



Update

February 2011

*Published Monthly for Members Credit Union Reps and Other Key Sponsor Personnel
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What Determines Your Credit Score

Your credit score can affect the interest rate you pay on loans (not at MCU - credit scores do not determine your rate), the premiums you pay on insurance products and even whether you get hired for a job. So it is important to know what makes up your score. Here are five main factors that the computer models consider when calculating a credit score.

Payment History 35% - This is the most important component of your credit score and takes into account several different factors.

- Bills that have been paid on time.
- If there are late payments how late - 30, 60, or 90 days.
- Any loans that have been sent to collection agencies.
- Loans that have been charged off or if bankruptcy has been filed.

Outstanding Credit Balances 30%

- This component looks at how much money you owe and how much available credit you have. If all of your credit cards are maxed out, even if you are making timely payments, your credit score will suffer.

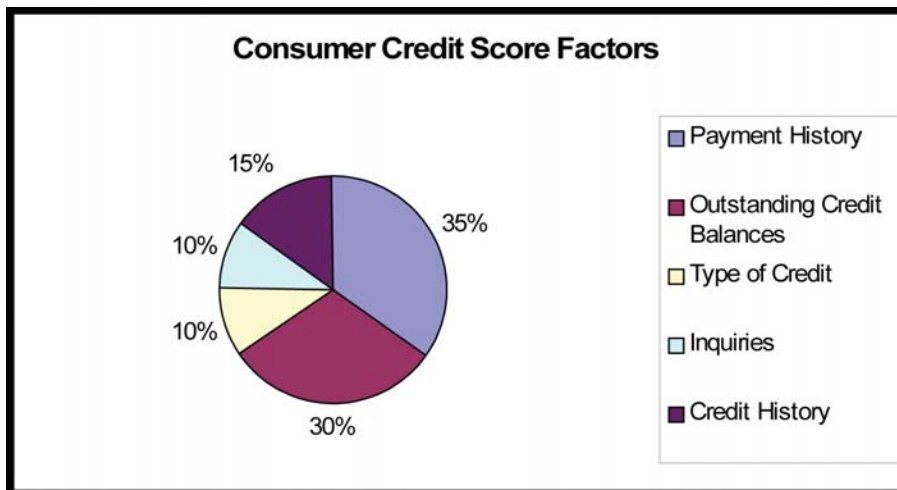
Credit History 15% - This piece of your credit score looks at how long you have been using credit and the average age of your accounts.

Credit Inquiries 10% - This part of your credit score analyzes how much new credit has been applied for recently and when the last new accounts were opened. Opening several new accounts at once

can affect your score negatively because it can be an indication of cash flow problems.

Types of Credit 10% - The types of credit that you have can also influence your credit score. It is best to have a mixture of mortgage, auto, and credit card loans. However, since this is such a small percentage of your total credit score don't open new accounts just to obtain a better mix of accounts.

Marital status, race, age, salary, occupation, and employment history are **not considered** when computing one's credit score.



So what can you do to maintain or improve your credit score? Most importantly pay your bills on time and never let any account go more than 30 days past due. Also, do not open a lot of a new accounts all at once and keep the balance of your credit

card accounts at least 15%-25% below your credit line.

If you have some blips on your credit history don't worry. You can improve your credit score but it takes time. There are no quick fixes to raise your credit score. By making your payments on time and not opening a lot of new accounts your credit score will gradually improve as the negative items on your score become older.

Don't have any idea what your credit score is? Check out creditkarma.com to get a free credit score.

March Madness Bracket Contest

Whether you are a fan of the Tar Heels or a Blue Devil backer, a Wolfpack supporter or you cheer for the Demon Deacons, come March everyone wants to fill out an NCAA Tournament

bracket. This year you can complete a bracket on our website, www.memcu.com/fastbreak, for a chance to win a \$250 gift card and a replica jersey from the



college team of your choice.

Get set to test your knowledge (or see how lucky you are) of college hoops by registering today. The game is free to play and open to members and non-members

alike. Brackets will be available March 13 and must be completed by the start of tournament play on March 15.

Free Representative Training

If you are a new sponsor company credit union representative who would like initial training, or you are a long time representative who would like a refresher course on credit union policies and procedures, please contact Donna Henry, our Director of Sponsor Affiliations, to attend a training session.

Classes are free and run from 10:00 a.m. to 1:00 p.m., with lunch provided. You can reach Donna at 800-951-8000, ext. 138, or donna@memcu.com.

Winston-Salem February 16, 2011

Hickory March 16, 2011

Winston-Salem April 27, 2011

Miscellaneous Information

- Visit MCUCars.com to see all of the previously owned vehicles the credit union has for sale. These cars can be purchased at 0% financing upon approved credit. Call Mike Loggins at 800-951-8000 ext. 128 for more information.
- Time is running out to apply for an MCU Scholarship. The deadline for completed applications to be received by the credit union is February 25. You may receive an application at any branch location, by calling 800-951-8000 ext. 134, or visiting our website at memcu.com. Under the "Tools" tab click on "Forms" then "Scholarship Application."
- Need supplies? Contact reeneef@memcu.com or use the order form at www.memcu.com. Under the "Sponsor Company" tab click on "Sponsor Rep Info" then "Need More Supplies?" Complete the online form and click "Send Request." Your requested supplies should arrive within 3-4 days.
- The credit union's annual meeting was held at the corporate office in Winston-Salem on January 25. At the meeting Jerry Church, Bill Parton, Bill Tittsworth and Richard Trotter were elected to the Credit Union's Board of Directors
- If you receive Update via email you can now click on any of the tabs at the top of the page to access credit union information. For example, if you click on Rates you can access our Savings and Loan Rate sheet that you can print and post for your employees. If you currently receive a printed copy of Update and would like to receive our electronic version please contact Cynthia King at cynthiak@memcu.com.
- For answers to your home loan questions please contact one of the representatives of our first mortgage partner W.R. Starkey. Ashley McKenzie Sharpe can be reached in our Winston-Salem office or Nicole Carson in our Hickory office.
- You can contribute up to \$5,000 for the tax year 2010 to either a Roth or Traditional IRA. Those over 50 may contribute an extra \$1,000. Contributions to IRAs for tax year 2010 must be made by April 15, 2011.