



CES QUARTERLY

2018 | January



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“ At CES Credit Union, you are more than a number, you’re a person. ”

-Sandy Coffing
President/CEO



CES CREDIT UNION
is dedicated to its members and community.



PRESIDENT'S MESSAGE

Credit unions are unique in the world of financial institutions. Nowhere is the credit union difference more vivid than in the diverse ways they reach out to millions of low- to- moderate income Americans who seek basic financial services to realize their dreams.

Our mission is this: We are dedicated to the financial success of our members and the communities we serve.

The examples of outreach are heart-warming, and the results are life-changing. CES proudly serves in its community through volunteering in community service projects, supporting local charities and organizations, and participating in financial literacy programs.

At CES Credit Union, you are more than a number, you’re a person. From the moment you walk in the door we aspire for you to feel at home here. Our lending officers are people who care and listen to your unique situation. They will work with you to meet your goals and achieve your dreams. This is service you rarely find elsewhere.

And these are just a few of the many ways CES Credit Union impacts the lives of its members and the community it serves.

We always say we are for people, not profit. This is what being a credit union is all about. CES Credit Union is here to serve you. Contact us to learn how we can help you realize your dreams.

Sandy Coffing
SANDY COFFING, PRESIDENT/CEO

5 FINANCIAL new year's RESOLUTIONS

Looking for a way to boost your finances this year? We've got you covered with 5 financial new year's resolutions that will help you on your walk to financial fitness. Try one or try them all!

1. Get Organized: Set up a financial filing system either manually or on-line. Keep separate folders for different expenses and records, for instance "Auto Expenses," "Insurance," "Mortgage," "XYZ Credit Card," etc.. There are also many on-line apps that will allow you to do this electronically.

2. Up your 401(k): If you can afford another percent off your paycheck, why not boost your retirement deductions? The more you save now, the more tax benefits AND the less you have to worry about the future. Throw another percent at it and watch it grow.

3. Make a budget (and stick to it!): Only about 40% of adults have a budget, according to the National Foundation for Credit Counseling. Create a plan by comparing expenses to monthly take-home pay. Look for spending leaks and make adjustments where necessary.

4. Boost your credit score: Pay all bills on time, every time; keep a low utilization ratio; don't open a flurry of new accounts in a short time period; don't close existing credit; and pay your fines. Whether it's a parking ticket or a library fine, pay up. If debts are reported to a credit reporting agency, they can knock down your credit score.

5. Set up an emergency fund: It's important to have a fund to fall back on in times of trial. Start by saving between \$1,000 and one month's pay and work towards six months' pay or more.

FEEDING FAMILIES *in our community*

Over the holiday season, CES was busy preparing to give back to the Knox County community through a stuffing drive partnership with Knox County Interchurch. We also cooperated with the Knox County NWTF in a turkey

donation day for Danville Interchurch. Through the two community projects, CES raised 236 boxes of stuffing and donated 55 turkeys to families and individuals who may not have had Christmas dinner without them.



The Debt Ratio

HOW DO YOU KNOW IF YOUR FINANCES ARE "MORTGAGE READY" ?

Following the mortgage "meltdown" about ten years ago, lenders (encouraged by governmental regulators) began using new terms and ratios when underwriting consumer mortgages. **It is important to understand these key ratios that may come up from your lender during the discussion for your home loan.**

If you have applied for any type of loan, especially a mortgage, then you probably heard your loan officer use the term "debt-to-income ratio." **The debt-to-income ratio is an common tool used to estimate a person's ability to repay a mortgage.**

Your Debt-To-Income (DTI) ratio is an equation, using the sum of all your monthly debt payments divided by your gross monthly income. **This percentage gives lenders a way to measure your ability to repay your loan, based on your income.**

There are a couple different ways that mortgage loan officers calculate a mortgage approval:

1) Lenders expect your home payment, or **PITI** (that's the payment amount that includes principal, interest, property taxes and insurance, as well as any Home Owners Association or condo owner fees) to be no more than **29%** of your monthly gross income (income before taxes, Social Security, and other deductions). Sometimes this is called the "**Front Ratio**".

2) Another method says that your PITI plus your total debt monthly payments (car payments, college loans, installment loan payments and minimum credit-card payments) should be close to **36%** or less of your gross monthly income. This may also be called the "**Back Ratio**".

For an example, imagine that your monthly mortgage payment is \$1,000 per month total (PITI and fees). If you also have a car payment of \$300, a student loan payment of \$350, and a credit card payment of \$150, your total monthly payments are (\$1,000 + \$300 + \$350 + \$150) = \$1,800. If you have a gross monthly income of \$4,800 (gross means before taxes and adjustments), your debt-to-income ratio is computed as follows: \$1,800 / \$4,800 = .375 or 37.5%.

This means that 37.5% of your gross monthly income is devoted to servicing your debt. This is a comfortable percentage. **Any percentage above 42% is often considered too high and too dangerous for a new loan.** Creeping above this percentage may put significant stress on your budget to purchase the basic needs, like groceries, gas and insurance. If the amount of income being devoted to paying off debt gets too high, it's statistically more likely the borrower may pay slowly or even go into default on the loan.

Your debt-to-income ratio will likely be evaluated before any [reputable] lender decides to make a loan to you. However,

because of the high dollar amounts involved and the importance of a home, this ratio is especially important for a home loan.

Lenders will often seek to make sure the loan is a "**qualified mortgage**" meeting certain standards, ensuring that the lender did their due diligence to make sure the borrower can afford the loan. The qualified mortgage gives the lender access to certain legal protections.

CES Credit Union has an "**in-house**" loan program where many of the mortgages we make are kept and serviced right here, with CES Credit Union. CES will work to expedite the loan process, and the borrower can make the home payment right here at CES Credit Union.

Of course, **all loans are subject to credit approval**. The borrower must be a member of CES Credit Union, or qualify as a member (this includes all who live, work, worship or attend school in Ashland, Delaware, Knox, Licking and Richland counties in Ohio). For more information about any of our mortgage loan products, please contact any of our lenders at any of our service centers, or call Ben Menke, Mortgage Lender at 740-263-5092 (NMLS# 728158).

CES Credit Union | NMLS# 798565



Calculate YOUR Debt Ratio

Monthly Debt Payments:

Mortgage (PITI) \$ _____

Car \$ _____

Student loans \$ _____

Credit Cards \$ _____

Others \$ _____

Total Monthly Debt (TMD) \$ _____

Monthly Gross Income:

Income 1 \$ _____

Income 2 \$ _____

Total Monthly Income (TMI) \$ _____

TMD/ TMI = 0 . _____ x 100 = _____ %

WINTER IS HERE.



LOANS AVAILABLE FOR ALL
YOUR WINTER UPGRADE NEEDS

Financially
FIT 

WANT MORE CONTENT?

CHECK OUT OUR BLOG AT
CESCU.COM/BLOG FOR MORE
ARTICLES ON BEING FINANCIALLY FIT!

BOARD OF DIRECTORS

Jeff Wells
Margaret Ann Ruhl
Jon Porterfield
Jim Dice
Teresa Bemiller
Larry Hatton
Matthew Kurtz
Kim Fearn
Candice Gallagher

CES CREDIT UNION OFFICES

LOBBY:

Monday - Friday: 8:30 am - 5:30 pm
Saturday: 9:00 am - 1:00 pm

DRIVE-THRU:

Monday - Thursday: 8:30 am - 5:30 pm
Friday: 8:30 am - 6pm
Saturday: 9:00 am - 1:00 pm

Mount Vernon	740.397.1136
Loudonville	567.203.5443
Utica	740.892.3323
Delaware	740.363.8118

GET SOCIAL WITH US



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CES Credit Union 

www.cescu.com



Federally insured by NCUA
Loans subject to credit approval