

January 2021 Issue

# Community News

## Carrying a Balance on Credit Cards - Good? Bad?

*Many credit cards are often an easy way to obtain a credit line and build credit. So, credit cards are considered a good tool for beginners to use when building their credit history.*

*If used responsibly, credit cards can be an important part of building a credit history. But unfortunately, many people struggle to pay off balances. Although carrying the balance isn't necessarily an issue, not paying it off every month may cause interest accrual that can make a balance more challenging to pay off. If you carry a credit card balance every month, understanding the effects can help you determine how to reduce your credit card debt.*

### Effect on Credit Score

Carrying a high balance on a credit card relative to its credit limit could lower your credit score because it increases the credit utilization ratio, or balance-to-limit ratio, which shows the amount of available credit a person has. Ideally, you want to keep your credit utilization ratio under 30%.

### Accrued Interest

Credit card users who don't pay off balances every month accrue interest based on the annual percentage rate specified in the credit card terms. Most credit cards charge compounding interest. Therefore, if you don't pay off the balance every month, interest continues to accumulate and is added on to the balance.

### Reducing Credit Card Debt

**BUDGET:** No matter how much credit card debt you have, you may want to start with revamping your budget. You'll want to make a list of your monthly expenses and income.

Once you have a list of the money you have coming in and going out, identify areas where you might be able to cut back on your spending habits and eliminate some unnecessary expenses. We offer a free credit report review. This is a perfect opportunity to analyze your current financial situation and find ways to save.

**BALANCE TRANSFER CARD:** The idea is to open a new credit card with an introductory interest rate that is significantly lower than your current credit card interest rate. This can allow you to pay off your credit card balance at a lower rate and save money on interest as long as you pay it off in the introductory time frame.

It's important to note that the low-interest rate on balance transfer credit cards is usually only offered for an introductory period, usually between 6 and 18 months. Once that period expires, the rates typically increase. You also need to account for a balance transfer fee—usually 3% to 5%. Our low rate credit card has a **0% introductory APR\*** on purchases and balance transfers for the first 15 months and only a 2.90% balance transfer fee. After that, the variable APR will be 8.15% - 21.00%\*\*

**EXTRA PAYMENTS:** If you don't want to open a new credit card, you can make extra payments to reduce interest costs. Again, credit card interest is calculated on the account's daily average balance. Even if you can only put a few extra dollars toward each payment, it can help minimize the interest cost.

**CONSOLIDATE DEBT:** If you have high-interest credit card debt, a debt consolidation loan can be an option worth considering. Consolidating all of your debts into a personal loan may help you streamline your finances. **Visit [westerlyccu.com/save](http://westerlyccu.com/save) and use our click-compare-save calculator to find ways to save!**

\*,\*\*An introductory Annual Percentage Rate (APR) of 0% as of 1/1/2021 will apply to purchases and balance transfers made through the first fifteen billing cycles of your account. After that, the variable APR will be 8.15% - 21.00%. This APR will vary with the market based on Wall Street Prime & credit worthiness. For more details about rates, fees, and other important cost information, a card application, Disclosure and Agreements, or to apply online, please visit [www.westerlyccu.com](http://www.westerlyccu.com). Offer may change at any time. Restrictions may apply. Article adapted from 'How to Start Budgeting Now for 2021'. 11.17.20 Gabrielle Olya, [gobankingrates.com](http://gobankingrates.com).



# WCCU Cares

about our members, their financial needs, and our community

## Teacher Grant Deadline is Jan 31st!

The WCCU Teacher Grant application deadline has been extended to Jan. 31, 2021. We will be awarding \$8,500 in grants, in values up to \$500, for the 2020/21 school year. WCCU Teacher Grants are available to local teachers, administrators, or staff from the following public-school districts: Chariho, Exeter-West Greenwich, Narragansett, North Stonington, South Kingstown, Stonington, & Westerly. Grant applications are available online.

## WCCU offers \$5,500 in Scholarships!

Westerly Community Credit Union will be awarding \$4,000 in scholarships to high school seniors graduating this school year. They are available to students attending college or a vocational program in the fall of 2021. We will be offering three college scholarships in the amount of \$1,000 each and two vocational scholarships in the amount of \$500 each. The deadline for these scholarships is March 12, 2021. We will also be sponsoring three high school applicants for consideration of a Cooperative Credit Union scholarship in the amount of \$1,500. The application and deadline for this scholarship will be made available in the coming months.

## WCCU Donates Toys to Benefit the Mini's Making a Difference Charity!

Thank you to all members & employees who donated!



## Did You Know?

We offer resources on our website to help you review your finances, determine what you need, how you can save and more. We have a calculator for your every need!

- Auto
- Credit Card
- Debt Consolidation
- Investment
- Loan
- Mortgage
- Personal Finance
- Retirement
- Savings
- Tax

Visit [westerlyccu.com/calculators](http://westerlyccu.com/calculators) to learn more or schedule an appointment with a Financial Services Officer to review your finances.

## We are Open and Here to Help

As a reminder, we are still open and here to help you! Due to the increase in statewide Coronavirus (COVID-19) cases, our **lobby is open by appointment only** to keep our members and staff healthy. We encourage you to use our other channels available when possible:

**eBanking:** Easily conduct your banking at HOME with WCCU's eBanking.

**Mobile App:** Download WCCU's Mobile App for your iPhone®, iPad® or Android™.

**Contact Center (401.596.7000):** Call and speak to a representative regarding loans, deposits, transfers, general questions, and more.

**Drive-thru windows:** Conduct banking such as check cashing, depositing, withdrawals and more.

**Night Deposit Box:** Located at every branch.

**ATMS and Credit Union Connection ATM Network**

## Dates to Remember

Friday, Jan. 1st: Closed for New Year's Day

Monday, Jan. 18th: Closed for Martin Luther King, Jr. Day

Monday, Feb. 15th: Closed for President's Day

Have a safe & happy holiday!



Helping Our Members Achieve Financial Success!

# Westerly Community Credit Union

Westerly ~ Richmond ~ Wakefield  
[www.westerlyccu.com](http://www.westerlyccu.com)  
401-596-7000

Insured by NCUA. WCCU NMLS ID#: 518892



A chance to be surprised, from WCCU Debit Mastercard®

Use your WCCU Debit MasterCard® on everyday purchases between 1/1/21 & 3/31/21 for a chance to win up to a **\$15,000 statement credit!**\*



\*NO PURCHASE NECESSARY. Void where prohibited. Existing Mastercard cardholders who are legal residents of the 50 U.S. or DC, and legal age of majority before 1/1/21. PIN-based debit, international & corporate transactions ineligible. Ends 3/31/21. Visit us online or ask a member service representative for Official Rules & complete details. Mastercard and the circles design are registered trademarks of Mastercard International Incorporated.