

The Chalk BOARD

January 2011

CEO'S CORNER



A TRUE STORY

Wednesday, November 17 at 8:17 AM - A member made a deposit into her Share Draft Account for \$3,016.00 which included a check for \$2,801.00 and cash in the amount of \$215.00. As the check was drawn on an in-state financial

institution, the teller placed a three business day hold on the account. The member did not indicate that she was in any way suspicious of the check or that she received the check from someone on Craig's List for a furniture sale transaction.

Monday, November 22, the member called the credit union and was told the funds were available. Later that morning at 11:39 AM, the joint member on the account came into the Credit Union and withdrew \$1,400.00 in cash. (Later we learned that the \$1,400 had been taken to Western Union and wired to an unknown party.)

Tuesday, November 23, a check was returned to our operations department for fraud in the amount of \$2,801.00. The member was then notified of the returned fraudulent check and as a result, a net loss to the member of \$1,400. Yes, they were scammed.

Our member lost \$1,400. I share this story with you for one reason – to remind you to please be careful with your financial transactions. There are many disreputable people trying to take advantage of you.

If you are involved with any financial transaction that sounds suspicious, please let us know about it – we can help. We are aware of a number of today's scams and therefore we may be able to save you money and emotional turmoil. Also, NEVER wire money through Western Union to someone you do not know – tell us about these requests. We can handle legitimate wire transfers at the Credit Union.

Have a safe, happy and prosperous new year!

Bill

Post-holiday shopping: 10 ways to guard your card

There's nothing quite like the hustle and bustle of holiday shopping, unless it's the hustle and bustle of holiday returns and post-holiday sales. Just be safe. If you're jostling to check out of a crowded store or shopping for bargains at an unknown website, it could give someone a chance to hijack your debit or credit card data. Here's a mini-refresher course on protecting your account information:

- **Don't** carry any cards you don't need.
- **Don't** leave cards in your car. Many credit and debit cards are stolen from unattended vehicles in parking lots.
- **Don't** sign a blank receipt. If spaces have been left blank, draw a line through them before signing.
- **Don't** keep your account number or PIN near your card.
- **Don't** give out your account number over the phone unless it's to someone you trust – and you've initiated the call.
- **Do** save receipts to compare with your monthly statements.
- **Do** call the card issuer immediately if you believe your cards have been stolen or your identity has been compromised. For lost or stolen STCU Credit Cards call 877-875-8078. For lost or stolen STCU Debit Cards call 413-732-9812.
- **Do** call the card issuer immediately if you don't receive your statement on time. An identity thief may have taken over your account.
- **Do** look for a lock icon in the browser status bar when banking or buying online. This indicates that the site encrypts your financial data before transmitting it.
- **Do** notify your card issuer if you plan a larger than usual purchase or will be traveling to unusual places, so fraud programs don't red-flag these purchases.
- **Do** keep a separate record of your cards, account numbers, and contact information so you can quickly report loss or fraud.



Source: The Federal Reserve Bank of Philadelphia

Remember, fraud liability is trickier with debit cards

Federal law says you owe no more than \$50 for unauthorized credit card transactions, no matter how long it takes you to report them. Period.

(Continued on page 4)

Want to spend more sensibly next holiday season?

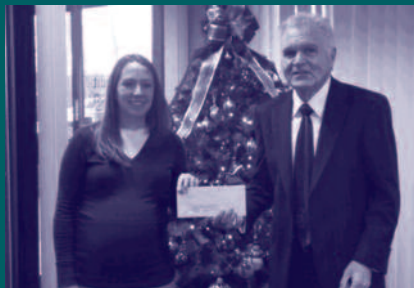
Welcome to the club

The holidays are a time of giving – but for many of us, they're also a time of borrowing. Unless you've put money aside for gifts and festivities, the season of "Ho ho ho" may leave your credit card balance up, up, up.

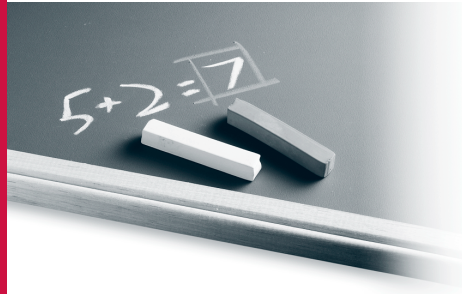
We can help. Among the savings choices you'll find at STCU is our highly convenient club account. To help you better prepare for the 2011 holiday season, we'll help you arrange automatic transfers from your paycheck or checking account into your club account every week or pay period. You won't see the money, so you can't spend it!

Even small amounts can make a big difference. For example, \$10 a week is \$520 a year. If you're paid twice a month, can you spare \$35 per paycheck? In a year, you'd have an impressive \$840.

Get in touch with us to find out more about our club account. The sooner you start, the more you'll save – and the better your chances of putting more "ho ho ho" into the holidays.



Allison Maynard of *Open Pantry* accepts a check for over \$1,000.00 from STCU President/CEO William Brothers.



CU
FINANCIAL
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Making New Year's resolutions more successful

This is the time of year we promise ourselves to become a better person: kinder, thinner, more buff, more organized, more punctual, and so on. Our resolutions may also involve financial matters, such as paying off credit card debt or fully funding an IRA.

To make this praiseworthy process of renewal more successful, consider our advice:

- 1 Instead of several resolutions, make one.** It may be easy to jot down an entire list of vows, but focus on a single, very important one that you believe is doable. For example, suppose your resolution is to make the maximum contribution to a 2011 IRA.
- 2 Write down why you're making this resolution.** Take your time and fill a paragraph, two paragraphs, or an entire page. Maybe you need to feel more financially secure, you want the confidence of being a saver, or you dread becoming a financial burden on your kids later. Spell out in detail how you will feel if you do/don't carry out your vow.
- 3 Don't go it alone.** Involve your spouse or partner, your best friend, maybe even your kids in discussing this resolution. (You don't have to share your reasons.) How can they help you achieve it? What obstacles can they help you overcome?
- 4 Break it down into bite-sized chunks.** To make the maximum IRA contribution of \$5,000, you'd need to save \$192.30 every two weeks. Ask us to help you arrange automatic transfers from a direct-deposited paycheck into an STCU IRA. (If you're 50 or over, you can save up to \$6,000, or \$230.76 every other week.) As the saying goes: If you never see the money, you never miss it.
- 5 Tempted to backslide? Revisit your rationale.** Remind yourself why you thought it was important to save for retirement. If you still decide to break your resolution, write down the reason at the bottom of the page and sign your name. Bet you won't want to!

Last, celebrate when you reach your goal. You've always tried hard to keep your word to other people. Now you deserve applause for keeping this promise to yourself.

Presidents' ^{Month} _{Week} Auto Loan Sale

Receive up to \$150 when you make it an STCU auto loan!

- Visit us between February 1 and February 28 and we'll add \$100 to your STCU savings account when you get your car loan with us.
- Open a new checking account with direct deposit at the same time, and we'll add another \$50.

STCU Credit Union
Your Community Credit Union

Westfield • (413) 562-4092
Springfield • (413) 732-9812
www.stcu.com

*Loans subject to credit approval. Offers valid only for loans initiated at an STCU branch. \$100 will be deposited into your STCU savings account within 3 week of receiving your car loan. \$50 will be deposited into your new checking account with direct deposit at the time of the first direct deposit.

STCU is going GREEN!

Saving paper saves trees and helps our planet.



To save paper and other resources, STCU is switching from monthly to quarterly statements.

Please note, if you have an active checking account or any type of electronic activity you will still receive a monthly statement.



4 things you may not know about IRAs (but should)

Although individual retirement accounts have been around for almost 35 years, a surprising number of folks are fuzzy about these tax-sheltered ways to save. Even those who can benefit most from an IRA. In fact, a 2008 survey by AARP Financial found that half of all Americans between the ages of 18 and 49 weren't clear on how IRAs worked. Since these are the very years when savers have the most to gain from long-term compounding, we want to debunk four myths about IRAs:



1. **You don't have to wait until April 15.** An IRA for the 2010 tax year can be opened and funded through April 15, 2011. But you don't have to wait; you can start now. In fact, many savers set up automatic deductions every month so they can stash away as much as the rules allow.
2. **You can open an IRA even if you can't contribute the maximum.** For 2010 and 2011, you can contribute as much as \$5,000 in any combination of IRAs, or \$6,000 if you're 50 or older. But if you wish, you can put in a smaller amount.
3. **With Traditional IRAs, you pay taxes later. With Roth IRAs, you pay taxes now. Why pay now?** Because everything your Roth IRA earns in the future will be tax-free. On the other hand, you might choose to postpone taxes with a deductible Traditional IRA if you think you might be in a lower bracket after retiring.
4. **You can open an IRA with almost any financial company, including STCU Credit Union.** Ask us about opening a Traditional or Roth IRA savings account or share certificate. Often, our rates beat most banks'.

Interested? Get in touch with us. We'll be glad to help you learn more about the ins and outs of IRAs and see if you qualify. Just one more thing to know: before making decisions that could affect your tax situation, be sure to consult a tax advisor.

Fraud Defense

Your identity and financial information are private and we at STCU want to help you keep them that way. Today's criminals use a variety of tools to steal your information, including telephone, e-mail, texting, the Internet and even your trash can.

Here are some tips to keep you safe.

First, with e-mails always stop, think and verify before responding to any e-mail. Remember, even if an e-mail says it's from a friendly source, it may not be. Never reply to an e-mail that asks for personal information, such as bank account, credit card or Social Security numbers. Also, be cautious of e-mails containing links. It's safer to type in a web address you know is valid.

For mail, be sure to shred any documents with personal information, such as bank or credit card statements, bills, and even unsolicited credit card offers, before you simply throw them away. Otherwise your trash can may be a prime target for identity thieves.

Telephone scammers will claim to be from your financial institution, to trick you into providing personal information. NEVER give out personal information, such as bank account, credit card or debit card numbers, over the phone on a call you didn't make yourself.

When in doubt, hang up and contact your nearest STCU branch. Let us know immediately if you think you may have accidentally given out personal information.

Finally, we encourage you to review your account statements regularly and order a personal credit report at least once each year to watch for suspicious activity.

These tips are brought to you from your friends at STCU.

Don't be taken for a ride on winter break

Wow, what a deal – four days and five nights at Disney World during winter break, for the cost of a trip to Six Flags New England! The kids would have a ball. But how can you tell whether the bargain you're being offered by phone, postcard, or email is the real thing? Here are some scam-alerting clues:



- They ask you to contact them via a phone number with an out-of-state area code or a 900 number.
- They insist you must decide right away, or the offer will expire.
- You can't pin down the price and what it covers.
- They won't give you any contact names or a direct phone number.
- They want an immediate payment to clinch the deal.

Even if the offer sounds bona fide, it's best to follow these guidelines:

- Take careful notes. Ask lots of questions, and don't accept evasive answers.
- Make sure you know the full price and what it covers. For example, how do they define "deluxe"? Is transportation included? Is there a cancellation or rescheduling fee? How about blackout dates?
- Ask for full details of the offer in writing.
- If you decide to book, pay with your credit card. Should the trip prove too good to be true, it will be easier for you to dispute the charges.

Remember, fraud liability is trickier with debit cards *(Continued from page 1)*

By contrast, the law covering debit cards says that if your card is actually stolen, your liability is:

- Limited to \$50 if you report a lost card or suspicious transaction within two business days of noticing it.
- Up to \$500 if you report it within two to 60 days.
- Unlimited if you wait longer than 60 days to report it.

If only your account number is stolen, your liability is:

- Zero if you report it within 60 days of receiving the account statement showing fraudulent activity.
- Unlimited thereafter.

There's no denying that debit cards are useful and highly convenient. To make sure you won't have any problems with yours, stay alert when you're using it, and review your account statement carefully every month.

HOLIDAY CLOSINGS

Martin Luther King, Jr. Day – Monday, January 17

Presidents' Day – Monday, February 21

STCU BOARD OF DIRECTORS AND CEO

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Sidney Snegg
Vice Chairperson

Kenneth Ketchum
Assistant Treasurer

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Daniel Moriarty
Director

William Brothers
President/CEO

E-MAIL:

Board Chairman: chairman@stcu.com

Board of Directors: board@stcu.com

CEO William Brothers: wbrothers@stcu.com

Main Branch:

145 Industry Avenue, Springfield, MA 01104

453 East Main Street, Westfield, MA 01085

1-413-732-9812 TOLL-FREE 1-877-732-9812

FAX: 1-413-737-7635

LOAN DEPARTMENT FAX: 1-413-886-0156

Website: www.stcu.com

Easy Bank: 1-413-827-8000

Outside of Hampden County Toll-Free: 1-800-264-0600

Lost/Stolen ATM/Debit Card: 1-413-732-9812

Lost/Stolen Credit Card: 1-877-875-8078

Lost/Stolen Debit Card after hours: 1-800-472-3272

24/7 Lending Call Center: 1-800-805-0399

The Chalk Board is a quarterly newsletter publication for the benefit of STCU members.



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



STCU'S MISSION STATEMENT

"Assist our members in reaching their financial goals by providing superior products and services in a personalized manner."