

## Member Connection

### Car Buying Made Easier:

#### It's on the Sticker

When you're car shopping, take note of the overhauled mileage sticker. All 2008 models have the long-promised update on the window sticker—it publishes estimates derived from a more rigorous approach to testing. Tests now take into account high-speed driving, hard acceleration, effects of cold, and the use of air conditioning.

#### Your SPCO Staff

Tim Adams ..... CEO  
 Norma Garcia ..... Executive VP  
 Wendy Melton .. Mktg/Member Svcs  
 Isabel Olivarez .... Collections Officer  
 Isis Palomo ..... Member Svcs  
 Joann Vasquez .... Bus Development  
 Matthew McSpadden ..... Accting Mgr  
 Michelle Wojhan ..... Member Svcs  
 Edelia Rivera ..... Member Svcs

Our continued prayers for those serving our country overseas. GOD Bless each of you and your families.

#### Holidays Ahead

The Credit Union will be closed in observance of the following:  
**Independence Day** Friday, July 4  
**Labor Day** Monday, September 1

## SPCO

### Federal Credit Union

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 Houston, TX 77086  
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 Fax: (713) 455-8588  
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"We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act."

## Summer Vacation Loans



Once again, SPCO is offering vacation loans just in time for summer! Vacation loans are available now through August 31, 2008. If you had a vacation loan last year, all we need to renew is a current pay stub. Terms are an eleven month pay back with a maximum loan amount of \$2,500 for qualifying individuals. Call or stop by and apply today!

## Under Construction!



Starting July 14, you'll notice a few changes in our website.

We're updating with a new look that's easier for you to navigate. The home page will have a login to the online banking system and that's not all. Watch for pages with rates, products and services. Plus, an archive of past newsletters for your reference.

While the site may not be fully functional on July 14, access to online banking will be available from the home page with a secure login. Please let us know if you have any problems.

## ATTENTION, HOME BUYERS

Watch for more information as SPCO will soon offer Home Mortgage loans. We've teamed with CU Members Mortgage, the leader in the credit union home mortgage business, to begin this valuable service to our members. Watch your statements and the new website for more information about home mortgage loans.

## Stop Denying, Start Saving to Cope with Infrequent Expenses

Many people live in a state of denial about the cost of infrequent expenses. For example, it's reasonable to expect that a car eventually will need new tires, a tooth will require a filling, or a household appliance will need to be repaired or replaced.

### A savings plan

All these expenses can be budget busters unless you save in advance.

To create a savings plan for infrequent expenses, take a tour of your home. Figure out when you probably will need to replace appliances and mechanical systems by visiting the This Old House Web site ([thisoldhouse.com](http://thisoldhouse.com)) and searching for "How Long Stuff Lasts."

If you own a car, save for repairs based on vehicle mileage, budgeting \$25 a month for a new car; \$50 a month for a vehicle with 30,000 to 60,000 miles; \$75 a month for 60,000 to 100,000 miles; and \$100 a month if the odometer tops 100,000.

If you're a homeowner set aside at least 2% of your property's value for repairs

and maintenance each year. You also should budget for personal expenses that aren't covered by insurance, such as dental cleanings or eye check-ups.

### Break it down

To figure out how much to save each month, create a grid. List infrequent expenses on the left side and make columns for annual and monthly budget amounts across the top. Figure out the total cost for each infrequent expense, and then break it down by years and months as needed. Tally your columns to get an annual or monthly total.

Over time, higher-than-expected expenses for one item on the list are likely to be balanced by below-budget expenses in another. Keep that in mind to avoid the temptation to pull money out of savings to spend on unrelated items. That way, you'll be prepared whenever an infrequent expense becomes an immediate necessity.

If you need help budgeting for infrequent expenses, we can help. Stop by or contact us today.

## Ways to Cut the Cost of Fuel



With gas prices up, some car care guidance and sharp shopping skills are necessary to help you cut fuel consumption:

- Don't fill the gas tank past full—too much will just slosh or seep out,
- Buy the lowest grade (octane) of gasoline your car can use—check your owner's manual for this information,
- Drive slower, within the speed limit—the faster you drive, the more gas you use,
- Make one trip for all your errands and plan the most efficient route,
- Keep tires properly inflated and regularly check alignment and balance,
- Get regular tune-ups,
- Empty the trunk—a weighted-down car uses more fuel, and
- Buy a fuel-efficient car.

## What's Behind Credit Union Rate Decisions

Your credit union exists to serve member-owners like you. That's why our rates and fees tend to be better than those at for-profit financial institutions. One recent study showed that the average credit union member saves over \$100 a year by using credit unions rather than commercial banks.

We take many things into account when setting rates and fees.

First, the credit union must earn enough money to pay its employees, utility bills, rent, data processing, and other expenses. Then, the credit union must build and maintain a financial cushion.

Some credit unions reduce loan rates to borrowers using payroll deduction for loan payments, or offer low-cost checking for direct deposit of payroll checks. Both reduce operating costs by reducing the need for manual processing of deposits and loan payments. Or, a credit union may impose fees to reduce undesirable behavior by, say, assessing fees on bounced checks.

Of course, any business has to keep an eye on the competition. At minimum, your credit union tries to offer rates that are attractive relative to local competitors.

When pricing products and services, we also must gauge how decisions will influence the credit union's risk profile. And, economic conditions heavily influence rates on loans and savings accounts.

Your credit union's pricing decisions can be complicated. In the end, the credit union difference—member-ownership with a democratically elected volunteer board—helps ensure that members get a fair deal.