



Student loans: Think before you borrow

The total amount of outstanding student loan debt in the United States now tops \$1 trillion. To make matters worse, recent graduates have been emerging from colleges and universities, with diplomas in hand, into one of the worst job markets in living memory.

College costs have been outpacing incomes for a generation, fueled in no small part by the easy access to credit for college costs. The federal government has sought for years to make college more accessible for middle and working-class families. It routinely provides generous guarantees against default for student loans. However, the more money that's available for any commodity, the higher consumers will bid up the prices for it, and education is no different.




Many of today's students are having difficulty in making the payments on their student loans once they've graduated or left college. This is particularly true of humanities and arts graduates, who could wind up working low-skill service jobs that pay wages that are not designed to support a hefty student loan payment and the raising of a family.

As a result, the rates of default on student loans are soaring. An October 2012 report from the U.S. Department of Education notes that 13.1 percent of student loan borrowers have defaulted within three years of graduating. The Bureau of Labor Statistics is reporting that over 14 percent of Americans aged 20 to 24 are unemployed. That

figure drops to 7.9 percent for 25-34 year-olds – but a large number of them are underemployed.

Most people who get into debt over their heads can seek refuge in America's generous bankruptcy laws. But federally-guaranteed student loan debt is not normally dischargeable through bankruptcy. The courts only discharge federally-guaranteed student loan debt in the event of extreme hardship.

Consider your employability after graduating. Some fields, such as psychology for example, tend not to pay well until you have a master's degree. Here are a few additional tips to consider:

-  **Students, lean towards STEM majors** – science, technology, engineering and math. These fields provide hard skills that are more marketable to employers.
-  **Parents, don't co-sign student loans** for your children if you cannot afford the risk of default – especially if they won't be obtaining a marketable degree, or one that is not from a recognized, accredited institution.
-  **Make maximum use of scholarships** and the Post 9/11 GI Bill. **Tip:** Some veterans with the Post 9/11 GI Bill are able to transfer unused GI Bill benefits to family members.

Considering the options to finance your higher education? Come to Singing River Federal to see how we can help you!

We have never had the combination of stubborn unemployment, underemployment and high student loan debt that we have today.





The closing mortgage window



You've probably heard this is the best time in recent history to refinance your mortgage or buy a new home. That window may be closing.

Why have mortgage rates

been so low for so long? Financial institutions base loan rates on how much it costs them to borrow money. Rates are set by each individual institution, although they all follow signals from the Federal Reserve. These signals come in two forms: lending rates and bond purchases.

The Federal Reserve Board kept rates low until unemployment dropped below 6.5% or inflation went up over 2.5%. New economic reports suggest that the unemployment figure could be approaching that 6.5% target. New Fed Chair Janet Yellen has begun reducing bond purchases. These signals tell financial experts that rates may soon go up, including the interest rates on new mortgages.

Unless you can get a full percent lower interest rate, the costs of refinancing make it unfeasible. But this may be a good time to revisit your financial goals and figure out what kind of mortgage suits your financial future. Here are some questions to ask:

■ Can you afford a higher monthly payment for a shorter period of time?

The most significant impact you can have on your mortgage interest rate is to shorten the term of the loan. If you're 10 years into a 30-year mortgage, you aren't likely to save by refinancing into another 30-year mortgage. You might be in a better financial situation than you were 10 years ago, though. The higher monthly payment of a 15-year mortgage might not be as much of a problem. This refinancing strategy gets you out of debt sooner and saves you money in the long term.

■ Would you like to be out of debt before you retire?

The best way you can make retirement more affordable is to retire debt-free. This allows you to use your retirement funds to support your lifestyle and hobbies. Now is a good time to investigate a shorter-term mortgage that you can have paid in full before you retire. It'll never be cheaper to get into a mortgage that better fits your financial needs.

■ Could you be moving soon?

Remember, "soon" for big decisions like mortgages means in the next five years. If the next five years could bring a move for career or family, it might be wise to lower the total debt load on your house. The smaller you can make the amount owed, the more of the sale price of your house you get to keep. Consider a "hybrid" mortgage. These loans are fixed-rate for a specified time, and then use adjustable rates for the rest of the loan. This kind of refinance can save you money for the time you'll be paying for the home.

■ Have you been denied for refinancing before?

If you considered refinancing your mortgage before but were told that you didn't qualify, now is a great time to try again. Home prices are on the rise and the collateral you have for your loan might be worth more. If you signed a mortgage before 2008, it makes sense to investigate a refinance. **Speak to an SRFCU Mortgage Specialist today to see what refinancing options are available for you.**

Welcome to Team River!

Welcome new Financial Service Representatives **Ryan Harvey** and **Cynthia Kowalski**; new tellers **Laura Charlton**, **Kalli Boulter** and **Paige Ambrosio**; and new VP of Member Services **Christi McMillian**.

River Milestones

Congratulations to **Michelle Crawford** and **Tori Baria**, who celebrate one year of service; **Sasha Watts** and **Amber Barlow**, who celebrate two years of service; **Melaine Presley**, who celebrates three years of service; **Esther Ray**, who celebrates four years of service; **Peggy Brewer**, **Jenni Hanners**, **Amy Roberts**, **Kara Clark** and **Cheryl Kirkwood**, who celebrate five years of service; **Mandie Lucas**, who celebrates eight years of service; **Scelina Singleton**, who celebrates nine years of service; **LeeAnn Fix**, **Lisa Ellis** and **Susan Powell**, who celebrate 11 years of service; **Ricky Browning**, who celebrates 17 years of service; **Selina Burch**, who celebrates 19 years of service; and **Pat Cotten**, who celebrates 25 years of service!

TEACHERS ROCK

"Everyone who is a success today has a teacher to thank for it, and we don't thank our teachers enough," says SRFCU President/CEO Jimmy Smith. "We're proud to award three local teachers \$1,000 grants through our new **Teachers Rock grant program**. These teachers are spearheading innovative projects that will inspire students and parents alike, with no additional dollars in their budgets."



Third-grade teacher **Kelly Walters** (left, with Lead Teacher **Brigette Anderson**) could hardly believe it when she learned she was a recipient. The Martin

Bluff Elementary School teacher will be investing in technology that will allow her students to write and publish interactive, digital textbooks.

"Many of the jobs my students will face upon graduation haven't even been invented yet," says Walters. "Integrating this technology into learning is a powerful way to help my students begin dreaming about their future goals."



Myeshea Holmes, (left, with Department Chair **Qwantina Barlow**) a chemistry and physical science teacher at Moss Point High School, has plans to get

her students' hands dirty.

In a joint project with the school's carpentry department, students will restore a neglected

greenhouse on the campus, then establish a new gardening program.

"Students will grow local plants and vegetables, and learn how plants help remove harmful gasses from the atmosphere," says Holmes. "In future years, we'll open a produce market run by our business students and sell fresh vegetables to the public."



Mississippi's history and natural resources will be the focus in **Sharon Thompson's** classroom at Central Elementary School (right, with Principal **Lisa**

Rex). The "Rockin' Round Mississippi" curriculum is a dream come true for the Special Education Inclusion teacher, and will allow students to celebrate Mississippi natives like Oprah Winfrey, Brett Favre and Elvis Presley.

"Every student understands and remembers in his own way, and this material allows for learning across multiple intelligences," says Thompson. "It also encourages parental involvement and parents are essential for student success."



Grant recipients were also treated to a rockstar-style photo shoot. For more photos, and to see how recipients' projects turn out, visit us on facebook.

Singing River Federal Upcoming Holiday Closings
September 1: Labor Day • November 27 & 28: Thanksgiving



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