

Spotlight

A Publication of Cedar Point Federal Credit Union

September 2012

We Have Better Auto Loan Options

If you're in the market for a new car, you'll find several financing options. It's nice to have choices, but they can be confusing or downright expensive. In the end, you may be better off with conventional auto financing from Cedar Point.

Some dealers are offering low-rate loans or cash-back rebates. Most low rates dealers advertise are for short-term loans. For example, one dealer offers 1.9% financing, but only on two-year loans. A new \$20,000 car with a \$2,000 down payment will require \$18,000 financing. That translates to an astounding \$765 monthly payment--way out of reach for most buyers.

Or, if you choose the dealer's rebate plan, you forego the low interest rate loan but get a \$1,500 cash rebate. Adding the rebate to your down payment can make Cedar Point financing very attractive, because the larger down payment reduces the amount you need to finance. Which alternative is best?

Calculate your total finance charge and monthly payment after you deduct your down payment plus the rebate. Then compare your results with the same figures if you take the dealer financing but finance the higher amount. You can find easy to use calculators right on our website at www.cpfcu.com. Look for Calculators on the Resources pull down menu or scan the QR code on the right.



If you own your home outright, or your mortgage is held by Cedar Point, a Cedar Point home equity loan might also be a good way to finance your vehicle. The reason, of course, is that home equity loan interest payments may be 100% tax deductible (consult your tax adviser to see if you're eligible).

To calculate the after-tax loan rate, multiply the home equity loan interest rate, by one minus your marginal tax rate. For example, if your combined federal/state marginal tax rate is 33%, and the credit union's home equity loan rate is 9.0%, your after-tax loan rate would be 6.03% (.09 x (1-.33)). That drops your effective interest rate nearly to the dealer's 5.90%. And the \$1,500 cash rebate is gravy! Of course, using a home equity loan to finance your vehicle can potentially extend your repayment term longer than anticipated. To avoid this, have your Mortgage Services Representative calculate your payment terms based on your preferred payback time frame.



Of course that's just an example. Call our Mortgage Services Department for the most up to date rates, find them online on our Mortgage WebCenter at <http://bit.ly/THLGrJ>, or scan the QR code on the right.

So, don't be smitten by auto dealer low rate advertising--visit or call Cedar Point Federal Credit Union first to explore financing options and get pre-approved so you know exactly how much car you can afford.

Vehicle/Motorcycle Loan Rates

as of 09/01/12

New Vehicle/Motorcycle Rates

APR	Term* and Amount
1.99%**	36 months - Up to 100% of purchase price
7.95% 1.99%**	48 months - Up to 100% of purchase price
7.95% 1.99%**	60 months - Up to 100% of purchase price
7.95% 1.99%**	72 months - Minimum \$25,000.00
2.49%**	84 months - Minimum \$30,000.00

Pre-Owned Vehicle/Motorcycle Rates

APR	Term* and Amount
8.90% 2.75%**	48 months - Up to \$15,000
9.90% 2.99%**	60 months - Minimum \$15,000.00
3.24%**	72 months - Minimum \$25,000.00
3.99%**	48 months - Vehicles from 8 - 10 years

* Approximate Term - Payments are based on time frame stated. Actual loan repayment schedule may vary based on repayment schedule. No prepayment penalties apply.

** Sale Rate is available for a limited time only.

Cedar Point will finance up to NADA retail value for automobiles and up to NADA wholesale value for motorcycles.



Cedar Point Financial Services, Inc.

A wholly owned subsidiary of Cedar Point Federal Credit Union

LESSONS over lunch

Thursday, September 20, 2012

6:00 pm

**Federal Employee (FED) Benefits Seminar
Evening Session presented by
Colleen Blundell**

Chartered Federal Employee Benefit Consultant



Tuesday, October 16, 2012

11:00 am

You are invited to bring your lunch, drinks and snacks will be provided.

Retirement Planning Workshop

Thursday, November 15, 2012

6:00 pm

**Estate Planning Basics
Evening Session presented by
Joann Wood**

The Law Office of Joann M. Wood, LLC

All seminars are free and open to the public.

Headquarters Office
22745 Maple Road, Lexington Park

Reservations are requested.
Please call Dora (ext 8427) or Michele (ext 8432)
301-863-7071

Or sign up online at www.cpfcu.com

Securities and Investment Advisory Services offered through registered representatives of Honor, Townsend, & Kent, Inc. (HTK), Registered Investment Advisor, Member FINRA/SIPC, 307 International Circle Ste. 100, Hunt Valley, MD 21030, 410-821-2920.

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LIFE INSURANCE

AWARENESS MONTH
SEPTEMBER 2012

The sluggish economy continues to put financial strain on many of us. So it just makes sense to examine our budgets and look for ways to trim the fat from our monthly expenses.

That's a great way to help stabilize your finances, but it's also important that you have a financial safety net in place in case something happens to you. Life insurance is one of the few guarantees your family could rely on to maintain their quality of life if you were no longer there to provide for them.

There are 95 million adult Americans without life insurance, according to LIMRA, an insurance industry research group. The fact is, the majority of Americans need life insurance. If someone depends on you financially, you need life insurance. September is Life Insurance Awareness Month, so now is the perfect time to take stock of your life insurance needs.

You'll never be younger than you are now. While that may sound obvious, youth is on your side when it comes to life insurance. It makes good financial sense to get coverage when you're young and healthy, as premiums are based on your age and health. For most policies, your premiums will be locked in at that rate over the life of the policy, and can't be raised due to a change in your health status.

It's affordable, with rates near historic lows. People overestimate the cost of life insurance by nearly three times, according to a recent study conducted by LIMRA and the LIFE Foundation, a nonprofit insurance education organization. In fact, life insurance rates remain near historic lows.

Life happens. One day life is going along smoothly, and the next, you're thrown a curve ball. No one knows what the future holds. None of us expect to die prematurely, but the truth is that, every year, people die in the prime of their lives. That's why today is always the best day to take care of your life insurance needs.

Life Insurance Awareness Month is the ideal time for a life insurance review. So take a few minutes out of your busy schedule this month to make sure you have adequate life insurance protection.

Cedar Point's insurance professionals can conduct a comprehensive needs analysis and help you find the right products to fit your specific needs and budget.

Call 301-863-7071, ext. 8427 or 8432 to make an appointment today!

Insurance products are not deposits, obligations of, or guaranteed by Cedar Point Federal Credit Union and are not insured by the National Credit Union Share Insurance Fund (NCUSIF), or any other agency of the United States, Cedar Point Federal Credit Union, or Cedar Point Financial Services, Inc.

LIVE BETTER FOR LESS



**Ask your favorite
member service
representative!**