



# New credit score rules: What you need to know

## The Fair-Isaac Corporation

(better known as FICO) recently changed its rules governing the formulation of credit scores. FICO's new criteria will make it easier and cheaper for more people to borrow. They're updating their standards in response to the financial reality that most Americans are facing. However, the changes could take as much as a year to take effect.

For an average consumer, the change will probably be about a 25 point increase. That's often not enough to move a loan application from denied to accepted, but it is enough to improve interest rates for most borrowers.


This is a bold step for the credit scoring agency, and it will provide some much-needed relief to consumers. It could also help spur growth in the housing sector as more people get mortgages at lower rates. Some of the highlights include:

- ◆ **Unpaid medical bills matter less.** If you have a large bill that's outstanding at a hospital, even if it's been referred to collections, it will no longer impact your credit score. Previously, any unpaid medical bill would appear as an account in delinquency. Under the new system medical bills of any size will no longer affect your credit score. Given how common medical bankruptcies are, FICO has decided that unpaid medical bills are no longer a reliable indicator of whether someone will pay their bills on time.

- ◆ **Accounts that have been settled or paid off with a collection agency will no longer count on your credit score.** Under FICO 8, accounts that had been referred to collection, even after they had been settled or paid in full, were a negative on your credit report. In the aftermath of the recession, 77 million adults have at least one debt in collection. Under the new system, those accounts with a repayment plan in place will not factor into your score. People who have been responsible users of credit for the rest of their lives but ran into trouble in the last several years will see their lives improve considerably.

- ◆ **FICO is changing the way it handles people with little to no credit history.** These had previously been categorized as bad credit risks. The new model takes a more nuanced look at how people have used their limited credit in addition to a lot of other data. This change should make it much easier, especially for young people, to get home loans and other lines of credit.

If you're concerned about your credit score, or want to take advantage of your better, more accurate credit history, make an appointment with one of SRFCU's **Certified Financial Counselors** today. Call **228.475.9531** and schedule your free credit review.



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SRFCU  
Third Quarter 2014

# college fund

## Should kids help fund their college savings?



### Opinions on teaching children

how to save money typically equal the number of households in the country. To say there are a lot of them is an understatement. And the debate over whether kids should help fund their college education is also a hot topic.

Financial experts do tend to agree on the benefits of teaching kids to save their money. If parents start when their children are young, they benefit from learning good saving habits. And when children help to pay for their own college, the rewards increase.

- The expectation is there.** How often do you talk to your child about college? For some, it's a conversation that isn't brought up until high school. But when you begin talking about and saving for college in grade school, students begin to see college as something they are going to do – not as something they may or may not do.

- Students have more accountability.** When it's their hard-earned money going toward their education, the student is more likely to study hard and, as a result, get more out of the degree.
- Graduation may come sooner.** If they're footing their own bill – whether through savings or working while in school – college students may step it up a bit and graduate sooner rather than join the six-year plan.
- School choices may be more reasonable.** College isn't cheap, and some colleges are far more expensive than others. When students look at the price tag of their dream school, they may choose to look at more affordable options if they're spending at least some of their own savings.

Encourage children to start saving early so they can also contribute to their educational future.

### SRFCU Fee Schedule

Copy of Check	\$2.00	Account Research	\$15/hr
Copy of Official Check	\$5.00	ACH Origination - one time	\$5.00
Copy of Statement	\$5.00	ACH Origination - reoccurring	\$5.00
Overdraft Privilege Fee	\$26.00	Account Closure within 90 days	\$15.00
NSF/Returned Item Fee (Non ODP)	\$28.00	Skip a Payment - Promo	\$10.00
Overdraft Transfers	\$2.00	Safe Deposit Box Drill Fee	\$150.00
Excessive Withdrawals - after 6/month	\$5.00	Credit/Debit card phone convenience fee	\$1 - \$350 = \$5
IRD - Returned Bank Item	\$26.00		\$351 & up = \$10
Stop Payment	\$26.00	Title Change Processing Fee	\$15.00
Foreign ATM Surcharge	\$1.00	Unlocatable Fee	\$25.00
Card Replacement - Debit/ATM	\$5.00	APEX Reversal Fee	\$5.00
Bad Address (per item)	\$5.00	ACH Transfer Fee - Manual Transfer	\$5.00
Dormant	\$10.00	Incorrect Acct Number - ACH item	\$5.00
Verification of Deposit	\$10.00	SRFCU Cashiers/Official Check	\$2.00
Bank Wire	\$20.00	Money Order	\$1.00
Bank Wire incoming from Fed	\$45.69	Visa Card Replacement	\$10.00
Bank Wire - International	varies		
Tax Levy/Garnishment	\$45.00		

# HEROES PAY ZERO



At SRFCU, firefighters, law enforcement personnel and first responders are heroes. And now through November, heroes pay ZERO.

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- PLUS
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\*Membership & credit eligibility required. Actual rate based on credit history. Existing SRFCU loans not eligible. Promotion extends the time before the first payment is due and interest will still accumulate at the daily rate. Interest that accumulates during the extended "first payment" period will be paid from the first payment. Then normal principal reduction and interest payment will resume. Excludes mortgage loans. Offer subject to change or withdrawal at any time without notification. All loans subject to approval based on credit. Home Equity Line of Credit: Minimum \$10,000 first advance with no points, application fees, closing costs or annual fee. Rates offered at 2.99% are subject to change and will remain constant for the first six months becoming variable thereafter. All loans subject to applicable fees and charges which may affect APR (annual percentage rate). Base rates "as low as" the published prime rate. Prime rate based on Wall Street Journal. Interest rate may vary quarterly.

## Help prevent identity theft:

**Review** your credit report to see if any unrecognizable accounts were opened in your name.

**Check for** unexplained withdrawals or charges on your credit card and bank statements.

**Make sure** your important bills and statements are coming to your address, since the first step for many identity thieves is to change the mailing address for an account.

## Singing River Federal Upcoming Holiday Closings

November 27 & 28: Thanksgiving • December 24 – 26: Christmas

# Find peace this Christmas.

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\*Loan subject to completed application and approval based on credit worthiness. Membership required. APR: Annual Percentage Rate. Loan may not be refinanced or extended. Offer valid only from November 17-December 19, 2014. Terms subject to change without notice.



Access your accounts anytime, from anywhere. Make transfers, pay bills, apply for a loan or just check your balance. [www.srfcu.org](http://www.srfcu.org)



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**SAVE THE DATE!**  
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Membership and eligibility requirements apply. For Kasasa Cash, if qualifications are met each monthly qualification cycle, domestic ATM fees incurred during qualification cycle will be reimbursed up to \$25.00 (\$4.99 per single transaction) and credited to account on the last day of monthly statement cycle. Qualifying transactions must post to and settle Kasasa Cash account during monthly qualification cycle. Transactions may take one or more banking days from the date transaction was made to post to and settle account. ATM-processed transactions do not count towards qualifying debit card transactions. \*Monthly Qualification Cycle means a period beginning one day prior to the first day of the current statement cycle through one day prior to the close of the current statement cycle. Limit one account per SSN. ATM receipt must be present for reimbursement of an individual ATM fee of \$5.00 or higher.