

# SJCU Informer

San Juan Credit Union

Volume 2, Issue 1

## *Our New Slogan*

*"Your money. Your future. Your credit union!"*

You may have noticed a new slogan on our products, website and in the newspaper.

The credit union's previous slogan was "Because We Care" and while we still want to keep that spirit of caring for our members, the board and staff at San Juan Credit Union

statement of the credit union: "It is the mission of San Juan Credit Union to provide the best possible personal financial services to members of the credit union; including savings, investments, and loans. Personal financial services are provided with the best

*"Start where you are. Use what you have. Do what you can."*

*-Arthur Ashe*

wanted to have a slogan that described, in just a few words, the services and products that the credit union offers.

In 2016 the Board of Directors and staff submitted ideas for a new slogan. The board voted on the submissions, and our new slogan was chosen. They feel this slogan goes hand in hand with the mission

interest of the individual in mind, while protecting the integrity of San Juan Credit Union and all its members."

The staff and board of San Juan Credit Union feel it is important to serve its members in the things the need now, and to help them plan for their future needs as well.



San Juan Credit Union

### Blanding

792 S. 200 W.

Blanding, UT 84511

(435) 678-2124

Fax: (435) 678-2762

Hours of operation:

Mon-Fri

Drive thru 8:00 am – 6:00 pm

Lobby 9:00 am – 5:00 pm

Saturday

Drive thru and Lobby  
9:00 am – 2:00 pm

### Monticello

132 S. Main

Monticello, UT 84535

(435) 587-3399

Fax: (435) 587-3525

Hours of operation:

Mon-Fri 9:00 am – 5:00 pm

Closed Saturday

Visit our website at  
[sanjuancu.com](http://sanjuancu.com)



## How a Balance Transfer Affects Your Credit Score



### [Lindsay Konsko](#)

Consumers seeking relief from high-interest credit card debt sometimes turn to balance-transfer offers to capitalize on an introductory 0% deal. Refinancing can be a smart cost-saving move, but it probably won't go very far in helping your [credit score](#) — unless you pick the right path to paying down your debt.

### [What it really means to transfer a balance](#)

A balance transfer means you're moving debt from one credit card onto a different credit card, usually to take advantage of a lower interest rate. This doesn't pay off your overall debt, and it doesn't reduce the interest that's already accrued. But it does stop new finance charges from accumulating on your balance for a period of time, assuming you opt for a balance-transfer card that offers an introductory 0% or low-rate promotion.

For example, let's say you're carrying a balance of \$10,000 on a card that charges 15%

interest and your goal is to pay it off in the next 12 months. By transferring it to a card that's offering 12 months at 0%, you'd save \$831 in interest.

Just keep in mind that you're likely to incur an upfront cost for shifting your debt onto the new card: a balance-transfer fee. This fee is often 3% (and sometimes more) of the balance you've transferred, reducing your savings from the balance-transfer deal. In the example above, a 3% balance transfer fee would amount to \$300, bringing your net savings down to \$531.

That's still a significant savings, but not quite as generous as it first appeared.

***Nerd note:*** At least one credit card on the market comes with a long 0% APR period and gives consumers an option to avoid balance-transfer fees. Check out our review [here](#).

### [Your credit score may improve, slightly](#)

To get an idea of how a balance transfer will affect your credit score, you'll need to understand a few basics about your [credit utilization ratio](#). This ratio is simply the amount of credit you're using divided by the amount of credit you have available.

This number has a heavy influence on the 30% of your FICO credit score determined by the amounts you owe.

You're more likely to obtain a higher credit score by keeping your credit utilization ratio below 30% at all times. This is considered by the FICO model in two ways — per-card, and across all of your cards.

Let's illustrate this with an example, and assume that a consumer has two credit cards:

- Card A: \$2,000 balance with a \$5,000 limit
- Card B: \$1,000 balance with a \$3,000 limit

This consumer has a 40% credit utilization ratio on Card A, a 33% credit utilization ratio on Card B, for an overall credit utilization ratio of 37.5% (for calculations, see the methodology section below). On each of her cards and overall, this consumer's debt is over that 30% target.

One way to bring the ratio down would be to transfer the \$2,000 balance on Card A to a new card, Card C. Say Card C has a 0% promotional APR and a \$5,000 limit. Her credit utilization on Card A would fall to 0%, while Card C would assume the same 40% credit utilization ratio that Card A had originally. The FICO algorithm would look at her credit report and see a card with a high balance, which means she'd still be likely to get dinged for her **per-card** credit utilization ratio.

But the balance transfer caused her **overall** credit utilization ratio to drop to 23%, because opening Card C

added \$5,000 of available credit to her profile. This would cause her FICO score to rise a bit. But she'll see 3-5 points shaved off her score in the short run because of the new credit inquiry from applying for the balance transfer card.

### *Another option for a bigger credit boost*

Using a personal loan to refinance your credit card debt may be a good choice to save on interest *and* give your credit score a boost. Here's why: Only the balances on revolving credit card accounts are factored into credit utilization ratio. So paying off credit card debt with a personal loan will immediately cause your utilization ratio to plummet and your FICO score to rise.

Again, the debt isn't disappearing. But by converting it to a different type of loan, you're making it look different (and better) to the FICO scoring model.

The major drawback to using a personal loan over a balance transfer credit card is that interest on the loan begins accruing right off the bat — there's no introductory 0% period to save you big bucks up front. However, you'll still likely get a lower rate on a personal loan than what you're paying on your credit cards, and if you get a fixed rate, it will be locked in for a period of several years.

No matter which route to credit card debt refinancing you choose, be sure to make your payments on time and pay down the balance as quickly as possible. There are few things better for your well-being and your wealth than being debt-free.

### **Methodology**

To calculate the per-card credit utilization ratio on Card A:

$$\$2,000/\$5,000 = 0.4 \text{ (40\%)}$$

To calculate the per-card credit utilization ratio on Card B:

$$\$1,000/\$3,000 = 0.33 \text{ (33\%)}$$

To calculate the overall credit utilization ratio for Cards A and B:

$$\$2,000+\$1,000 = \$3,000 \text{ (the balances on both cards combined)}$$

$$\$5,000+\$3,000 = \$8,000 \text{ (the limits on both cards combined)}$$

$$\$3,000/\$8,000 = 0.375 \text{ (37.5\%)}$$

To calculate the overall credit utilization ratio for Cards A, B, and C:

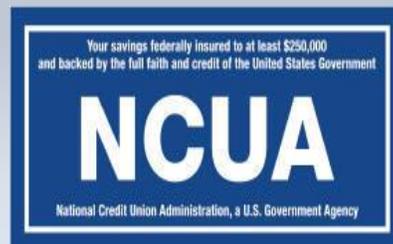
$$\$2,000+\$1,000 = \$3,000 \text{ (the balances on all cards combined)}$$

$$\$5,000+\$5,000+\$3,000 = \$13,000 \text{ (the limits on all cards combined)}$$

$$\$3,000/\$13,000 = 0.23 \text{ (23\%)}$$

*Lindsay Konsko is a staff writer at NerdWallet, a personal finance website.*

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Twitter: [@lkonsko](https://twitter.com/lkonsko)



### Credit Union Calendar

January 2- Closed for New Year's

January 16- Closed for MLK, Jr. Day

January 20- Inauguration Day/Member Promo

February 2- Groundhog Day

February 14 – Valentine's Day

February 16- Annual Member Dinner

February 20- Closed for Presidents' Day

March 17- St. Patrick's Day

March 23- National Chips and Dip Day/Member Promo



**Gephardt**  
**Approved**

## Do You Ever Wonder How it Works?

Sherrie Patterson

When you go to the credit union and ask for a loan, do you ever wonder where the money that's loaned to you comes from?

Credit unions are not rich. In

Edison, Mary's neighbor, gets paid \$2000 twice a month and deposits \$50 into his savings account; which now has a balance of \$3500.

The credit union now has \$6000 in savings accounts and a small amount of cash in checking that John and Edison have not spent yet.

Mary comes to the credit union to get a loan for \$5000

that gets loaned out. It is really the member's money.

Some of these safeguards are the loan qualification process, late fees, and the requirements necessary to protect collateral, such as insurance.

Also, if you fall behind on your loan payments, you will get a call from the collections department.

*"I am not a product of my circumstances. I am a product of my decisions."*

*-Stephen Covey*

fact, they have very little money of their own. All of the money in a credit union, with the exception of a small percentage (usually between 7-12%), belongs to the credit union members.

In simple terms, here's how it works. John, Mary's cousin, gets paid \$500 every Friday, and he deposits \$480 into his checking account. The remaining \$20 goes into his savings account. Over the years John's savings account has grown to \$2500.

to buy a car. The credit union lends Mary the money; which comes from John and Edison's savings accounts.

Let's say Mary fails to pay her loan back with the credit union. It is not really the credit union that will be losing that money. It is Mary's neighbor and cousin who will lose the money they took so long to save.

Even though their money is insured by the NCUA, credit unions have to put safeguards in place to protect the money

So remember, when you borrow and pay back loans with the credit union, you are really borrowing from, and paying back your neighbors,

### Did You Know?

*Pennies buried in a garden will repel slugs, which get electric shocks from touching copper and zinc.*

## Who We Are

### BOARD OF DIRECTORS

- ⊙ Natani Laws, Chair
- ⊙ Randy Pemberton, Vice Chair
- ⊙ LaNell Stringham, Secretary
- ⊙ Joseph Mitchell, Supervisory Committee Chair
- ⊙ Jamie Harvey, Director

### SUPERVISORY COMMITTEE

- ⊙ Beth Millward, Chairman
- ⊙ Norman Johnson, Member
- ⊙ Kay Lynn Black, Member
- ⊙ George Matocha, Member

### SJCU EMPLOYEES

- ⊙ Sherrie Patterson, President/CEO
- ⊙ Leah Lyman, Vice President
- Tranner Sharpe, CFO/Collections Officer
- ⊙ Sonya Perkins, Operations Manager
- ⊙ Denise Bradford, Monticello Branch Manager
- ⊙ Herschel Bennett, Loan Officer
- ⊙ Penny Gough, Electronic Services
- ⊙ Tonya Bennett, Records/Title Clerk
- ⊙ Sara Laws, Teller
- ⊙ Menvalia Redhorse, Teller
- ⊙ Melissa Shelton, Monticello Teller

### MEMBERS

- ⊙ You
- ⊙ Current Members
- ⊙ Future Members

Membership is open to anyone who meets one of these qualifiers:

- ⊙ Lives, works, or worships in San Juan County, Utah
- ⊙ Has an immediate family member who is already a member of SJCU

## **2016 Employees of the Month**

*The employee of the month is chosen by their coworkers, and is an employee who was observed to go above and beyond to help their fellow employees and the members.*

*Congratulations to all who were chosen for 2016!*

### January

Herschel Bennett

### May

Tonya Bennett

### September

Menvalia Redhorse

### February

Sara Laws

### June

Tonya Bennett

### October

Tranner Sharpe

### March

Penny Gough

### July

Denise Bradford  
& Menvalia Redhorse

### November

Tonya Bennett

### April

Sonya Perkins

### August

Melissa Shelton

### December

Menvalia Redhorse