



# FOCUS



A PUBLICATION FOR THE MEMBER/OWNERS OF  
CALTECH EMPLOYEES FEDERAL CREDIT UNION

## It's Just Not Something We Talk About

By **Richard Harris, President/CEO**



We've done the best we can to teach our children well — from table etiquette to values to the importance of family and community. Yet one area that we may not have mastered is preparing

them as beneficiaries, or as recipients of a vast intergenerational wealth transfer.

The United States is on the cusp of the largest wealth transfer in the country's history: about \$40 trillion will be handed down to the next generation by 2050.

The oldest baby boomers are turning 70 in 2016 giving the Generation X population, the 66 million Americans born between 1965 and 1980, a huge responsibility to manage. And, these heirs may not have the relationships in place to manage this asset transfer.

It's a delicate subject. Most parents avoid discussing inheritance plans with their children. In fact, nearly half (46%) of benefactors had not done so in a recent UBS Wealth Management survey of more than 2,800 high-net-worth investors. Why? Twenty-seven percent said they don't want their children to feel entitled to wealth. Thirty-two percent said they don't want their offspring to count on an inheritance. These are valid concerns — ones that come standard when we discuss finances and estate planning. However, these concerns should serve as opportunities.

The authors of *Executors, Trustees & Beneficiaries*, Vic Preisser and Vanessa Terzian, make the point

that while parents may devote hundreds of legal and accounting hours preparing their assets for transfer, they seldom spend the same amount of time preparing their heirs to receive and manage those same assets — the solid foundation for becoming good beneficiaries.

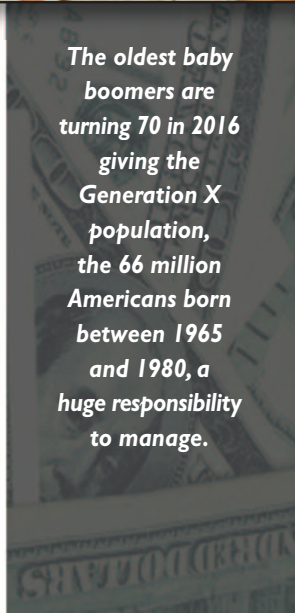
Part of your responsibility is to progressively prepare your beneficiaries to assume their inheritance. Key success factors include education, communication and credibility.

**Education:** Experts believe that many families spend a lot of time earning and accumulating wealth, but not enough time preparing their kids for how to manage it later in life. Supplying financial literacy tools is an effective way to work with the next generation. Most financial and investment institutions offer basic to advanced sessions — from discussing college finances to mortgages to estates and wills. Including heirs on financial decisions is also useful — from saving to spending to donating. Conversations should focus on why each action is taken, and its pros and cons.

**Communication:** Traditionally, the emphasis on wealth transfer has been placed on the asset when just as much attention should be placed on establishing, maintaining, and communicating family financial values. Wealth advisors encourage clients to discuss inheritance plans with their spouses and children — especially adult children. With age comes the risk for diminished cognitive capacity. It is important to share your plans, expectations and knowledge.



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# Are Those Featured Low Real Estate Refi Rates at Other Banks for Real?



Take a closer look at what can happen at other lenders:

Based on your Credit Score  
you might be charged a higher rate.

3	.	25	%
3	.	50	%

Higher Loan-to-Value?  
Could be a higher rate again.

3	.	50	%
3	.	70	%

Want cash back?  
Yep, rate just jumped again!

3	.	70	%
3	.	87	%

At many banks, more fees & blocks of fine print too often mean higher rates.

If you're looking to take advantage of today's low real estate rates and refinance your home, **you want to make sure that you're really getting the best rate possible.** Unfortunately, the rate that some lenders advertise in big, bold type is not always the rate you wind up with.

So how can you be sure?

Of course, you can read the pages upon pages of tiny type, and scour their never-mentioned additional rates and fees. Or you can **go with the one lender whom you can always trust — your Credit Union.**

At CEFCU, our real estate rates are **ALWAYS** for real!

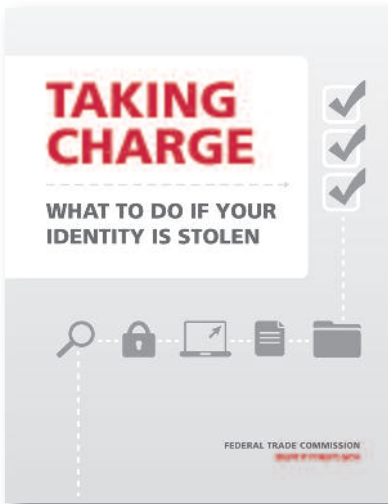
No matter what your credit score, no matter what the current loan-to value of your home, no matter if you want cash out from your new home loan...**if you qualify for one of our home loans, you get the rate we post.** And our rates are among the best in the nation... with no or low points and among the lowest closing costs.

Your loan is also processed by us locally — not by a big bank's service center two time zones away — which often means less headaches and faster closing times.

Visit our Real Estate Loan Center at [www.cefcu.org](http://www.cefcu.org) and see how **we keep the "real" in real estate financing.**

## At CEFCU, What You See is What You Get!

# Identity Theft... If or When



**Now you can get help fast if your identity is stolen. We're offering this special booklet which outlines ways to reduce risk and generally help you recover from identity theft.**

You don't plan to be a victim of identity theft. And, you can't time its occurrence or effect on your credit. It is a serious crime that can wreck havoc with your finances, credit history and reputation, and it can take time, money and patience to resolve.

A great resource we've identified is the "Taking Charge: What to Do If Your Identity Is Stolen" publication from the Federal Trade Commission. This guide outlines ways to reduce risk, dispute errors and report and recover from identity theft.

We've secured versions in English and Spanish. Prepare yourself with the facts and pick up a free copy at any of our three office locations while supplies last. If you live outside the area, you can email us at [support@cefcu.org](mailto:support@cefcu.org) for an electronic or paper copy.



**Our fee-free, password protected online access includes:**

- Current overview of your savings and loan accounts
- Access to monthly eStatements
- Set and review recurring and scheduled transfers
- Manage external accounts and make transfers to/from outside financial institutions
- MasterCard® Access — view recent transactions, download eStatements, and make payments

# Transferring Wealth...

*Continued from page 1*

Family meetings allow heirs to learn about your expectations. Don't make the assumption that everyone knows how you want things to be handled. Work together to prepare a full and complete financial plan for the future should you be out of the picture. Emphasize how and where attention should be placed.

**Credibility:** Credibility must be passed on from generation to generation in the form of introductions. We must allow our trusted relationships to expand and include our heirs. Introduce your children to those you trust and those institutions you have a relationship with. Time and time again, I see heirs close accounts and request a check without knowing what to do with the money or where to deposit funds. It is especially disheartening to see beneficiaries close existing accounts not realizing they are eligible to retain or open new accounts with CEFCU. Beneficiaries become frustrated because they don't have an existing relationship with CEFCU and do not have instructions on what to do. For many, they lack the relationship and experience. Simply, they haven't been given proper instructions or introductions to maintain a beneficial relationship with long-time trusted financial institutions.

It's no secret that Generation Xers transact business differently than us. They can establish or challenge a relationship over email. They can invest in a brick-and-mortar-less organization via the web. They can easily sign off on a sizeable amount of funds without considerations to your preference simply because they don't know any better.

In turn, we as your trusted financial institution have a responsibility in this relationship, too. Be it as a joint account member or in many cases a power of attorney or beneficiary, we must provide the right educational portals, services and technology during necessary times to establish key relationships.

So far, we've done well. We have *Financial Wellness*, an online learning tool, to educate members and family. We have up-to-date, fast, safe and user-friendly online technology for account access. You can open and fund an account, apply for a mortgage or consumer loan, move your funds to and from another financial institution, or deposit a check — all the services that have become expected these days.

And, of course, CEFCU has a rock solid reputation, undisputed security and stability, and provides a trusted relationship — one that you should share with your loved ones. We are here to help during difficult times or special circumstances. When confronted with these situations, you and your heirs will discover just how valuable this personal advantage is for your financial future.

# “One Grand” Sweepstakes Winners



## LA CAÑADA OFFICE

528 Foothill Blvd.  
P.O. Box 11001  
La Cañada Flintridge, CA 91012-6001  
800/592-3328 • 818/952-4444  
FAX 818/952-4382  
Hours: 9 a.m.-4 p.m. M-F  
Drive Up: 8:30 a.m.-4:45 p.m. M-Th  
8:30 a.m.-5:15 p.m. F

## JPL OFFICE

4800 Oak Grove Dr., Bldg. 291  
Pasadena, CA 91109  
818/354-3280  
FAX 818/393-4308  
Hours: 9 a.m.-4 p.m. M-Th  
8:30 a.m.-4 p.m. F

## CAMPUS OFFICE

1200 E. California Blvd.  
Pasadena, CA 91125  
M/S 100-63  
626/395-6300  
FAX 626/568-9536  
Hours: 9 a.m.-4 p.m. M-Th  
8:30 a.m.-4 p.m. F

## WEBSITE

www.cefcu.org

## CREDIT UNION OFFICIALS

### BOARD OF DIRECTORS

John Patterson, *Chairman*  
Gary Gray, *Vice Chairman*  
Mike Miranda, *Secretary*  
Rich Harris, *Treasurer*  
Willis Chapman, *Director*  
Dlorah Gonzales, *Director*  
Ann Martin, *Director*  
Richard O’Toole, *Director*  
Steve Proia, *Director*

### SUPERVISORY COMMITTEE

Laurice Balian, *Chair*  
Walt Boyd, *Member*  
Theresa Slowskei, *Member*

Congratulations to the 10 winners in our “One Grand” Membership Sweepstakes. Winning \$1,000 CEFCU Gift Cards were eight current members who referred new members to CEFCU:

- Adam T. Avery
- Amanda Laufer
- Eva Graham
- Christopher Meneses
- Dennis D. Dingley
- Maria Alcazar
- Lawrence Ingalls
- Lynn Farwell

In addition, two new members who joined the Credit Union after they were referred by existing members also won \$1,000 CEFCU Gift Cards:

- Juliette Marsh Williams
- Rachael C. Kuintzle

And, a big “thank you” to all our participants!



## FINANCIAL UPDATE

As of June 30, 2016

Assets.....	\$1,442,667,305
Shares.....	\$1,278,697,447
Loans.....	\$ 374,490,136
Member Accounts.....	35,395

## LOAN RATES & TERMS

Type of Loan	Annual Percentage Rate (APR)	Approximate Maximum Term
<b>PERSONAL LOANS</b>		
Personal Line of Credit (Variable).....	10.50%	Open End
MasterCard® (Variable).....	9.50%	Open End
Short Term Personal Loan.....	9.00%	24 months
	10.00%	36 months
	10.50%	48 months
Share Secured Loan (Variable).....	2.05%	Open End

## VEHICLE LOANS

### New/Pre-Owned Autos — Purchase and Refinance\*

100% Financing (Current & prior 5 years).....	1.45% <sup>^</sup>	36 months
100% Financing (Current & prior 5 years).....	1.85% <sup>^</sup>	60 months
100% Financing (Current & prior 5 years).....	2.85% <sup>^</sup>	84 months
80% of Retail Blue Book (6 years & older).....	3.85%	60 months

### New/Pre-Owned Motorcycles\*

80% Financing.....	3.99%	60 months
100% Financing.....	4.99%	60 months

### New/Pre-Owned RVs\*

100% Financing.....	7.25%	120 months
80% Financing (6 years & older).....	9.00%	84 months

\* Financing includes purchase price or Retail Blue Book value plus tax, license, documentation fees, mechanical breakdown protection, GAP, and extended warranty.

<sup>^</sup> Includes 1% rate discount for payment by Automatic Transfer. Lower rate or refinancing option does not apply to current CEFCU loans or any vehicles that have been financed by CEFCU in the past 12 months.

## REAL ESTATE LOANS

First Trust Deed..... Visit us online at www.cefcu.org or call 800/592-3328, x404

### Second Trust Deed

Primary/Secondary Residence (Fixed).....	4.95%	180 months
Rental Property (Fixed).....	9.75%	120 months

Home Equity Line of Credit (Variable)..... 3.75% Open End

10-Year Interest Only HELOC (Variable)..... 3.75% 120 months



Caltch Employees Federal Credit Union publishes this reference guide as a service to our members. It is designed to be used for general information and is not meant to be a full disclosure. Rates and terms are those in effect at time of printing, and are subject to change without notice. For applications or detailed information, please call the Credit Union today. Equal Housing Lender. Equal Opportunity Lender. NMLS #626590. Effective Oct. 1, 2016.



**Holidays:** Columbus Day, Monday, October 10th • Thanksgiving Day, Thursday & Friday, November 24th & 25th  
Christmas Day (observed), Monday, December 26th • New Year’s Day (observed), Monday, January 2nd