



# The CROSSINGS

The Newsletter of Cross Valley Federal Credit Union

April 2011



**Get creative this season with a Low Rate Home Equity Loan**

**Our Home Equity Loans feature:**

- ✓ No Closing Costs!
- ✓ Flexible Terms!
- ✓ Tax Deductible Interest!\*\*
- ✓ The Ability to Borrow Up to 80% of the Equity Available In Your Home!

Rates as low as **4.75% APR\***

For up to a 36 Month Term

**Apply Today!**

\*APR= Annual Percentage Rate. \$10,000 minimum loan amount, maximum loan amount \$200,000 new money. Rates shown are for qualified borrowers who meet certain credit criteria. Rates and terms subject to change without notice. Membership requirements apply. Other rates and terms available. Repayment in as many as 36 monthly payments of \$29.86 per \$1000 borrowed for rate shown above. \*\* Consult your tax advisor for tax-deductible eligibility. Contact credit union for full loan details. Offer valid through June 30, 2011. Notice to borrower: If you obtain this loan, Cross Valley Federal Credit Union, the lender, will have a mortgage on your home. You could lose your home and any money you put into it if you do not meet your obligations under the loan.

[www.crossvalleyfcu.org](http://www.crossvalleyfcu.org) (570)823-6836

CROSS VALLEY FEDERAL CREDIT UNION Equal Opportunity LENDER Member FDIC NCUA

## SPRING INTO SUMMER WITH A NEW VEHICLE

Setting your sights on a new vehicle for your summer road trips? Whether you're in the market for a new car or one that's just new to you, stop by.

With pre-approved financing from the Credit Union, you'll be in the best position to buy the vehicle that's right for you – not the one the dealer is trying to sell you. Those extra special dealer-financing offers are sometimes used to move slower selling models off the lot.

With a loan from your Credit Union, you have more choices. You're also able to consider purchasing a car from a private seller. Just make sure you review the service records and have the car checked out by a reliable mechanic.

Give us a call, a click with your mouse, or stop by today and let us help you spring into summer with a pre-approved vehicle loan.

## Priorities in Saving: KIDS' COLLEGE, OR MY RETIREMENT?

**Q:** I need to save for my kids' college, but also for my own retirement. Since you can only cut a paycheck so many ways, I need to start with one thing, and let the other wait. Should I save for college first, since my daughter will be starting college years before I retire?

**A:** It's a good question. We all want to put our kids first, but the earlier you start saving for retirement, the better. And having put your own need for a good night's sleep on hold for your newborn, giving up many of your 'druthers' during their toddler years, and possibly putting your own career or other dreams on hold to raise your child, it seems natural to put your child's needs first again by saving for college and forgoing your retirement savings for now.

Don't do it - For one thing, your child can get student loans, work their way through college, or get scholarships and/or grants. None of that can be said for your retirement. Many people have put themselves through college, and came out stronger because they did. But reaching your retirement underfunded is not a good idea. Not only will it leave you in a vulnerable position, it'll put a financial pressure on your child, possibly at a time that he's just starting to build a family of his own.

So, for the good of both you and your child, start saving for your own retirement. As his college years approach, you'll be able to see how--and if--you'll be able to help finance his education.

SCOTTIE SAVERS

SAVE FOR A SUNNY DAY

## Coloring Contest!

Scottie Savers stop by any Cross Valley branch location throughout the months of May and June to pick up your Scottie Saver Coloring Page.

Color it in and return it to our Main Office, 640 Baltimore Drive, WB by Friday, July 1st and you could win a

**\$25 Gift Certificate to Toys R Us &**

have your artwork featured on

**Youth Day 2011**

posters announcing the event.

**Not yet a Scottie Saver?** Call today to learn more about this financial program for children and about Youth Day 2011 - Saturday, August 6, 2011!

No purchase necessary to win. Winners will be randomly selected Friday, July 8, 2011 and notified by phone. You need not be present to win.

## Mark Your Calendar!

**WALK TEAMS NEEDED!!!**

2011 FIGHT FOR AIR WALK

AMERICAN LUNG ASSOCIATION

**Start Your Walk Team Today!**

**Friends, Family Members and Co-Workers**

**Make Great Teammates!**

For More Information Contact Colleen or Jill at (570) 823-6836.

**Saturday, June 4, 2011**

9 AM - Registration

10 AM - Walk Begins

Kings' College

Betzler Fields, WB

(just off the Rt. 81 Arena Exit)

**WALK TEAMS NEEDED!!!**

# What Settling a Debt Can Mean at Tax Time

It almost seems too easy. Settle your debt; the TV ad goes, for 'pennies on the dollar'. It isn't bankruptcy, so you're not looking at 7 years of bad luck. What the ads don't tell you, though, is that a settlement will show up on your credit report, possibly bringing your credit score down.

However, there's another issue to be aware of when considering a debt settlement. As far as the IRS is concerned, anytime you've been forgiven for more than \$600 of debt, the money you no longer owe is considered income.

And income is, of course, taxable.

So, say you have \$20,000 worth of debt. You're able to negotiate with the creditor for a payment of \$8,000 instead of the full amount and wipe the debt clean. **SWEET!**

Except now there's a mark on your credit report. And you also owe taxes for \$12,000 worth of income.

How will the IRS know? Well, the creditor will provide you with a 1099-C tax form. So, it is official, and you owe taxes on the forgiven debt because you borrowed the money at one point and didn't repay it. Looking at it from the IRS's perspective, you've just earned money. And, yeah, the IRS wants a slice.

But there are exceptions. When your debts are greater than your assets (for example, you owe \$50,000 and your assets are \$30,000), the IRS will usually waive the tax liability for any forgiven debt that makes up the difference. In this case, if your debts are \$20,000 more than your assets, you can show "income" of up to \$20,000 through a debt settlement without having to worry about paying taxes on the money you didn't repay. Just make sure you file Form 982 with your taxes in the year that you received a debt settlement.

Before agreeing to a settlement, or actively looking for one, speak to your tax advisor and find out how it will affect you in the long run.

## The Perfect Gift!

## VISA GIFT CARDS AVAILABLE AT YOUR CREDIT UNION!



Designs may vary per location. Click here for details.

\*There is a \$1.50 processing fee for CVFCU members who have direct deposit of net payroll or retirement check or who have a combined balance over \$1,000.00 in their shares and loans. The processing fee for members not meeting this requirement will be a \$3.00 charge. For non-members the processing fee is \$3.95. Cards are available for use 24 hours after purchase. Please be sure to check your card's expiration date. Except where prohibited by law, this Card is valid through the expiration date shown on the front of the card or until the Card reaches zero. You will lose any balance on the expiration date. A monthly fee of \$5 will be deducted from the balance of the card on the 13th month, following 12 months of non-usage. This will occur until transactions resume. Lost or stolen card(s) applies to the U.S. issued cards only. Visa's Zero Liability Policy does not apply to commercial credit card or ATM transactions, or PIN transactions not processed by Visa. There is a \$10.00 replacement fee for lost or stolen cards. All sales are final. Contact your credit union immediately of any fraudulent use. For specific restrictions, limitations and other details, see cardholder agreement or www.visa.com/security. \*\*Gift cards may be used at locations accepting VISA with the exceptions of car rentals, hotel reservations, gasoline purchased at the pump and ATM withdrawals. Contact credit union for full details.