

POWERSOURCE

For members of Georgia Power Federal Credit Union



GEORGIA *power*
FEDERAL CREDIT UNION

FINANCE 101

This is the first article in a series we'll call Finance 101, brought to you by your trusted financial partner, Georgia Power Federal Credit Union.



Settling Debts with Creditors—Not A Free Proposition

You hear it on TV and radio – companies that want to help you “settle your debts” for less than the balances you owe. Don’t get pulled into their trap! They want to charge you a fee and call it “helping you.”

We agree that approaching credit card companies, finance companies and even banks and asking to lower your interest rate, waive fees, settle your balance, etc. is a GREAT idea. Most of these financial institutions have abused consumers by charging high interest rates and fees for everything except making a payment.

One important thing to keep in mind—settling does not take away your liability. If they agree to lower or settle your debt by \$600 or more, you will receive an IRS 1099-C form and you will have to claim the settled amount as income. Depending on your tax bracket and income level, you

might end up paying the IRS what you thought you were “settling.” The settled debt will also remain on your credit report, telling future lenders that you might not be creditworthy.

On the other hand, asking your credit union to settle is not such a great idea. WHY? Because credit unions are not-for-profit, financial cooperatives, where members save so that other members can borrow—people with a common bond helping each other. The credit union is the intermediary. It’s our job to keep the savings rates as high as possible and the borrowing rates as low as possible because we don’t have to make profits for shareholders...BUT we do have to make a profit. We have to make enough to cover paying dividends to depositors and to pay our operating expenses, which include everything from paying our employees and operating branches to products like the website, home banking and bill payment.

Without profits, we can’t deliver new products and services to give members what they need in today’s highly competitive financial services marketplace.

Another reason we don’t “settle” is the interest rate we charge. We start out with a fair rate of interest, based on a members’ credit rating. This allows us to make some return for immediate profit (to pay expenses) and leaves some to “bank” for losses in the future. It doesn’t add up to enough when too many people want to stop paying or settle for less than they owe.

Although we won’t settle, that does not mean we won’t work with members who have found themselves in difficult circumstances. From circumstances that came from loss of employment, health issues or other unexpected events.

We welcome the opportunity to assist members in need. But we also believe that if you borrowed money in good faith, you should pay it back.

Next month: Do your homework. Putting together a budget.

Invest in
America 

We are proud to be a participant of Invest in America. Invest in America is a membership enhancement program which offers members discounts on products and services provided by U.S.-based companies.

As a member of Georgia Power Federal Credit Union, you can receive many money-saving discounts. [Click here](#) to learn more about these opportunities.

Convenient Services: Pay Your Bills Online



Tired of writing checks and purchasing stamps to pay your bills? GPFCU offers you the convenience of paying your bills online. It is easy and convenient, available 24 hours a day from your computer.

Sign up through our Online Home Banking to begin and you will have access to:

- Pay as many bills as you like for FREE*.
- Make single or recurring payments.
- Schedule payments to be made now or on a future date.
- Access your transaction history and pending payments any time of the day.
- Save time and money - no more buying stamps or writing checks to pay your bills.
- Reduce your risk of Identity Theft.

*This service is FREE for members with an active Relationship Checking Account with GPFCU. If you do not have a Relationship Checking account with GPFCU, you will be charged \$5.00 a month for up to 20 transactions. Any additional transactions are \$.50 each.

Time for Fun in the Sun

Are you ready to get out there and feel the wind in your hair? We can help you get on the road or in the water. With our very competitive rates, you can finance your boat, RV or motorcycle with the credit union. Call us today for current rates or apply today at www.georgiapowerfcu.org.



Upcoming Events

June 23, 2010 – 7:00 – 10:00 AM
Health Fair*
Plant Scherer
10986 Hwy 87
Juliette, GA 31046

June 30, 2010 – 7:00 – 10:00 AM
Health Fair*
Augusta
2103 North Leg Road
Augusta, GA 30909

July 28, 2010 – 7:00 – 10:00 AM
Plant McManus/Brunswick
One Crispen Island
Brunswick, GA 31523

*Access limited to Georgia Power employees only.

VISA® Credit Card Updates

Late Fees

The VISA® credit card conversion is over and we want to thank you for your patience during the conversion process. This process required us to change the remittance address for your VISA® payment. As a courtesy to our members, we did not assess any late fees from February 19, 2010 through the end of April 2010. We wanted to give members plenty of time to make the appropriate changes necessary to update the new remittance address.

As a friendly reminder, here is the remittance address: VISA®, PO Box 96099, Charlotte, NC 28296-0099

You can also make your VISA® payment through any online bill pay service.

Rates for former GOLD VISA® credit card members

Just a reminder to our former GOLD VISA® credit card members, the special interest rate you received last year will be expiring this month. The new rate of 8.75%* will become effective after the June statement cycle on your Platinum VISA® credit card. (Your Platinum VISA® credit card replaced your Gold VISA® credit card.)

This new rate is still very competitive with other credit cards. Now may be a good time to look at the other cards in your wallet and compare interest rates. <5112> We make it easy for you to transfer a balance from a credit card with a higher rate over to your low rate, no fee, GPFCU Platinum VISA® credit card.

[Click here](#) to download the form and start saving money immediately!

*This APR will vary with the market based on the Index.

Mailing Address
PO Box 468266
Atlanta, GA 31146-8266

Access Your Accounts 24/7
www.georgiapowerfcu.org
800-321-4180

Apply for a Loan 24/7
www.georgiapowerfcu.org
877-258-8711

