

FIRST FORUM

Your Source for Financial Solutions

How Do Rising Interest Rates Impact the Economy?

If you've filled up your car or gone to the grocery store lately, you know that prices are skyrocketing. Everything from premium unleaded to tortilla chips has shot up in price. To curb the price, the Federal Reserve has raised interest rates. This cuts down on large purchases and encourages more saving, since rates on things like savings accounts and bonds usually rise with a rate increase. Traditionally, this causes less buying, making prices drop.

How will this impact the economy and inflation? The rising inflation rate, once determined to be transitory, now appears to be here to stay. Let's take a look at what the current economic circumstances mean for the average consumer and steps you can take to protect your investments and money.

What is the Fed?

The Federal Reserve is the central bank of the United States. Its purpose is to keep the economy operating at optimal efficiency. To do this, the Fed sets a monetary policy rate, or the Federal Funds rate, which is the rate at which financial institutions lend money to each other. If inflation is rising, the Fed will raise its interest rates to contain it. On the flip side, if the economy is tanking, the Fed lowers the interest rate to promote economic activity.

What happens when the Fed raises interest rates?

When the Fed increases interest rates, financial institutions raise their rates, too. When borrowing money becomes more expensive, consumers are more hesitant to take out large loans and mortgages. This also encourages people to save more because the savings rates at banks and credit unions also increase. These factors mean less money is circulating in the economy, which will hopefully decrease inflation.

How does a rising rate environment impact the stock market?

The market's volatile nature means there's no direct correlation between its performance and the Fed's rates. In general, though, rising interest rates are typically not good news to stock investors because it means companies will be hesitant to borrow the capital they need to grow their businesses. However, certain sectors, like financial institutions, may benefit from an increased interest rate.

Will lending services be impacted?

The short answer is yes. Although the Fed doesn't set the interest rate for financial institutions on mortgages, personal loans and credit cards, it does control the minimum rate at which credit unions and banks borrow

and lend. For instance, around this time last year, the Federal banking rate was 0%. Rates have been hiked three times already this year, causing minimum rates on loans to rise. Rest assured, your credit union works hard to maintain low loan rates, even with the Fed's rate hike.

How do I manage my finances in a rising rate environment?

There's good news ahead for the American consumer, as the increases in interest rates are expected to help tame inflation. However, there are other steps you can take to protect your investments and manage your money as rates increase:

- **Stay calm and ignore the news.** It's rarely a good idea to liquidate a stock based solely on headlines.
- **Plan ahead.** Build an emergency fund with at least 3-6 months' worth of living expenses to prepare for any economic reality. Beefing up your savings when interest rates are rising means giving your money a better chance at growth.
- **When in doubt, seek professional advice.** If market news takes an especially disturbing turn, you may want to seek the counsel of a financial advisor for the best steps to take with your investments.

Use the tips outlined here to consider possible steps to take with your finances.



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CHECK FRAUD – HERE’S WHAT YOU SHOULD KNOW

Just about every article you read about fraud, security and identity theft is based on the idea that with increased technology comes increased security. In fact, we do everything we can to bring as much cutting-edge technology to your defense as possible. Unfortunately, some of the greatest vulnerabilities in security come from low-tech attacks.

Check fraud is still a major problem, and it could get worse as EMV chips and software security make ATM and point of sale transactions more secure, leaving scammers to resort to more old-school methods of fraud. Check fraud is an umbrella term for a variety of strategies scammers use, ranging from creating blank checks on computer software to stealing and using old checkbooks. Your checkbook is a source of fraud vulnerability for many of these strategies, but the ways to protect yourself are simple.

- 1. Treat your checkbook like cash.** The easiest thing to do is to simply not give thieves access to your checks. You wouldn't put an envelope of cash in your mailbox with the flag up, would you? Then don't do it with a utility check. If you're going to mail a check, drop it into a blue USPS box on your way to work. You can also see what's available to pay online. Our online services are really impressive, and if you set up an automatic payment through us or use our online banking, you never have to mail a check again.
- 2. Balance your checking account every month.** It may seem like a chore, but balancing your account is the easiest way to make sure you're the only one spending your money. We have special buttons built into our online account view to make this as easy as possible. If you want a little personal guidance, come talk to us, and we'll walk you through the process. It's easier than it looks. If it takes you forever every month, you might not be using all of our convenience features. It's also a good idea to download our mobile app and set up notifications like e-alerts so you can be notified every time a transaction is made on your account.
- 3. Destroy your old checkbooks with inaccurate addresses or names and order new ones regularly.** It's worth the cost of a checkbook or the effort of a few minutes at the office shredder to keep you from leaving yourself vulnerable. Also, don't put your driver's license number on the checks when you order them. It might take a few extra minutes at the register, but the inconvenience is a lot worse if a scammer is holding your checkbook than it is for you. If you need to order a new checkbook, you can do so on our website.

4. Sometimes, fraudsters go as far as including you in their scam. If someone offers to pay you for a job you haven't started or for services you haven't yet completed or even sends you a mysterious refund, and especially if they request a portion of the funds back, your "spidey senses" should start tingling. The latest in check fraud involves using fictitious checks for payment over and above the agreed amount with a request for the "overage" to be wired or refunded in cash to the issuer. It pays to be a skeptic. You should immediately start asking questions and even request payment in the form of cash if a situation doesn't feel quite right.

5. Be careful when cashing checks from other financial institutions and businesses – don't get caught in a fake check scam! If you don't receive a payment directly from a financial institution or known business, it's best to take these checks or cashier's checks directly to the financial institution they are drawn on, if there's a local branch. This reduces the risk of being defrauded through your personal account, which would likely result in restrictions on your funds.

It's a different world for your checkbook than it was even a few years ago. Nationally, we're writing fewer checks in fewer places, and many of us don't carry a checkbook at all. They may seem old-fashioned, but that's exactly why the rise in check fraud continues to sneak in alongside more complicated fraud attempts. They may be just paper and ink without chips to crack, a PIN to decipher or online security protocols, but, to the unknowing victim, they can still cause as much loss as sophisticated electronic payment fraud.

If you feel you've fallen victim to check fraud, make sure you keep an eye on your accounts and report any unusual activity.



TAKE ADVANTAGE of VACATION LOANS

There's still time to head out on the perfect summer vacation! Discover the possibilities with a Vacation Loan from MembersFirst! Borrow up to **\$5,000** at **8.9% APR*** with terms up to 24 months.

Apply by July 15 at membersfirstga.com/offers and make new memories today!

*APR=Annual Percentage Rate. Qualifications are based on an assessment of individual creditworthiness and our underwriting standards. Loan amounts available from \$1,000 to \$5,000. Rate of 8.9% APR is good for financing up to 24 months and applies only to the Vacation Loan promotion. Offer valid through July 15, 2022. Visit membersfirstga.com for all available loan rates and terms. Finance charge begins from the date of funding and is repaid over the term. Must be a member of MembersFirst Credit Union. Members with a charged-off account or loan or those in an active bankruptcy may not be approved. Program, rates, terms, and conditions are subject to change without notice.



SPRUCE UP YOUR HOME THIS SUMMER WITH A HELOC

Did you know a Home Equity Line of Credit can be used to cover things like home remodeling expenses or consolidating debt? Plus, with home prices still elevated, homeowners with an FHA loan may even be able to refinance to remove their Private Mortgage Insurance (PMI).

If you're wondering whether to have a conversation about saving on your home loan or using the equity in your home, please call us today! Rates are still low, and our team of mortgage lenders is ready to answer any and all of your questions.

Stop by, visit our website at membersfirstga.com/home-loans or call (404) 978-0080 today to get started.



Paying Bills With Your Credit Card!

Like taxes and rush-hour traffic, paying bills is a necessary – albeit painful – part of life. As you pay those bills, it's a good idea to choose a payment method that works best for you and might provide a little giveback, such as paying via credit card. Paying your monthly bills this way can have several significant advantages. Here are five reasons for using your credit card to pay your utility bills.

1. Automate your payments

When you pay utility bills with a credit card, you can set up your bills to be paid automatically. This leaves just one payment to make each month rather than multiple. Plus, this takes one task of money management off your list, and you never miss a payment!

2. Earn rewards

You need to pay your bills; why not earn rewards for it? Rack up a year's worth of points when you use a rewards credit card (like our Visa® Platinum or Classic card) that you can put toward merchandise, travel and many other things. At MembersFirst, you can earn one point for every dollar you spend and watch the points pile up!

3. Track your spending

Budgeting is easier when your payments are digital. You'll see all your payments on your card statement, and you can easily track your expenses for utility bills that fluctuate

with use. Having your spending tracked through your credit card account makes budgeting simple.

4. Protect your purchases

Many credit cards offer outstanding consumer protection on purchases made by cardholders. This can include zero liability in cases of fraud or a mistaken charge. On the flip side, if you pay your bills via paper check or cash, you have zero protection if the money is lost in transit.

5. Keep your cards active

If you're looking to improve your credit score or to grow your credit file, it's a good idea to have multiple open and active cards (shoot for no more than three). Paying your utility bills with a credit card can help ensure your card is regularly used. This can help improve your score faster than if you have no credit card activity.

Paying your utility bills with a credit card can have several advantages. Just be sure it fits your personality and your money management style before going this route. If you don't feel you'll be able to manage your finances well enough to make one large payment a month, you may want to stick to traditional Bill Pay services.

To learn more or apply for our ScoreCard® Rewards Visa Credit Card, visit membersfirstga.com.

Attention, Previous Chatham Federal Credit Union Members:

You may have seen several announcements over the past year stating that the routing and transit number, **261271982**, previously used by Chatham Federal Credit Union members, will soon be retired and replaced. **Please note this will take place on July 31, 2022.**

Checks displaying this number that are presented for payment after this date will be declined or returned. With the retirement of this routing number, it is important to note that any associated ACH transactions will be declined or returned as well.

If you previously received a letter regarding this change or if you are unsure whether your checks display this number, locate the numbers at the bottom of your check(s) and compare the first nine digits with the number soon to be retired.

If you currently own checks displaying the routing number **261271982**, we ask that you **please collect all unused checks and checkbooks and bring them to a branch near you at your earliest convenience prior to July 31**, in order to avoid interruption in check payments. A branch manager will assist you in reordering new, standard checks at no cost to you. You may also call [912] 352-2902 for assistance in reordering standard checks.

We understand this may be an inconvenience; however, we believe the benefit of replacing your checks at no charge is well worth the investment for MembersFirst Credit Union. If you have any questions, please give us a call at [912] 352-2902 or stop by any branch for assistance.

CU

HAPPENINGS!

We're working hard to give back to our friends and communities. Check out these CU Happenings – happening all around us!

SCCPSS Most Inspirational Educator Award

On behalf of the Educate Chatham Foundation Board of Directors, Ashley DuBois had the honor of presenting the Most Inspirational Educator Awards to deserving teachers this past May at Savannah-Chatham County Public Schools' graduation ceremonies. These phenomenal teachers were secretly chosen at their respective schools by their senior class students, and each received \$500. The Educate Chatham Foundation is a strategic fundraising and community partner for SCCPSS.



Leadership Paulding 32

Congratulations to the graduates of Leadership Paulding 32! Leadership Paulding is an excellent way to get to know more about the Paulding County community, its outstanding citizens and future areas for growth and focus. We're proud our very own Kim Fletcher [center] was able to participate in LP32 and find out ways we can help our community grow. Also pictured are Boyd Monk, LP30 class graduate and board member, and Stacy Hamby, Paulding Chamber president. LP32 successfully raised over \$22,000 to renew the Hiram Rosenwald School and Museum, including painting the exterior and planting new landscaping.



Denim and Diamonds

Emory Decatur Hospital celebrated 60 years of service with their Denim and Diamonds event, held in June. The event celebrated all volunteers and included those who make items for patients, like baby caps, teddy bears, blankets and much more. Some volunteers have been serving for 35 years and with over 16,000 service hours! Pictured here are the current auxiliary volunteer board members. MembersFirst was proud to be the photography sponsor of this year's event!



HOLIDAY CLOSINGS

Independence Day

Monday, July 4, 2022

Labor Day

Monday, September 5, 2022

Columbus Day

Monday, October 10, 2022



Locations and Contact Information

Call Center

METRO ATLANTA

Phone (404) 978-0080

Fax (404) 978-0095

COASTAL GEORGIA

Phone (912) 352-2902

Fax (912) 352-0838

Branch Locations

Visit a branch near you.

Atlanta, Austell, Decatur, Douglasville, Fayetteville, Hiram, Marietta, Newnan, Pooler, Sandy Springs and Savannah.

Main Office

2476 Lawrenceville Hwy.

Decatur, GA 30033-3226

Mortgages

(404) 978-0080

Mailing Address

2476 Lawrenceville Hwy.

Decatur, GA 30033-3226

Phone Banking

Metro Atlanta

(404) 978-0089

Coastal Georgia

(912) 352-0059

24-Hour Lending Service

membersfirstga.com

Website

membersfirstga.com

This credit union is federally insured by the National Credit Union Administration.



Download our free Mobile Banking App from Google Play™ or the Apple® App Store. Just search 'membersfirstga'.

CU SUCCEED SCHOLARSHIP DRAWING

Hey, CU Succeed members! There's still time to submit your report card for our next scholarship drawing! Be sure to get your grades in by **Monday, August 29, 2022**, for our August 2022 drawing. Is your student a CU Succeed member? Learn more about the benefits of this student account at membersfirstga.com.