



Home Equity Loan vs. Home Equity Line of Credit

As home values continue to increase in the market, you might consider borrowing from the available equity in your home to make necessary improvements or for other expenses life throws your way. There are similarities and differences between a home equity loan and a home equity line of credit (HELOC). Here are some factors to consider in determining the best product for you.

What you need the funds for:

- A home equity loan is often used for large one-time expenses, like big improvement projects.
- A HELOC is generally used to cover various expenses that you may incur over an extended period of time, like ongoing repairs, tuition or other necessary expenses.

How you receive the funds:

- With a home equity loan, you receive a lump sum when your loan closes. So you'll receive the entire amount at one time.
- With a HELOC, you'll get a line of credit that allows you to draw from it on an as-needed basis during the permitted draw period. You can borrow as little or as much as you like, up to the maximum limit of your credit line.

Interest rates:

- Home equity loans have a fixed rate, so you're protected from payment fluctuations throughout the life of the loan. However, rates may be higher than HELOCs.
- HELOCs have a variable interest rate, based on the Prime rate plus a margin of, and will vary with the Prime rate.



How you repay funds:

- A home equity loan is repaid on a monthly repayment schedule and the monthly payment remains the same.
- A HELOC may have the option of making interest only payments during the draw period, and then you'll be obligated to pay principal plus interest during the repayment period. As you pay down the balance, the available credit is replenished.

A South Carolina Federal Credit Union representative can speak further with you about the right option for your individual situation. [Contact us](#) to speak with a Mortgage Loan Officer and learn more about our current [Home Equity programs](#).



South Carolina Federal Credit Union's latest promotion, **I'M IN. R U?**, is creating a lot of buzz in the community. It's a great time to ask yourself, "Are you all "IN" at the credit union?"

LIFESIMPLIFIED™

South Carolina Federal's 4th Annual Scholarship

Three students win money for college

The 4th annual scholarship had its best year yet, with more than 160 well-qualified applicants. Each applicant provided an essay centered upon their embodiment of the credit union philosophy, "people helping people." We are pleased to announce this year's winners:

- **First Place** (\$4,000) – **Ariel Jackson**, West Ashley High School senior who plans to attend the University of Chicago
- **Second Place** (\$2,500) – **Justin Herp**, a junior at College of Charleston
- **Third Place** (\$1,000) – **Caryn Ramelb**, Ashley Ridge High School senior who plans to attend the University of South Carolina

South Carolina Federal Credit Union is proud to support you in your college education.

Holiday Closure

South Carolina Federal Credit Union financial centers will be closed **Monday, May 26 (Memorial Day)**. Enjoy around the clock access to South Carolina Federal any time with quick, convenient, at-your-fingertips options, including Phone Banking, Online Banking, Mobile Banking, Text Banking, iPhone®, iPad®, and Android™ apps.



A Message from South Carolina Federal Investment Solutions™

Wise Decisions with Retirement in Mind

Certain financial and lifestyle choices may lead you toward a better future

Some retirees succeed at realizing the life they want, others don't. Fate aside, it isn't merely a matter of stock market performance or investment selection that makes the difference. There are certain dos and don'ts—some less apparent than others—that tend to encourage retirement happiness and comfort.

Retire financially literate. Some retirees don't know how much they don't know. They end their careers with inadequate financial knowledge, and yet feel that they can plan retirement on their own. They mistake retirement income planning for the whole of retirement planning, and gloss over longevity risk, risks to their estate, and potential health care expenses. The more you know, the more your retirement readiness improves.

Retire knowing that you'll have to assume some risk. Growth investing is increasingly seen as a necessity for retirees who want to keep ahead of inflation.

According to data and research compiled by the Social Security Administration (SSA), the average 65-year-old man will live to be 84 and the average 65-year-old woman will live to be 86. So that's a 20-year retirement. The SSA also notes that roughly a quarter of today's 65-year-olds will live past 90, and about 10% of them will live beyond age 95.¹

If these seniors rely on fixed-income investments for the balance of their lives, they may end up with reduced retirement income potential, and in turn a reduced standard of living. Look at the Rule of 72: if an investment is yielding 2%, it will take about 36 years to double your money. Yes, interest rates are rising—but inflation should rise with them.²

A generation ago, mature Americans were urged to gradually shift their portfolio assets out of stocks and into

fixed-income investments. One old rule of thumb was to subtract your age from 100, with the resulting number being the percentage of your portfolio you should assign to equities.³

Today, retirees and retirement planners are reconsidering this thinking. As the *Wall Street Journal* reported recently, one study of retirement money and longevity risk concluded that retirement funds may last longer if a retiree gradually increases the stock allocation within a portfolio about 1% per year from an initial range of 20%–50% to 40–80%. The concept here is that a retiree's stock allocation should be lowest when their retirement nest egg is largest.³

Retire with purpose. There's a difference between retiring and quitting. Some people can't wait to quit their job at 62 or 65—their work is “killing” them, or boring them senseless. If only they could escape and just relax and do nothing for a few years—wouldn't that be a nice reward? Relaxation can lead to inertia, however—and inertia can lead to restlessness, even depression. You want to retire to a dream, not away from a problem.

A retirement dream can become even more captivating when it is shared. Spouses who retire with a shared dream or with utmost respect for each other's dreams are in a good place.

The bottom line? Retirees who know what they want to do—and go out and do it—are contributing to their mental health and possibly their physical health. If they do something that is not only vital to them but important to others, their community can benefit as well.

For more information, please contact our CFS* Representative, [Colm Bailey](#), at 843-569-5005 or cbailey@scfederal.org.

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¹Source: Social Security Administration, ssa.gov/planners/lifeexpectancy.htm (2/6/14)

²Source: Investopedia, investopedia.com/terms/r/ruleof72.asp (2/6/14)

³Source: The Wall Street Journal, tinyurl.com/m8akefj (2/3/14)

Consumer Rate Shop

DIVIDEND RATES

Rates are quoted as Annual Percentage Yields (APY)

Premium Checking (\$2,500–\$9,999.99)	0.05% APY
Premium Checking (\$10,000 or more)	0.10% APY
Share Savings (min. balance \$150)	0.05% APY
Money Market (\$50,000–\$99,999.99)	0.20% APY
Money Market (\$100,000 or more)	0.20% APY

SHARE CERTIFICATE RATES

Rates are quoted as Annual Percentage Yields (APY)

Regular 12 months ¹ (min. \$500)	Jumbo 12 months ¹ (\$50,000+)	Premium Share ² 60 months (min. \$500)
0.15% APY	0.25% APY	1.10% APY

Minimum balance required. Fees could reduce earnings. Penalty for early withdrawal.

¹Additional terms from 3 to 60 months are available.

²Premium Share Certificate only available with Premium Checking account.

LOAN RATES

Rates are quoted as Annual Percentage Rates (APR)

Vehicle Loans	New – As low as 2.49% APR Used – As low as 2.99% APR
Vehicle Loan Rate Discounts	Premium Checking – 0.50% rate reduction ³ Simple Checking – 0.25% rate reduction ³
Visa® Platinum	As low as 8.25% APR ⁴
Fixed Rate Home Equity Loan	Call us or visit our website for current rates
Home Equity Line of Credit	Call us or visit our website for current rates
Mortgage First mortgages and refinances	Call us or visit our website for current rates

³Subject to loan approval. Discount only available when payment is automatically deducted from your South Carolina Federal Premium or Simple Checking account.

⁴APR is based on your creditworthiness. Current APR ranges from 8.25% to 17.90% and will vary with the market based on the Prime Rate. Up to 2% Foreign Transaction fee applies.

Rates are current as of April 22, 2014, and are subject to change daily. Please contact South Carolina Federal for applicable fees and terms. Call 843-797-8255 or 800-845-8355 for other current loan and deposit rates or visit scfederal.org.

CONTACT INFORMATION

Financial Center Hours

Lobby

Monday – Friday 9:00 a.m. to 5:30 p.m.

Drive-up Windows

Monday – Thursday 8:30 a.m. to 5:30 p.m.
Friday 8:30 a.m. to 6:00 p.m.

Contact Center

Monday – Friday 8:30 a.m. to 5:30 p.m.

843-797-8300 (Charleston) 803-738-8300 (Columbia)

843-545-8300 (Georgetown) 800-845-0432 (Nationwide)

Email: ContactCenter@scfederal.org

Phone Banking (24-hour telephone account access)

843-797-8255 (Charleston) 800-845-8355 (Nationwide)

Report Lost or Stolen Debit or Credit Cards

800-449-7728

SOUTH CAROLINA FEDERAL STATS

As of March 31, 2014

Assets	\$1,336,842,565
Loans to Members	\$ 922,146,692
Member Savings	\$1,085,379,952
Members	151,290

InBalance is published monthly for members of South Carolina Federal Credit Union. Address comments and suggestions to:

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