

THE COMMONWEALTH

JANUARY 2016 ► WWW.FIRSTCOMCU.ORG

Beware of Balance Transfer Fees

Buying Your First Home?

**First Commonwealth
Loan Payment Center:**
Another Option to Pay
Your FCFCU Loans

The Smarter Way to Your Biggest Refund – TurboTax


**First
Commonwealth**
Federal Credit Union
Simply Better.

First Commonwealth Federal Credit Union



CAUTION
DOOR OPENS TOWARD YOU

THANK YOU **Jo Ann Broderick,** FOR YOUR SERVICE!

First Commonwealth President and CEO Jo Ann Broderick has announced she will retire on June 30, 2016, after 17 years of service to the membership.

During Jo Ann's tenure, the credit union grew by \$350 million in assets, doubled the number of branches, completed several successful mergers, upgraded its core technology system, added products, introduced business services, expanded home banking features and introduced a mobile channel. She credits the teamwork, commitment and support of the credit union management and employees with making all of this possible while continuing a culture of service excellence.

"I am proud of all we've accomplished as a team. The Board of Directors has been very involved and forward-thinking, and I have been honored to work with a team of employees who possess a high level of dedication to serving First Commonwealth members."

The Board of Directors has engaged an executive recruitment firm to start the search for the next CEO. Both internal and external candidates will be considered.

Home Equity Loan **vs.** Home Equity Line of Credit

What's the difference?

With the equity you've built up in your home over the years, you could be sitting on a lot of money! When you're ready to put your home's equity to work, you may be wondering which option is best for you – a home equity loan or a home equity line of credit (HELOC).

One of the most common misconceptions is that home equity loans and HELOCs can only be used for home improvements. These loans can be used for a variety of needs, including consolidating high-interest debt, financing a college education, buying a new car or taking a dream vacation.

Choosing the loan option that's right for you starts with an understanding of equity. Equity is the difference between the value of your home and the remaining unpaid principal balance of your mortgage. For example, a home worth \$250,000 with a principal balance of \$100,000 remaining has \$150,000 in equity. (We have calculators to help you determine your equity in our online Resource Center.)

So what's the difference between a home equity loan and a HELOC? A home equity loan is a one-time loan for a fixed dollar amount at a fixed interest rate with a fixed term of repayment. This type of loan has a predetermined monthly repayment amount and an amortization schedule for up to 15 years. Home equity loans are great for specific, one-time purchases like a new car or a home remodeling project.

A home equity line of credit – also called a HELOC – is a variable-rate loan that can be drawn down, either all at once or at different times. You can borrow up to the credit line maximum, but you'll only pay interest on the funds you use. For example, if you're approved for a \$50,000 equity line but only borrow \$15,000 right now, you are only charged interest on the \$15,000. Once you have repaid the amount borrowed, your credit line is fully renewed and available for borrowing again. Most HELOCs feature a 10-year to 15-year draw period. HELOCs are a smart way to pay for recurring expenses like college tuition.

A First Commonwealth home loan specialist can help you determine whether a home equity loan or line of credit is the best option for you. For more information, visit www.firstcomcu.org, call the Member Response Line at 610.821.2403 or stop by today!





Give your family ROOM *to* GROW

HOME EQUITY LINES OF CREDIT

- Even if rates increase, your rate will be “locked in” for a full year
- Borrow up to 85% of your home’s equity
- Interest may be tax-deductible (consult a tax advisor)

**Plus, no application
fee or annual fees!**



Free Seminar: First-Time Home Buying Tuesday, March 15, 6:30 - 8 pm Bethlehem Branch, 257 Brodhead Rd

Whether you are buying your first home or making a move from your present home, we will help you understand the home buying process from beginning to end. Plus, learn about mortgage program options, including FHA and VA loans. Other topics that will be covered include the benefits of getting pre-approved, how much money you will need, what to expect at closing and much more!

Seating is limited. Please RSVP online at www.firstcomcu.org/seminars or call 610.821.2400, x6777.



Buying Your First Home?

Here’s some information no one else will tell you!



Buying your first home can be stressful, but we’ve got some tips to make buying your first home easier. And best of all, you’ve got First Commonwealth behind you when you decide to make that big purchase!

- Get pre-qualified for your mortgage through First Commonwealth. Then only spend 75% of what you’re qualified for. (This will result in a lower monthly payment – helping to ensure you’ll have enough money to cover your other expenses.) We can pre-approve you for a home loan at any stage of the house-hunting process, enabling you to have better success when you’re shopping for your new home!
- Don’t go into debt to furnish your home. Kids don’t care if you spent \$20 or \$500 on that end table when they are coloring on it.
- Make as low of an offer as you can stomach. You can never negotiate downwards.
- Buy less house than you can afford. You won’t miss the little extra square footage the first time around, but you’ll appreciate being able to save more money toward your next home.
- Budget for the post-move expenses. You’ll be amazed how much can crop up that you need right after you move. No matter how carefully you think you’ve reviewed the purchase agreement, you’re going to need to make some extra purchases. Having the money set aside will help you deal with the unexpected. On the off-chance you don’t spend the money, you’ve got a good start on an emergency fund.
- Put down as much as possible. Twenty percent is ideal in order to avoid the extra cost of Private Mortgage Insurance (PMI), but the more you can afford to put down, the more you’ll save yourself in the long run.
- Pay for a high-quality inspector. He or she will be worth the extra money in the long run for what they can save you in hidden expenses.

First Commonwealth can get you the perfect home loan for your first home – or your third or fourth!

BEWARE OF BALANCE TRANSFER FEES!

All balance transfer offers are not created equal – especially when it comes to balance transfer fees.

While First Commonwealth does not charge balance transfer fees, the same cannot be said for most other financial institutions. In fact, the typical balance transfer fee is 3% of the amount being transferred.* Moving a \$15,000 balance? That's \$450 you have to pay up front.

Assuming you're transferring to a lower rate, you may be able to make up the balance transfer fee amount by saving money on interest over the life of your debt. But keep in mind that teaser introductory rates don't last forever – and the subsequent rate you qualify for once the introductory period ends may not be ideal.

Check out our Balance Transfer Calculator in the Resource Center on our website to help you calculate your potential savings.

To learn more about balance transfers, go to our website, call us or visit a branch. We always look out for our members' best interests, and we're proud to offer low rates and NO balance transfer fees!

*Statistic found at www.creditcards.com/credit-card-news/help/9-things-you-should-know-about-balance-transfers-6000.php



Joel is using mobile banking to check his account balance.

Kate is viewing her monthly e-Statement.

Anne is depositing her paycheck.

Give our handy e-Services a whirl today!
Learn more at www.firstcomcu.org.

Clean Up Your Debt

Transfer your balances and leave high rates in the dust!



Check out our **SPECIAL OFFER** going on now! See our website for details.

All applicants applying for a Visa® will be reviewed for creditworthiness. If approved, the type of card (Platinum, Platinum Rewards, Gold or Classic) and the credit line granted are subject to the credit union's underwriting guidelines.

Scholarship Reminder

Scholarship Deadline is January 31

Each year, First Commonwealth offers scholarships to graduating high school seniors who are members of the credit union and are planning to attend a two- or four-year college, university or trade school. This year, we will be offering five \$1,000 scholarships to high school seniors, which will be paid after enrollment verification.*

Applications are now available at www.firstcomcu.org/scholarshipapplication. All applications are due by January 31, 2016. Scholarship winners will be publicly announced at our Annual Meeting in April.

*Enrollment verification includes a copy of your tuition invoice/bill or class schedule. Winners will be notified in March and announced at our Annual Meeting. They will receive admission for themselves and two adults to the First Commonwealth Annual Meeting.

Mad City Money Workshop

Mad City Money is a free workshop for high school students (ages 15 - 18). Each participant receives an "about me" sheet that contains an occupation and salary, student loan debt owed, credit card debt owed and cost of medical insurance. Some participants will have a spouse, and some will be single; all will be parents.

Participants build a monthly budget based on their income. They select housing, transportation, food, day care and other needs. Just as in real life, participants have unexpected windfalls and unplanned expenses.

We will offer three sessions. All sessions will be from 6 - 8 pm. Dinner will be provided.

- Tuesday, April 5, Bethlehem Branch
- Tuesday, April 12, Kutztown Branch
- Tuesday, April 19, Allentown Branch

Seating is limited. Please RSVP online at www.firstcomcu.org/seminars or call 610.821.2400, x6777.

Behind the Mind of a Millionaire

Hoping to one day be rolling in the dough? Before you can become a millionaire, you must first learn to *think* like a millionaire. Here are some common characteristics displayed by many of the world's wealthiest people:

They take action.

A million-dollar idea is worth nothing if you don't act on it. So if you have an idea for an invention, a business or even a book, talk to a trusted adult about possible ways to capitalize on your plan. It's never too early to start earning!

They are passionate.

People who love what they do are more likely to put in the hours and hard work to become successful. If you have a talent or passion for something, don't be afraid to pursue it. (But be realistic, too. If you want to be a singer but can't hold a tune, you'll probably want to pick a different career path.)

They seize opportunities.

Never pass up the chance to learn more about a potential career. If you're offered an internship or summer job at a company involved in a field in which you're interested, take it - even if you'll only be doing menial tasks. Getting your foot in the door could lead to big opportunities down the road.

They think long-term.

Think you can get rich quick? Think again. Unless you win the lottery, you'll probably need to put forth years of work before you reach your full earning potential. So be prepared to think long-term, work hard and be patient. With a focused goal, you'll one day be right where you want to be.

Check out our Cool Million Calculator in the Resource Center on our website and calculate how long it will take you to become a millionaire!



Tempted to Spend?

Let's face it - saving money can be tough when there are so many gadgets, clothing items and knickknacks tempting you to spend. But if you make a purchase every time you see an item you want, you'll never reach financial success. Learn how to resist the urge to spend by following these tips:

Think about the last time you made a purchase.

Do you still love that item as much as you initially did? If not, there's probably a good chance you won't love the new item you want to purchase for very long, either.

Give yourself a spending limit.

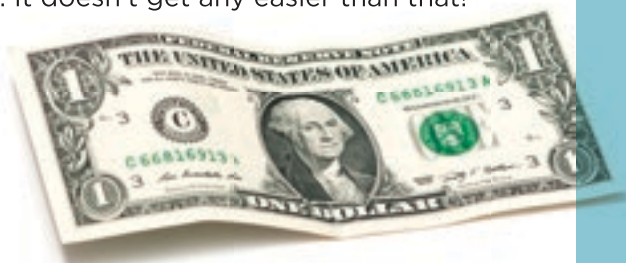
Decide how much money you will allow yourself to spend or how many items you will allow yourself to buy in one month. Share your goal with your parents so they can help you stick to it.

Don't get sucked in by advertisements.

Marketers have a knack for making you believe that a new item will change your life for the better - but that's rarely the case. Change the television channel when commercials are playing and skip the ad pages in magazines so you won't get hooked on a new item you don't need.

Walk away - literally.

If you're in a store and tempted to make an unnecessary purchase, leave the store so you can't buy the item. It doesn't get any easier than that!



Decoding the Dollar Bill

Ever wondered what all the symbols and images on a dollar bill represent? Here's your guide to the mystery behind the moolah:

- **Portrait** - George Washington, America's first president, takes center stage on the one dollar bill. The portrait comes from a painting created by artist Gilbert Stuart in 1796.
- **Circular Seal with Letter** - The letter located to the left of George Washington indicates the Federal Reserve Bank that ordered the bill. (A=Boston, B=New York City, C=Philadelphia, D=Cleveland, E=Richmond, F=Atlanta, G=Chicago, H=St. Louis, I=Minneapolis, J=Kansas City, K=Dallas, L=San Francisco)
- **Treasury Seal** - The seal to the right of George Washington contains an image of balancing scales (which symbolize justice) and a key (which symbolizes authority).
- **Pyramid** - This image on the back of the bill is meant to represent strength. (Fun fact: The pyramid has 13 steps in honor of the original 13 colonies.)
- **Bald Eagle** - The nation's bird holds arrows in its left talon and an olive branch in its right, which are meant to signify war and peace.

Sources:
www.newsmax.com/FastFeatures/george-washington-portrait-unfinished-dollar-bill/2014/08/26/id/591084/

kids.niehs.nih.gov/games/jokes/triviadollar.htm

www.grandparents.com/grandkids/activities-games-and-crafts/dollar-bill-facts-to-impress-your-grandkids

Who's Who?

Have you ever taken a close look at the coins in your piggy bank? Each coin has a portrait, or picture, of a famous person. Read on to learn more about these legendary individuals:

- **Abraham Lincoln (penny)**
America's president during the Civil War, Abraham Lincoln played an important role in ending slavery.
- **Thomas Jefferson (nickel)**
Thomas Jefferson was the third president of the United States and is known for being the main author of the Declaration of Independence.
- **Franklin Delano Roosevelt (dime)**
The 32nd president of the United States, Franklin Delano Roosevelt was elected president four times in a row - starting in 1933. (Today, presidents can only be elected twice.)
- **George Washington (quarter)**
George Washington was the first president of the United States and helped America gain independence from Britain during the Revolutionary War.

Spend Smart: Needs vs. Wants

Want to be a wise spender? If so, you must learn to put your "needs" before your "wants." "Needs" are the basic items required for survival, while "wants" are the fun extras you can live without.

Below, circle the items you think are "needs." Get your parents in on it and work together to figure out smart priorities for your family!

- | | |
|-------------------|------------------|
| • School supplies | • Bubble gum |
| • Movies | • Soda |
| • Vacations | • Food |
| • Shoes | • Birthday gifts |
| • Video games | • Clothes |

Spending Money to Make Money

Do you know how much it costs to print U.S. currency?

A paper note costs 6.2 cents to print.

It costs 1.67 cents to produce a penny.

Other surprises: It costs almost a nickel to make a dime and almost a dime to make a nickel!





Color Your Way to Cash

Enter our coloring contest and you could win a **\$10 deposit into your account!** There will be one winner per age category, per branch. Age categories are as follows:

- 0-4
- 5-8
- 9-12

To enter, simply write your name and age on the colored page, and return it to your nearest branch location by February 29, 2016.

Not yet a member? Open an account today!



FIRST COMMONWEALTH LOAN PAYMENT CENTER:

► Another Option to Pay Your FCFCU Loans

Until now, you could not pay your First Commonwealth loan directly from another financial institution. Through our new Loan Payment Center, you now have that choice! By using this option, you can take funds on deposit elsewhere (checking and savings accounts only) and have them directed to your loan for a small fee of \$2 per transaction.

Simply set up your account, and you'll be ready to make your payments. The new feature can be found on the home page of our website, just below the HomeLink Login area. Click on the Loan Payment Center and register your accounts. We recommend selecting all your loans when you initially register to have them available when you use the center. **Please note: Mortgage payments cannot be accepted through this option.**

Payments processed through the Loan Payment Center before 9 pm will post the following business day. Please plan your payments accordingly. If you need to do a same-day payment, we suggest you come into a branch or use your First Commonwealth deposit accounts to transfer the funds to your loan through HomeLink. For all your payment options, go to the Online Banking page of our website to learn more.



Weathering the Storm

Winter Driving Tips

If you live in a cold-weather state, you know how dangerous winter driving can be. AAA® recommends the following tips to help you stay safe while traveling.

Before You Go:

- Verify that your tires are properly inflated and that your vehicle is in good operating condition.
- Check weather reports and avoid driving in bad weather if possible. Even if you're confident in your own ability to drive in the snow, there's no guarantee that others on the road will be as safe as you are.
- Prior to leaving, let someone know where you're going, what roads you'll be taking and when you expect to arrive.
- Always travel with a cell phone, blankets, food, water, any needed medications, hats, gloves, boots, etc.

Rules of the Road:

- Watch your speed. Snow makes it more difficult for your vehicle to accelerate, decelerate, stop and turn. Play it safe and go slow.
- Don't follow too closely behind the car in front of you. Extend the normal three- to four-second following distance to eight or ten seconds when driving on snowy or icy roads.

- Avoid stopping or accelerating as you travel up a hill. While driving downhill, decrease your speed and be extremely cautious.
- Use your brakes correctly. Place strong, stable pressure on the brake pedal with the ball of your foot.

If You Become Snowbound:

- Don't leave your vehicle. You may become lost if you try to find help. Instead, let the rescuers come to you and take advantage of the shelter your vehicle provides.
- Signal you need help by tying a piece of cloth to your antenna or at the top of a rolled-up window. If it gets dark out, turn on your dome light so rescuers have a better chance of spotting you.
- Periodically check your exhaust pipe to ensure it is free of snow, ice and mud. This will prevent hazardous carbon monoxide from flowing into your vehicle.
- Stay warm. Shelter your body from the cold using whatever is available. Try floor mats, maps, papers, etc.

Happy (and safe) travels!

Source: exchange.aaa.com/safety/roadway-safety/winter-driving-tips/



Warm up

with a great rate.

- ▶ Flexible terms up to 84 months
- ▶ Up to 100% financing
- ▶ 30-day rate lock after pre-approval

Apply today!



New auto loan rates as low as

1.59%
APR*

*Annual Percentage Rates (APRs) are effective 1/1/2016 and are subject to change. Estimated monthly payment per \$1,000 borrowed at 1.59% APR for 36 months is \$28.46. Rates are based on an evaluation of credit. 100% financing and length of term are also dependent on applicant credit; other rates and terms are available. Rates are subject to change at any time and without notice. Ask for details.



America Saves Week is February 22 - 27, 2016. Get in the saving spirit and visit www.americasavesweek.org to learn more today!

THE SMARTER WAY TO YOUR **Biggest Refund - TurboTax**

First Commonwealth has teamed up with the Love My Credit Union Rewards TurboTax® program to get you your maximum refund, **savings of up to \$15** on TurboTax federal products and a **chance to win \$25,000!** Just try TurboTax Online for FREE (and provide your email address) by February 18 to be automatically entered in the TurboTax \$25,000 Payday Sweepstakes.

This year, file your taxes the smarter way, and get your biggest possible refund - guaranteed. TurboTax guides you every step of the way. Plus, you can **save up to \$15** on TurboTax federal products.

- TurboTax translates taxes into simple questions about your life and puts everything in the right forms for you.
- TurboTax searches over 350 deductions and credits, so you won't miss a thing.
- TurboTax runs error checks and a final review to help make sure your taxes are done right.

START TURBOTAX NOW!

The TurboTax credit union member discount is just one of many member discounts available with the Love My Credit Union Rewards program. Members have saved over \$1.4 billion with exclusive offers from these great partners:

- Receive a 10% discount (business members receive a 15% discount) on select regularly priced **Sprint®** monthly data services. Plus, enjoy waived activation fees on new lines and waived upgrade fees (\$36 savings each).
- Get the safety and security of roadside assistance and more for less than \$1 per week* with **CU Road Pal**.
- Save up to \$200 on new **DIRECTV®** service with monthly bill credits and a \$140 gift card.
- Receive a \$100 gift card and smoke communicator with a new **ADT®** monitored home security system.
- Earn cash back when you shop at over 1,500 online retailers with **Love to Shop**.

The more offers you take advantage of, the more you save. Start saving today at LoveMyCreditUnion.org.

*Based on individual roadside assistance plan.



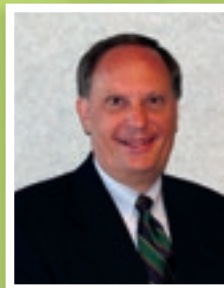
FINDING

► Business Services

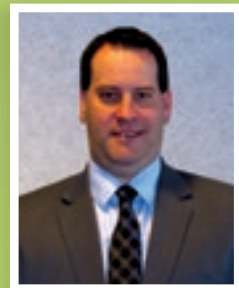
"I didn't know the credit union offered business services." We hear that quite a bit. A vast majority of business lending and non-lending products originated from community or regional banks and, in some cases, big national banks. Business owners always enjoyed the personal service they got from their bank's commercial relationship manager, but that seems to be changing. Big banks no longer seem interested in doing commercial loans for small businesses, and some of the local regional banks have recently announced they are being acquired by larger, out-of-state banks. Personal service seems to be going away too. With decisions not being made locally, customers are being forced to use eight-hundred numbers or technology rather than speaking personally to a service representative - and the list goes on. Sadly, when banks merge and become larger, staff is cut, and branch offices are closed. Fees for services usually increase as well.

First Commonwealth Federal Credit Union has provided business services since 2006, offering a full line of commercial loans, such as owner and non-owner occupied real estate loans, term loans for equipment and business expansion, lines of credit for seasonal or short-term working capital needs and credit cards. We offer business checking, savings and money market accounts and other deposit products. Recently, we introduced HomeLink Business Cash Management, which allows business owners to make payments and collect funds via ACH, initiate wire transfers, use online bill pay and make deposits remotely and securely, all from the convenience of their office.

All decisions are made right here in the Lehigh Valley by credit union staff. Our experienced business service representatives live here and know the market. As a credit union, we don't have to answer to Wall Street. We work for the members to give them the very best service possible at a fair price in an efficient and timely manner.



James Stortz
Vice President
Manager of
Business Services



Steven Mertz
Vice President
Business Services

Phone: 610.997.6381
Email: business@firstcomcu.org

We offer a variety of financial products and services to help you manage your finances and meet your organization's goals, including:

- Commercial mortgages (owner-occupied or investment properties) and refinances
- Commercial term loans and lines of credit
- Deposit products
- Cash management (including ACH and wires)
- Remote deposit capture (deposit checks without making a trip to the credit union)
- Merchant bankcard services

For more information, contact Business Services at business@firstcomcu.org or 610.997.6381, or stop by any of our convenient locations and talk to a branch manager.

Financial Planning: Helping You See the Big Picture



Do you picture yourself owning a new home, starting a business or retiring comfortably? These are a few of the financial goals that may be important to you, and each comes with a price tag attached. That's where financial planning comes in. Financial planning is a process that can help you target your goals by evaluating your whole financial picture, then outlining strategies that are tailored to your individual needs and available resources.

Why is financial planning important?

A comprehensive financial plan serves as a framework for organizing the pieces of your financial picture. With a financial plan in place, you'll be better able to focus on your goals and understand what it will take to reach them.

One of the main benefits of having a financial plan is that it can help you balance competing financial priorities. A financial plan will clearly show you how your financial goals are related – for example, how saving for your children's college education might impact your ability to save for retirement. Then you can use the information you've gleaned to decide how to prioritize your goals, implement specific strategies and choose suitable products or services.

Staying on track

The financial planning process doesn't end once your initial plan has been created. Your plan should generally be reviewed at least once a year to make sure that it's up-to-date. It's also possible that you'll need to modify your plan due to changes in your personal circumstances or the economy.

If you would like to learn more about creating a financial plan and discuss the ways you can help improve your retirement savings strategy, contact First Commonwealth Investment Services at 610.821.2467 to schedule a complimentary review with one of our CFS* Financial Advisors.

Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and Registered Investment Advisor. Products offered through CFS: **are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

*CFS and its representatives do not offer tax advice. For such advice, please contact a tax professional.

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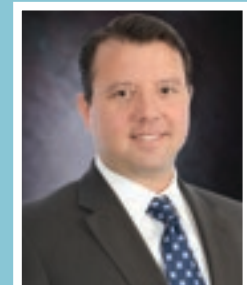


Steve Hefele

P: 610.821.2461

F: 610.821.2493

Shefele.CFSinvest@firstcomcu.org



Jason Morrow

P: 610.821.2469

F: 610.821.2422

Jmorrow.CFSinvest@firstcomcu.org

Enjoy an Evening **WITH US!**

RSVP Today for the Annual Meeting

Join us for First Commonwealth's Annual Meeting on Thursday, April 21, 2016, at the Iron Lakes Country Club, located at 3625 Shankweiler Road, Allentown. There is no cost for the meeting; however, we encourage you to stay and enjoy the buffet dinner following the meeting for only \$10 per person. We will also be publicly announcing our 2016 scholarship recipients. You must RSVP by April 12 to enjoy the buffet as **we cannot take dinner reservations at the door.**

To register, members may go online to www.firstcomcu.org, or complete and mail the registration form below. If you plan to attend the buffet, please submit payment with your registration. Contact the Member Response Line at 610.821.2403 if you have any questions.

6 pm: Registration
6:30 pm: Annual Meeting
7 pm: Buffet Dinner

Annual Meeting RSVP Form

Please RSVP no later than April 12, 2016.

Name

Address

Email

of Attendees _____

X \$10.00/Person for Dinner = \$ _____

I authorize First Commonwealth to deduct the amount above from my account:

Account Number

Checking or Savings

Member Signature

Enclosed is my check made payable to First Commonwealth Federal Credit Union.



P.O. Box 20450, Lehigh Valley, PA 18002-0450



Federally insured by the NCUA

Mail your reservation to:
First Commonwealth Federal Credit Union
Attn: Sharon Borgman
PO Box 20450
Lehigh Valley, PA 18002-0450

You may also make your reservations online
at www.firstcomcu.org.