



VIEWPOINT

A Newsletter for Members of
Sharonview Federal Credit Union
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CEO'S CORNER

What I Wish I'd Learned In School

Bill Partin • President & CEO

Follow Bill on LinkedIn to receive his take on relevant financial topics!

Every September when students are back in class, I think of my own school days. Learning how to communicate, understanding history and social science, knowing some basic math – all are essential. But I'm not sure how much I use, say, trigonometry. Here's my "listicle" of What I Wish I'd Learned in School.

Applying For Credit And Using It Wisely

We often hear that we should strive to pay cash for everything, but that's just not true for most of us. It's important to establish credit – and you do that by getting a credit card, using it wisely and paying it off every month. When you apply for a mortgage that first time, you'll be glad you have a good credit history. It literally saves you money. (See FICO score.)

I've said it before, and it bears repeating: You don't need six credit cards; you need one, two at the most – a good rewards card and maybe a card with a good interest rate. If you need a little help getting the hang of using credit, check out a savings-secured credit card. It's a credit card with training wheels. It teaches you to have financial discipline. Here's how it works: You put maybe \$500 of your money on the card. You can make small purchases against that \$500, and once you've spent that \$500, the card won't work. You've got a backstop. Having the card allows you to start building credit.

Budgeting

Know what's coming in and what's going out. It's income minus expenses. It really is that simple. You can use an app or Excel or you can keep it old school and use pen and paper.

FICO Score

The name comes from the Fair Isaac Corp., which introduced the rating in 1989. It means the same thing as "credit score," and the terms can be used interchangeably. Most FICO scores are between 300 to 850. The higher the score, the better your credit. FICO scores come into play when you apply for a loan or a credit card. The three credit bureaus that calculate and create credit reports – Equifax, Experian and TransUnion – have slightly different data. Your score

can vary depending on which bureau's data was used. A good FICO score is generally anything above 690. But every lender and credit card issuer can decide what score they require to qualify you for a particular line of credit. If your credit score is deemed too low, you can be denied a loan. Or, a lender might approve your loan application but charge you a higher interest rate.

Insurance

It's a fact of life – at least in the U.S. You need health insurance, car insurance, homeowners' insurance. When you buy a home or car, you have to have proof of insurance.

For an auto policy, the state requires you to have collision insurance at a minimum. But there's something called comprehensive coverage that offers even more protection. You'll need to know the benefits and costs of both.

Filing Taxes

You know the saying – the only two guarantees in life are death and taxes. It's an annual ritual, and there's no way of avoiding it. If you have a simple tax return and are using the 1040, you can use TurboTax or other software to file. More complicated returns might be handled by a tax preparer like H&R Block or a CPA.

We think of early April as "tax season," but planning for tax season happens all year long. And it starts on your first day at a new company when you complete the W-4.

Higher Education

My parents put a big emphasis on education. I knew I was destined for college because my mom and dad wouldn't have it any other way. But college can be expensive.

Community colleges are a great value, but if you choose to go to a state or private school, you may need a loan. Working for a company that offers tuition reimbursement, as I did, is a great way to start earning money while working toward a degree. But even in college, you may not find a personal finance class. If you didn't learn about personal finance in school (and it really should be a required class) take some time to educate yourself now. Your future self will thank you.

Sharonview Cares in the Community

The ongoing COVID-19 pandemic has made it challenging to engage with our community safely in person. While we can't be together in person, we're so thankful for technology! We have been so happy to meet and have virtual check presentations to support our community partners this year.

Habitat for Humanity of Greenville

We were happy to meet with Habitat for Humanity of Greenville County virtually to present them with \$2,500. We're proud to support their mission of bringing people together to build homes, community and hope!



Classroom Central

We were thrilled to make a donation to Classroom Central. Classroom Central equips students in need to effectively learn by collecting and distributing free school supplies to their teachers. They serve teachers and students in nearly 200 schools across six school districts in the Charlotte region.



Nourish NC

We donated \$2,000 to Nourish NC. Their mission is to provide hungry children with healthy food and to empower them to succeed in the classroom and the community. We are proud to be their community partner!



Harvest Hope Food Bank

We donated \$2,500 that will provide 12,500 meals to the community in Florence and Greenville, South Carolina. We're proud to support this wonderful organization!



Pineville Neighbors Place

We were proud to donate \$1,500 to Pineville Neighbors Place. Their mission is to connect our neighbors affected by poverty and homelessness to available services, empower our neighbors to make life sustaining choices and unify the community of Pineville.



Upstate Fatherhood Coalition

The Upstate Fatherhood Coalition in South Carolina offers education and services to fathers in our community who are working to rebuild their lives and their families. We look forward to providing financial education via our virtual workshop series.



Charlotte Family Housing

Sharonview was honored to make a donation to Charlotte Family Housing. The mission of this organization is to empower working families experiencing homelessness to achieve life-long self-sufficiency through shelter, housing, supportive services and advocacy.

We appreciate the work each of these groups do in our communities and look forward to our continued partnership with each of these extraordinary organizations.

BUYING A HOUSE IN 2021: WHAT TO EXPECT

Mortgage rates may creep up before the end of the year, and home prices are expected to climb at a slower pace than in the first half of 2021.



Buying a house is like playing a complicated sport. You need to know the rules and get in shape before hitting the field, and then nimbly maneuver through challenges to win the game. In 2021, “winning” requires understanding how you stack up against lender qualifications and preparing to compete with other buyers in a hot real estate market. Here's what buying a house in 2021 looks like and how to prepare.

More Buyers Than Homes For Sale

If you find a reasonably priced house in good condition, you probably won't be the only one making an offer — even if it just hit the market. A home sold in June had more than four offers, on average, and 55% of offers were above the listing price, according to a National Association of Realtors survey of its members. Homes are selling fast. In the first part of 2021, most existing homes sold in less than a month, and this trend continued in May and June, when they typically sold in just 17 days, according to the NAR. “Existing homes” are those that aren't newly constructed. Flexibility is important, and you may have to make some concessions to make your offer stand out. For example, if you're buying and selling a home at the same time, it'll be tough to beat other buyers if you make an offer contingent on the sale of your current home. On the other hand, understand the risks of any concessions you offer, and don't make any that you can't afford. Talk to your real estate agent to understand your local market and how to make a strong offer.

Home Prices Continue To Rise

Home prices zoomed up in the first half of the year

across the country and will continue to rise, but probably not as quickly as they increased in the spring. The median existing home sales price was \$363,300 in June, a 23.4% jump from June 2020, according to the National Association of Realtors. NAR chief economist Lawrence Yun said in July that he expects the pace of price increases to slow by the end of the year. CoreLogic,

a property data provider, also foresees a slowdown in price gains. The August CoreLogic Home Price Insights report predicted home prices will increase 3.2% from June 2021 to June 2022.

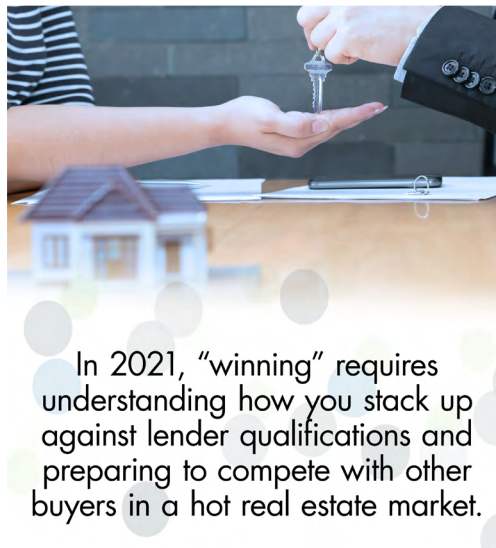
Mortgage Rates Expected To Increase

Mortgage rates remain low, but are expected to inch up by the end of the year. The 30-year fixed-rate mortgage is projected to average 3.3% in the fourth quarter of 2021, up from an average of 3% in the second quarter, according to a NerdWallet analysis of the latest forecasts by Fannie Mae, Freddie

Mac, the National Association of Realtors and the Mortgage Bankers Association. Even though rates are generally low, it's still important to shop around for a mortgage. The rate you're offered will depend on the lender and your financial circumstances. Contact multiple lenders to compare mortgage rates and fees, and choose the best deal you're offered.

Digital Tools Make Buying A Home Easier

Virtual home tours, e-closings, smaller open houses and video calls have helped keep business going while keeping people safe during the COVID-19 pandemic. These online tools will continue to ease the homebuying process even after the pandemic.



In 2021, “winning” requires understanding how you stack up against lender qualifications and preparing to compete with other buyers in a hot real estate market.

Lender Shopping Remains Critical

Shopping for a home before shopping for a lender is a common home buyer mistake. Get your finances in order and shop for a lender before allowing yourself to look at homes. Prior to applying for a mortgage, check your credit reports and dispute any mistakes you see, and find out your credit score.

To get preapproved, be prepared to provide details about your income, debt, employment and financial accounts. A mortgage preapproval is an offer by a lender to loan you a certain amount under specific terms. It's not a guarantee for a final loan approval, but it will show real estate agents and sellers that you're a serious buyer. Combined with your household budget, knowing the amount you're qualified to borrow is essential for knowing how much house you can afford.

Credit Requirements Still Tight

The credit score needed to buy a house depends on the type of mortgage and the lender. Some lenders tightened their credit score and other requirements amid the economic fallout from the pandemic. Overall credit availability decreased in June to its lowest level since September 2020, after increasing for several months, according to the Mortgage Bankers Association. Lower credit availability means it's tougher to qualify for a loan.

Down Payment Requirements Vary

Down payment requirements vary by the type of mortgage and the lender, but could be as low as 3% for some conventional loans. But putting down more than the required amount has advantages, especially in today's market. A higher down payment may give sellers more confidence that your loan will close, which may increase the chances of getting an offer accepted. Putting more money down will also help you qualify for a lower mortgage rate and will decrease your monthly payment.

Barbara Marquand • Aug 6, 2021 © 2021 NerdWallet

Dates to Remember:

International Credit Union Day

Thursday, October 21, 2021

Branches and Corporate Office Closed:

Columbus Day

Monday, October 11, 2021

Veterans Day

Thursday, November 11, 2021

Thanksgiving Holiday

Thursday, November 25, 2021

&

Friday, November 26, 2021

Christmas Day (Observed)

Friday, December 24, 2021

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Ask a Travel Nerd: Is It Time to Book Holiday Travel Yet?

Despite ongoing uncertainty caused by the pandemic, it still makes sense to book your holiday travel early.

This was supposed to be the “summer of freedom,” as “fully vaccinated people would be shedding their masks and greeting one another with a smile,” according to President Joe Biden in a June address. But with the return of mask mandates in many parts of the U.S., that summer of freedom melted faster than an ice cream cone on a sweltering afternoon. Considering you may be unsure when your office will reopen or when you can resume mask-less squats in the gym, you may not be thinking about winter holiday travel just yet. At this point, it might feel like even Santa couldn’t muster up enough cheer to get excited about 2021 holiday travel. So should you make winter holiday travel plans yet? Here’s what to consider when deciding whether to make travel arrangements:

In Economy Class, Last-Minute Travel Is More Expensive Than Booking In Advance

A spring 2021 NerdWallet analysis of over 1,110 airfares found that for economy class airfares, booking 180 days out is cheaper than booking 15 days out. Data was based on information from 15 different airlines, included both economy and business class and had a range of routes, including international trips.

Booking Window	Average Economy Class Cash Airfare
15 Days Out	\$576.51
180 Days Out	\$464.77

Fares averaged 24% more expensive when booked two weeks out versus six months out. So, if you’re thinking you might travel during the winter months, start looking at prices now as they’re likely to only increase.

Holiday Travel Is Generally The Most Expensive, No Matter What

The analysis also took a look at flights booked for the peak winter holiday travel season (with departure dates of Dec. 22 and return dates of Dec. 29). Unsurprisingly, fares averaged most expensive for holiday travel. When booking economy class travel for those specific dates, the average price was \$655.32. Routes booked for the holiday season averaged 41% more expensive than routes booked roughly six months out during the

standard season. There’s not much you can do about this reality other than be prepared so you’re not hit with sticker shock.

Should you book winter holiday travel now?

As far as costs go, it’s generally cheaper to book in advance instead of waiting until the last minute. But in the frazzled year of 2021, cost shouldn’t be the only factor when deciding whether to make holiday travel plans. Here are some additional factors to consider:

Reasons To Wait

The COVID-19 outlook and safety rules keep changing

Among the biggest burns of summer 2021 was the realization that you shouldn’t have thrown out your masks. Mask rules are back in many tourist hot spots, including Walt Disney World and Las Vegas. You might not want to head to Sin City if you need a mask the whole time you’re in the casino. Other places are undergoing debates about requiring proof of vaccination, which may sway your decision to travel there. Additionally, as cases rise in some parts of the country, you may be less inclined to travel. It can be disappointing (not to mention a waste of time) to book a trip that you ultimately opt out of. Consider whether the ever-changing safety rules and potential for rising case rates could influence your desire to travel.

It’s unclear what international restrictions will look like

While domestic rules incessantly change, international travel restrictions can be even more opaque. Some countries, including England and Canada, have recently made it easier to enter if you’re vaccinated. In 2021, you might find it appealing to stray far from home for the holidays, especially if you otherwise haven’t left the country in more than a year. Whether international travel restrictions ease up or get tighter could affect your travel plans, so you might want to hold out for more clarity before deciding where to spend the holidays.

Reasons To Wait

Competition for reservations may be higher than usual

According to the Transportation Security Administration, there were 18 days in July 2021 when travel numbers surpassed 2 million people per day. To put that figure into perspective, no

days surpassed the 2 million threshold for the first five months of 2021 combined, and 10 days in June. Clearly, the desire for air travel is rapidly increasing, yet airlines are struggling to keep up. Flight cancellations have become frequent, and some airport counters have devolved into scenes of havoc. The situation has gotten so rough for consumers that it prompted the U.S. Senate to investigate how airlines dealt with workforce shortages, why that led to cancellations and delays, and how they handled passenger frustrations. The holiday season could be worse as people seek to make up for last year's missed holiday travel. You might want to book now to secure a reservation given the high demand and short supply.

Cancellation And Change Policies Are Still Pretty Good

Change and cancellation policies are pretty good these days, making it relatively easy to secure reservations now and cancel if things go south closer to the holidays. During the pandemic, most major airlines removed change fees from most fares indefinitely (basic economy is usually excluded). That means you can typically change your flight with no extra charge, aside from a fare difference if you change your ticket to a more expensive one. The policy isn't quite as good as a full refund, but you won't have to eat the cost should you cancel — you can just apply it to another trip down the road. Car rental cancellations are almost always fully refundable, and hotel cancellations are often fully refundable if made more than 24 hours before check-in. Of course, policies vary by company and sometimes even by individual reservation, so read the fine print before booking.

The Bottom Line

At this point, you might feel like the COVID-19 Grinch is ready to steal a second holiday season in a row. But realize that reservations might book up, or at least quickly get expensive. At least consider booking holiday travel now, or otherwise you could find yourself left out in the cold.

Sally French ♦ September 8, 2021 © 2021 NerdWallet

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Branch Locations

South Carolina

Bluffton

3 Clark Summit Drive

Florence

1921 West Palmetto Street

Greenville West End

712 South Main Street, Suite A

Hilton Head

1036 William Hilton Parkway

RedStone

9695 RedStone Drive Suite 100

Simpsonville

710 Fairview Road

Spartanburg

1855 East Main Street, Suite 7

Wade Hampton

1324 West Wade Hampton Boulevard

North Carolina

Bladen County

16616 US 87W

Carmel

7422 Carmel Executive Park, Suite 100

Fayetteville

2844 Freedom Parkway Drive, Suite 2

Gaston

2508 East Franklin Boulevard

Park Rd.

4418 Park Road

Rea Farms

9825 Sandy Rock Place, Suite B

Salisbury

403 North Main Street

Shelby

1108 East Dixon Boulevard, Suite 2

Steele Creek

10922 South Tryon Street, Suite A

Wilmington

3212 Oleander Drive

University

8944 JM Keynes Drive, Suite 320

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FIVE STEPS TO PREPARE FOR A BIG PURCHASE

By GreenPath Financial Wellness



As we approach National Financial Awareness Day on August 14, it's a good opportunity to remember that the way we handle our money is a key part of financial wellness. With COVID-related mortgage, rent, student loan and other relief programs ending, being financially aware is more important now than ever. Yet being financially aware goes well beyond managing everyday bills and expenses. To recognize National Financial Awareness Day, here are five signs that indicate you're on the path to becoming financially aware.

1. You Put Your Goals in Writing

People with written goals are more likely to achieve them. It entails envisioning what you see for yourself and then using that goal as the momentum to make it a reality. Financial goals can be both short-term and long-term. A short-term goal may be that you plan to pay off debt, whereas a long-term goal may be saving up enough money to buy a house. Financially aware people make sure to revisit their goals at least once every 3-4 months and make adjustments when needed.

2. You Use a Budget

Many people see budgeting as a distasteful duty. And it can seem that way if you are trying to correct years of financial problems in one day. But really a budget is just a financial blueprint that shows income and expenses on a monthly basis. For the financially aware, a budget helps people make informed decisions as to where your money goes.

3. You Build Emergency Funds

Having an emergency fund to manage unforeseen circumstances can mean the difference between a financial disaster and a minor setback. When you're financially aware, you plan for the unexpected. Depending upon your budget, you can determine a set amount to put into a savings account from each paycheck. Some financially aware people have their employer directly deposit part of their paycheck into a savings account. Over time, you can build a budget buffer.

4. You Work to Get a Handle on Debt

Debt is borrowing money you haven't earned yet. It is a useful way to manage finances provided you have a plan to pay off your balances. When you are financially aware, you obtain low interest loans to acquire an asset or improvement - like a house, car, or student loan. You stay current with high interest credit cards that can become difficult to pay back if your financial circumstances change unexpectedly. Depending upon your situation, there may be options to get out of debt more quickly. Financially aware people might consider a debt management plan to get a handle on any outstanding debt.

5. You Check Your Credit History and Score

One in three Americans has never checked their credit history, according to a Bankrate study. Financially aware people keep tabs on credit history, which is used to calculate your credit scores -- those three-digit numbers that help determine whether lenders approve you for new credit and what interest rates will be offered to you. Annualcreditreport.com is a "one stop shop" to check your reports from Experian, Equifax, and TransUnion -- the three industry standard credit bureaus. The Financial Experts at GreenPath can review your credit history with you and guide you through the steps that you can take to build your credit score.

Build Your Financial Awareness

Financial awareness starts with information, and we all make the best decisions we can with the resources we have available to us.

Through our partnership, we encourage you to connect with a caring, trusted and certified financial counselor to get information to build your financial awareness.

As you travel along your financial journey, take advantage of financial counseling and guidance provided by the trusted national nonprofit GreenPath Financial Wellness. Call **1.888.776.6735** or visit **greenpathref.com**.