

IT'S TAX TIME



The Benefits of Using Your Tax Refund as a Car Down Payment

It's always a good plan to set some money aside to use as a down payment when financing a new or "new to you" car. As a general rule, you'll want to pay 20 percent of the vehicle's value as a down payment for a new car and 10 percent as a down payment for a used vehicle. This makes tax season an excellent time to shop for a car and use your tax refund as part of your down payment.

Below, you'll find five reasons using your tax refund as a down payment works in your favor.

1. Your Down Payment Helps Reduce Your Monthly Payments

The more money you put toward a down payment for your car, the lower your monthly payments will become. To illustrate how a larger down payment works in your favor, review the following example.

Assume you plan to purchase a vehicle for \$25,000 and finance it for 60 months at 6.25% APR.

Down Payment	Monthly Payment	Interest Saved
\$0	\$486.31	\$0
\$2,500	\$437.68	\$417.82
\$5,000	\$389.05	\$835.61

WE HAVE COMPETITIVE RATES!

Securing a low rate can also save you money over the course of your loan. Dealership rates tend to be much higher than the rates Financial Access can offer.



As you can see, larger down payments result in lower monthly payments. If you chose to put \$5,000 down on your new car, your monthly payments would be \$97.26 lower than if you put nothing down.

2. You Pay Less Interest on Your Vehicle

Continuing from the example above, you'll notice that in addition to lower monthly payments, you'll also pay less interest. Over the course of the 60-month term, you'd save \$417.82 if you put 10 percent down or \$835.61 with a 20 percent down payment.

3. You Build Equity in Your Vehicle

If you haven't heard of depreciation just yet, it's a word you'll get to know in relation to cars. Vehicles depreciate remarkably fast. In fact, new cars lose approximately 20 to 25 percent of their value within the first year. Your down payment helps you build equity in your vehicle immediately, which is invaluable when the time comes to trade your car in.

4. Helps You Stay Above Water

When you are "underwater" on your car loan, it means you have negative equity. In other words, you owe more on the vehicle than its current value. Your down payment can help you avoid this situation by reducing the effect of depreciation on your car's value.

For instance, if you're in an accident and your vehicle is totaled, the insurance company will pay you based on the value of the car – not how much you owe on the vehicle. That will leave you paying the balance out of pocket while shopping around for a new car. Your down payment can reduce the sting of depreciation by decreasing the amount of money you have to pay out should this situation occur.

5. It's Easier to Get Approved for a Loan

Many lenders like to feel as though you have some "skin in the game" before extending credit. This is especially the case if you don't have a long and strong credit history just yet. A substantial down payment shows them you're serious about repaying your loan and makes lenders more likely to grant you approval for the loan.

We're Here to Help!

Navigating your way through the car-buying process isn't always as simple as finding the perfect vehicle. There are many financial considerations to understand and decisions to make along the way. As your credit union, we're here to help you make the smartest financial choices – and buying a car is no different. Our team will show you how various financing options impact your budget, monthly payments, and overall financial future. In addition, we provide AUTOADVISORS. A free program that can personally help you find that vehicle and negotiate the price!

If you're ready to buy a new vehicle, get pre-approved today. Go to financialaccessfcu.org/auto-loans-new-or-used. Or reach out to Chris Engel, your personal AUTOADVISOR, to get started on your purchase. Go to financialaccessfcu.org/everything-auto/autoadvisors.

CALLING VOLUNTEERS!

All members are invited to attend our virtual Annual Meeting on March 27, 2024 at 5:00 PM. Register to attend at financialaccessfcu.org/member-services/annual-meeting

Members of FAFCU who are interested in serving as volunteers on the Board of Directors must obtain a petition from the credit union and secure the signatures of at least 1% of the credit union members. The petition must be filed with the Secretary of the credit union **no later than 1/27/24**.

AROUND THE BRANCH

ANNUAL MEETING: March 27, 2024
Financial Access Federal Credit Union members are cordially invited to attend the annual meeting.

DATE: WED, March 27, 2024 @ 5:00 PM

WHERE: Zoom

REGISTER: Go to financialaccessfcu.org

After you register you will be sent a zoom link prior to 3/27/2024 and the meeting agenda.

Lobby Hours		Drive-Thru Hours
Monday	8 am - 4:30 pm	8 am - 4:30 pm
Tuesday	9 am - 4:30 pm	8 am - 4:30 pm
Wednesday	9 am - 4:30 pm	9 am - 4:30 pm
Thursday	9 am - 5:00 pm	8 am - 5:00 pm
Friday	8 am - 5:00 pm	8 am - 5:30 pm

FAFCU Closed	Holiday Observed
MLK Jr. Day	MON January 15
Presidents' Day	MON February 19
Good Friday	(Early Close-1pm) FRI March 29
Memorial Day	MON May 27
Juneteenth National Independence Day	WED June 19
Independence Day	THUR July 4
Labor Day	MON Sept 2

FCFCU Attended The MCR Employee Health Fair



EMPLOYEE HEALTH FAIR

The response from MCR Health was phenomenal! Our presence, along with other benefit providers at MCR Health's recent benefit fair in November, was a testimony of the commitment they are making to their employees. As a Financial Access FCU-SEG (Select Employment Group), MCR Health is not only providing traditional benefits but also introducing their employees to Financial Access FCU products and services with the design to build financial wellness.

As an organization whose mission is to provide health care access to the underserved and uninsured in our community, some of the employees expressed during the event the importance of our partnership to build financial wellness and said, "we love that it provides free access to our Credit Score and other financial services that meet our needs." One staff member in particular shared that they were able to secure an auto loan after taking advantage of the employer benefits. Since the benefit fair, several employees so far have established membership with FAFCU!

More Strategies for Using Your Tax Refund

Receiving a tax refund is exciting and can give you a much-needed financial boost. However, it's important to remember that this isn't just free cash. Your tax refund is essentially money you lent to the government, which is now being returned to you. So, it's in your best interest to use this money wisely.

If you are not in the market for a car here are some other ways to be smart with your tax refund!

- Eliminate Debt
- Save for a home
- Start an Emergency fund
- Consolidate Debt
- Start a College Savings Plan
- Reduce your tax bill

If you're interested in learning more about how to use your tax refund to eliminate high-interest debt, we're happy to help.

