (left) and Robert Gibboni (right)



Shibu Cherian (center), pictured with Michael Emanuelli (left) and Yvonne Ross (right)

Arizona CU Reports New Mortgage Program Draws ‘Tremendous Response’

by Michael Bartlett
FEB 17, 2015 4:25pm ET

PHOENIX – As the real estate market rebounds in the Grand Canyon state’s capital, one credit union here reports that a new mortgage program is attracting significant new lending business.

“There have been numerous inquiries and we are very excited and encouraged about the response,” said Rebekah Morales, mortgage origination program director at \$1.6* billion Arizona State Credit Union.

Though Morales declined to state exactly how many loans/dollars have been booked so far, two months after it launched, she told Credit Union Journal that there has been a “tremendous response” to the \$1.6 billion CU’s “Professional Persons Mortgage” program.

Morales attributes the program’s success to a number of factors.

“We are always reviewing our mortgage programs, and challenge ourselves to add loans that are relevant for our community,” she said. “For professionals we determined they have particular needs. For doctors and attorneys, relocation is part of their world. Arizona is a transient state, so this is relevant in our community.”

Another issue is folks in professional positions often are in investments that require liquid assets and therefore need a loan with a low down payment, Morales continued. One of the goals of the PPM is to allow people to take out a jumbo loan with a low down payment.

“We wanted it to be a good, honest deal,” she said. “We wanted to supply a high-quality experience. It offers a 20-day close, which is good for professionals.”

AZSTCU’s new program offers up to 95% financing on a jumbo loan with no borrower-paid mortgage insurance, which Morales said can save \$700 per month on an \$800,000 mortgage. “We have a really good relationship with our mortgage insurance company, which allows us to absorb the cost at a lower rate because we have such a low default rate.”

One does not have to be a “professional” – or a doctor or a lawyer – to qualify, she noted. The guidelines for the loan are from AZSTCU’s mortgage insurance company, but the debt-to-income ratios are “extremely flexible” and depend on specific scenarios.

According to Morales, “The difference is how we communicate. It is really advantageous for the jumbo loan borrower. The collateral pieces were built around the professional person.”

On Feb. 13 the credit union approved allowing medical and dental professionals to utilize their employment contract as proof of income up to 60 days out.

Community Call With Realtors

The CU announced the program to members via an e-mail blast when it commenced in mid-December. It has followed up with flyers, as well as an analysis of its member base to determine who might be eligible.

“We are going to talk to medical offices, to Realtors that work with people relocating to Arizona, and we have really good relationships with the three major colleges in the state,”

Morales noted. “In the next couple weeks we will invite 2,000 local Realtors to listen to a community call, a public line on which they can learn about the program. It will be 15 minutes, then Q and A.”

The credit union plans to keep the program ongoing, so it does not have an end date, but Morales added that management always continually reviews all programs to ensure they remain relevant.

For other CUs that may be interested in launching a Professional Persons Mortgage program of their own, Morales said she is open to speaking about the process. ✨

*The Credit Union’s assets are now at \$1.7 billion, higher than what is reflected in the preceding article.
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A Loan Designed with You in Mind

Mortgage Insurance is Paid for You

You work hard for your success and deserve a partner you can count on for expert advice, personal and expedient service. At Arizona State Credit Union, our professional home financing program is designed specifically to give you financial flexibility and significant savings.

- Get up to 95% financing, including Jumbo mortgages¹
- No borrower-paid mortgage insurance²
- Close in 20 days with priority processing
- Both purchases and refinances qualify
- Low down payment
- Potential tax savings³



Professional Expertise

As a member, you’ll be working with a full-service mortgage lender and benefit from better rates and lower fees. Talk with a loan originator who will go above and beyond to meet the demands of your busy schedule and provide you with a flexible loan solution.

Apply online or schedule a free consultation today. | azstcu.org/professional

Think Twice Before You Raid Your 401(k)

With the recent release of the IRS's 401(k) contribution limits for 2015, attention turned, as it has in prior years, to the large number of plan participants who come nowhere close to contributing these amounts. Instead, many workers use their 401(k) accounts as a way to pay off loans and supplement their regular cash flow.

The amounts withdrawn are significant. According to a recent study by Vanguard, the average withdrawal represents one-third of the participant's account balance. Additionally, most withdrawals are not for hardship – non-hardship withdrawals outnumber hardship withdrawals by a factor of 2 to 1, and the rate of new non-hardship withdrawals doubled between 2004 and 2013¹.

Why are so many withdrawals occurring? One reason is to pay off debt, including student loans. Another may be to help make ends meet when people are between jobs. Fidelity reported earlier this year that 35% of participants took all or part of their 401(k) savings when leaving a job².

No matter the reason, the long-term implications of early 401(k) withdrawals can be considerable. In withdrawing from the account, plan participants will miss out on tax-deferred compounding of that money, which can add up over time.

Alternatives to Raiding Your 401(k)

Withdrawing from a tax-deferred retirement plan to meet short-term needs should be a last resort. Before doing so, consider alternatives such as the following:

- Savings accounts or other liquid investments, including money market accounts. With short-term interest rates at historically low levels, the opportunity cost for using these funds is relatively low.
- Home equity loans or lines of credit. Not only do they offer comparatively low interest rates, but interest payments are generally tax deductible.
- Roth IRA contributions. If there is no other choice but to withdraw from retirement savings, consider starting with a Roth IRA. Amounts contributed to a Roth IRA can be withdrawn tax and penalty free if certain qualifications are met. See IRS Publication 590 for more information.

For our retirement rollover promotion and other financial planning inquiries, please visit your local branch or call **877.566.0517** to schedule a no-cost consultation with a Financial Advisor. ✈

¹ Vanguard Investment Group, How America Saves 2014, June 2014.
² The New York Times, "Combating a Flood of Early 401(k) Withdrawals," October 24, 2014. 1-338869



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Since 1951, Arizona State Credit Union has been serving the needs of Arizona residents. We invite you to register and join us for our Annual Business Meeting.

- Date:** April 21, 2015
Location: Arizona State Credit Union Corporate Headquarters
 2355 W. Pinnacle Peak Road
 Phoenix, AZ 85027
Program: Registration 6:00 p.m.
 Business Meeting 6:30 p.m.
To Register: 800.671.1098

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Working as One