

# YOUR ONE SOURCE



[www.starone.org](http://www.starone.org) | 866.543.5202 | Spring 2013

## FAQs about Low Interest Rates

**M**any of our members have asked about low interest rates and how they affect savers and borrowers. Here are some common questions and answers.

### **Q: Why are interest rates so low?**

A: Although the economy seems to be improving, the pace of recovery is relatively slow. The Federal Reserve Board is concerned that employment is not improving quickly enough. So, the Fed has decided to maintain very low short-term interest rates (0% to 0.25%) to help stimulate the economy.

### **Q: How does the Fed's policy affect rates at the Credit Union and other financial institutions?**

A: Short-term rates ("fed funds") affect rates on consumer loans, such as vehicle loans and credit cards, and on savings and certificate accounts. The low rates are favorable for borrowers, but not so much for savers.

Note that mortgage rates are more dependent on the movement of U.S. Treasury bond yields than on the fed funds rate. But since Treasury bond yields are relatively low right now, mortgage rates are also low.

### **Q: Why did Star One lower its dividend rate last year, even though the fed funds rate has been low for longer than that?**

A: As a custodian of our membership's hard-earned wealth, at Star One we always do our best to balance risks and returns and place these funds in secure investments that are approved by the National Credit Union Administration (NCUA). Star One normally aims to pay the same yield as the fed funds rate on our Money Market Savings Account. We maintained higher-than-fed-fund rates as long as possible in hopes that the fed funds rate would eventually increase, and then decided to slowly lower rates.

### **Q: So what should I do about low savings rates?**

A: First of all, think about your goals for the money you have in savings and certificates. This is generally money you do not want to risk, so the primary goal is protection of your principal. Having immediate access to your money and knowing it will be safe and secure with a trusted financial institution may be more important than how much your savings earn. For example, if you need money immediately for retirement income or you want to build an emergency fund, insured savings may be more important to you than interest rates.

For money that you can afford to take some risks with and for which you have long-term goals, you may want to consider non-insured types of investments.

### **Q: Why save at Star One?**

A: Star One is one of the strongest and safest financial institutions in the nation with more than \$690 million in equity. Our federal regulator/insurer considers 6% capital to be adequate and 7% to be well-capitalized. Star One is well-capitalized with more than 10% set aside for reserves. We have very low charge-offs and delinquency from loans as well as outstanding performance from investments. In addition, your deposits are federally insured through the NCUA, a U.S. government agency. Each account holder's funds are insured to at least \$250,000, and retirement accounts such as individual retirement accounts are separately insured up to \$250,000.

At Star One, we strive to offer our members the best possible rates and lowest fees to help them achieve their financial goals. To learn more about the savings and loan products we offer, visit [www.starone.org](http://www.starone.org).



# Reminder: Tax Deadline Is April 15, 2013

The deadline to have your taxes filed falls on a Monday this year – if you don't want to spend your weekend scrambling at the last minute, this could be incentive to get your taxes done early!

If you're getting a refund, you can choose to have your refund directly deposited to your Star One account by providing the Star One routing number (321177968) and your Star One account number when filing your tax return.

## Still Time to Contribute to an IRA

You have until the April 15, 2013, tax filing deadline to open or contribute to an existing Individual Retirement Account (IRA) for 2012. Contributing to an IRA can help your money work harder as you save for retirement. To learn more about contributing for last year or to start contributing to an IRA for 2013, visit [www.starone.org](http://www.starone.org).



## Young Minds at Work Savings Account Promotion

April 22 – May 31, 2013

Receive \$10\* and a chance to win an iPod® touch when you open a new Minor Membership Savings Account at Star One between April 22 – May 31, 2013.

### Why Open an Account?

If your child is under age 18, opening an account at Star One could be their first step to financial independence!

- Save for college with a Coverdell Education Savings Account (CESA)
- Deposit birthday money
- View monthly statements online at [www.starone.org](http://www.starone.org)
- Bring in piggy bank coins to use the Coinstar machine for FREE at any branch location\*\*
- Cross-member transfers and automatic payroll deductions are available

Visit [www.starone.org](http://www.starone.org) or stop by any Star One branch location between April 22 and May 31, 2013, and open a new Minor Membership Savings Account!

\* The minimum opening deposit is \$50. Account will be credited \$10 upon account opening. This offer is made to new members under the age of 18 only. Offer effective April 22, 2013 through May 31, 2013. Not redeemable for cash. Star One is required to report any cash or non-cash gift to you in excess of \$10. Should you accept this offer, the \$10 gift will be reflected on the 1099-INT form sent to you annually, in accordance with the law, by Star One for tax reporting purposes. The bonus for new members applies only to first-time Star One members and is only paid once to each individual.

\*\* Coinstar machine available free to members under 18.



## Direct Deposit Offers Direct Results

If you aren't already using direct deposit, what are you waiting for? Direct deposit into your Star One accounts offers:

- **Convenience.** No need to make a trip to the Credit Union or mail in a check. In most cases, your money is available the day it is deposited.
- **Reduced risk of fraud.** No checks sitting in your mailbox unattended.

To have your paycheck directly deposited to your Star One account, stop by your nearest branch or complete the form available at [www.starone.org](http://www.starone.org) (click on "Apply Now" on the upper right-hand side of the home page and then choose "Employer Direct Deposit Form" under the "Other Applications & Forms" setting).

## Important News for Social Security Beneficiaries

Effective March 1, 2013, everyone receiving federal benefits (including Social Security payments) by paper check was required to switch to electronic payments as required by the U.S. Department of Treasury. To have your Social Security benefit deposited directly to your Star One account, please stop by your nearest branch or call a Star One Representative at (408) 543-5202 or toll-free at (866) 543-5202 for assistance.



Low Rates and Convenient Loans

# Car Buying the Easy Way



If you're eager to get the car buying process rolling, Star One is here to help. We offer great low rates on new and used cars as well as easy application options that keep you moving toward your goal of new wheels.

If you find the car of your dreams at a California Credit Union Direct Lending (CUDL) dealer, you can obtain a Star One auto loan right at the dealership.

## How CUDL Works

CUDL is a fully automated loan approval process used by a large network of participating local dealerships. Through the CUDL program, Star One's low auto loan rates and flexible terms are available to you at the dealership – so there's no need to stop by the Credit Union for financing.

When you're ready to buy, identify yourself as a Star One member, and ask for Star One financing through the CUDL system at the dealership. After a simple electronic application, you may be approved for a loan within minutes. Once the dealer completes the sales contract, your work is done. Star One will receive all the necessary documents from the dealer to record your loan and apply the appropriate discounts.

## Ready to Roll?

We also have other resources to make purchasing your next vehicle as easy as possible.

**Autoland** - Use this free service provided by Star One to have an experienced consultant search for your next car so you can avoid multiple dealerships and sales people.

**Guaranteed Asset Protection (GAP)** - GAP covers the difference between your loan balance and the amount your insurance policy would pay out in the event your vehicle becomes totaled (damaged beyond repair) or stolen and never found.

**Major Mechanical Protection (MMP)** - MMP gives you peace of mind in having protection against any costs incurred by mechanical problems that don't fall under the manufacturer's warranty or if your warranty has expired.

**Loan Payment Calculator** - Calculate how much car you can afford using our online calculators.

To learn more about Star One's car buying resources, auto loan options and current rates, visit [www.starone.org](http://www.starone.org) or contact a Star One Representative today.

## Free Workshops on First-Time Home Buying, Teens and Money, and Building a Better Budget

Star One is pleased to offer free workshops to those who would like to learn more about managing their money. Workshops are offered at two locations. Please register at least one day before the workshop by calling **(408) 543-5127**. Leave your name, number of guests attending, daytime phone number and session (location and date) you plan to attend, or visit [www.starone.org](http://www.starone.org) for online registration.

### First-Time Home Buyer

**Date:** April 10, 2013  
**Time:** 6 – 7:30 p.m.  
**Location:** Stevens Creek Branch  
3136 Stevens Creek Blvd., San Jose  
**RSVP by:** April 9

**Date:** April 11, 2013  
**Time:** 5:30 – 7 p.m.  
**Location:** Star One Administration Building  
1306 Bordeaux Drive, Sunnyvale  
**RSVP by:** April 10



### Teens and Money

**Date:** May 8, 2013  
**Time:** 5:30 – 7 p.m.  
**Location:** Star One Administration Building  
1306 Bordeaux Drive, Sunnyvale  
**RSVP by:** May 7

**Date:** May 9, 2013  
**Time:** 6 – 7:30 p.m.  
**Location:** Blossom Hill Branch  
1090 Blossom Hill Road, San Jose  
**RSVP by:** May 8

### Building a Better Budget

**Date:** June 12, 2013  
**Time:** 5:30 – 7 p.m.  
**Location:** Star One Administration Building  
1306 Bordeaux Drive, Sunnyvale  
**RSVP by:** June 11

**Date:** June 13, 2013  
**Time:** 6 – 7:30 p.m.  
**Location:** Blossom Hill Branch  
1090 Blossom Hill Road, San Jose  
**RSVP by:** June 12

# Watch Out for Loan Solicitation Scams

Homeownership information is a matter of public record. As a result, anyone can access it. Unscrupulous companies or individuals may obtain your information and then contact you by mail, phone or email. Some of these companies even masquerade as government agencies or your Credit Union. Because they have your information, you may assume they are legitimate – but that's not always the case.

Beware of unsolicited offers that involve:

- Loan modification.** Scammers may lead you to believe they are contacting you from Star One or another current mortgage holder, or that they are calling from a government agency. You may also get calls or solicitations from individuals claiming to be from insurance companies, mortgage brokers or title assistance companies, claiming they offer loan modification programs. *Tip:* Make sure it is the company that holds your current loan. If someone claims to be calling you from Star One, take down the information. Then call us at **(866) 543-5202** or **(408) 543-5202** – not the number the caller gives you – to make sure it is a legitimate call. Note that government agencies do not make unsolicited contact regarding loan modification programs.
- Phony promises.** Individuals may make claims such as “We guarantee to stop your foreclosure,” “We can lower your mortgage

rate,” or “We will refinance your mortgage even if other lenders have turned you down.” *Tip:* Be suspicious. No one can guarantee to stop foreclosures. And refinancing involves more than a phone call.

- Upfront fees charged to prevent foreclosure or lower your housing payments.** Homeowners have been charged exorbitant fees for services that go unfulfilled. *Tip:* Never pay for any service without knowing exactly what you are paying for and what you will get in return.
- Bait and switch.** Homeowners sign a new mortgage without knowing they are giving up ownership yet are still responsible for repayment obligations. Or they think they are refinancing with their own lenders, but are actually taking out an entirely new loan. *Tip:* Always check with your current mortgage holder before signing any papers regarding refinancing.

## Check with Us First

Remember, your privacy is our top priority. Star One Credit Union does not sell or rent your information to third parties. But we can't stop anyone from accessing public records. So always stop and think when you receive an unsolicited offer, and contact us if you have any questions.

## Humane Society Silicon Valley Collection

During the month of April, Star One will be collecting new and used clean blankets and towels, canned cat food, all size “Kong” dog toys, chewy-soft dog treats, peanut butter, canned cheese spread, cat toys, dog sweaters, kitten formula, grooming clippers, hard plastic baby keys, digital thermometers, Wee-Wee Pads and plastic pet carriers.

Donation bins will be available at all Star One branches during April. Your donations can help provide comfort to homeless and injured companion animals.

## Denial of Services Notice

The Credit Union's Denial of Services Policy provides that a member may be denied Credit Union services for engaging in threatening or abusive conduct, engaging in unlawful activities or failing to comply with Credit Union policies and agreements, as well as causing a real or potential loss. A copy of the policy is available at each branch location, at [www.starone.org](http://www.starone.org) or through the mail by calling a Star One Representative at **(866) 543-5202**.

## Holiday Schedule

Star One branches will be closed to observe:

**Memorial Day** – May 27 (Monday)

**Independence Day** – July 4 (Thursday)

### Star One Phone Service

(408) 543-5202 or

(866) 543-5202 toll free

Fax: (408) 543-5203

Star One Representatives are available Mon. – Fri., 7 a.m. – 11 p.m. and on weekends and most holidays from 9 a.m. – 5 p.m. For your convenience, we use a Shared Branch call center to handle after-hours calls. They can assist you with general questions and basic transactions.

### Branch Hours:

Mon., Tues. & Thur. 9 a.m. – 5 p.m.

Wed. 10 a.m. – 5 p.m.

Fri. 9 a.m. – 6 p.m.

### Cupertino

De Anza Branch

10991 N. De Anza Blvd.

De Anza Blvd. & Homestead Rd.

### Palo Alto

El Camino Branch

3903 El Camino Real

El Camino Real & Ventura Ave.

### San Jose

Blossom Hill Branch

1090 Blossom Hill Rd.

Blossom Hill Rd. & Almaden Expwy.

### San Jose

Stevens Creek Branch

3136 Stevens Creek Blvd.

Stevens Creek & S. Winchester

### Sunnyvale

Enterprise Branch

1080 Enterprise Way, #150

Enterprise Way & 11<sup>th</sup> Ave.

### Website

[www.starone.org](http://www.starone.org)

### Mailing Address

P.O. Box 3643

Sunnyvale, CA 94088

### Email

[service@starone.org](mailto:service@starone.org)

Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency.

We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

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