

January 2023

Ready, Set, Reset!



Unsecured debts, such as credit cards and personal lines of credit, can be financially consuming and overwhelming. If you are struggling to make headway on paying off this type of debt, it may be time to consider a Debt Consolidation Loan or a Balance Transfer with Connects FCU.

How it works:

- Simply bring us your high-rate loan and credit card balances.
- We'll help you determine which debt consolidation tool is right for you.
- Start making one monthly payment instead of multiple payments to multiple lenders and creditors!

To learn more about the possibilities of consolidating your debt, give us a call at 804.756.5000.



DAYLIGHT SAVING TIME REMINDER

Daylight Savings Time begins Sunday, March 12 at 2:00 a.m. Remember to set your clocks **ahead one hour** before you go to bed Saturday night.

What Will It Be For 2023?

Whether there's a new home or new car on your horizon, a family vacation or a family addition, Connects Federal Credit Union is here to partner with you in your plans for 2023. With a wide variety of loan options to choose from, we've got something for just about anything you may have planned.

Auto Loans
Personal Loans
Home Loans
Credit Union Credit Cards
And More!



Best of all, you can count on us to provide the best rates possible, most convenient terms available, and friendliest service in town. Simply stop by the Credit Union to learn more or visit www.connectsfcu.org to see what's available to you today.

Myths About Home Buying

If you've been hesitating to make the leap into homeownership because of rumors you've heard in the past, it's time to double check those reports and separate the facts from the myths.



Myth #1 – I can't afford a home right now.

The majority of renters consider affordability to be the biggest hurdle to homebuying with the biggest misconception being that they need a 20% down payment to qualify for financing. In reality, there are plenty of mortgages available with as little as 5% down.

Myth #2 – My credit isn't good enough to qualify for a mortgage.

While "very good" credit certainly makes it easier to acquire credit at the best rates, a lower credit doesn't equate to a deal breaker. If you're not sure where your credit stands, visit www.annualcreditreport.org to request a free copy of your credit report and find out how your credit is looking.

Myth #3 – Now isn't a good time to buy a home.

It's true that interest rates are higher than they have been in recent years, which has forced many house shoppers into a lower spending threshold when house shopping. The good news is that the housing market has reciprocated by cooling off, quite considerably compared to just a couple years ago, allowing shoppers more options in a lower price range.

Myth #4 – Renting is cheaper than buying.

This is an age-old myth that continues to live on (and on), yet the reality is that there are certain markets in which it can actually cost more to rent than to buy. While it's true there are more upfront costs in purchasing a home, the investment of purchasing a home can far outweigh the cost of continuing to rent.

CALL FOR NOMINATIONS FOR BOARD OF DIRECTORS

3 Positions

This is official notification to all eligible voting members that nominations for vacancies for the Board of Directors may be submitted to the Secretary of the Credit Union by petition signed by at least 145 members. Please accompany the petition with a brief statement from the nominee or nominees stating that they are agreeable to a nomination and will serve if elected to office.

Send nominations to:
Jan Belote, Secretary of Connects FCU
7700 Shrader Road, Richmond, VA 23228

Please send nominations to the address below. Deadline for receiving nominations will be March 3, 2023. The Secretary of the Credit Union will forward such nominations to the Nominating Committee. If there is only one nominee for each position to be filled, elections will not be conducted by ballot and there will be no nominations from the floor.





TAX PLANNING TIPS

- **File on time.** The IRS tax filing deadline is Tuesday, April 18, 2023.
- **Finish your 2022 IRS contributions.** You have until Tuesday, April 18, 2023 to make 2022 contributions.
- **Watch the mail for your credit union tax forms.** We will soon be mailing out Forms 1099 and 1098, which report dividend and interest information. If you receive these forms, be sure to save them for your tax preparation.
- **Request Direct Deposit.** Complete the Direct Deposit line on your tax form to receive your tax refund in as little as 10 day. Be sure to include our routing number (251082149) and your Connects FCU account number.
- **Ask about a Tax Loan.** If you find yourself owing taxes, stop by the Credit Union to learn more about our special low-rate Tax Loan.

HOLIDAY CLOSINGS

Martin Luther King Day

Monday, January 16

Presidents' Day

Monday, February 20

Key Tax Benefit Changes for 2022 Taxes

Here's What You Need to Know

The American Rescue Plan, signed into law on March 11, 2021, was designed to provide financial relief for millions of Americans during the hardships of 2021. However, the expanded tax benefits that families could claim on their 2021 taxes will either revert to what they were prior to the American Rescue Plan or will expire. Find out what that means for you and your 2022 taxes below.

Child Tax Credit

- Reverts to up to \$2,000 for 2022-2025
- Each dependent child must be under age 17
- Refundable up to \$1,400, but no longer fully refundable
- Advance payments were not issued for tax year 2022
- The credit is available if you earn up to \$200,000 as single taxpayer or head of household (or up to \$400,000 if you are a married couple filing jointly)

Earned Income Tax Credit

- Age requirements revert. Taxpayers with no kids must be 25 or under 65 to claim the credit
- Previous year income cannot be used to help you qualify for Earned Income Tax Credit
- The amount of Earned Income Tax Credit is adjusted for inflation every year and will be up to \$6,935 with three or more kids in tax year 2022 (\$6,728 for tax year 2021)

Child and Dependant Care Credit

- Up to 35% of \$3,000 (\$1,500) of childcare expenses for a dependent child under 13, an incapacitated spouse or parent, or another dependent so that you can work or look for work. If you have two or more dependents, the credit will be up to 35% of \$6,000 in expenses (\$2,000)
- The credit will be reduced at incomes over \$15,000

Recovery Rebate Credit

- This credit expires after tax year 2021

Sick and Family Leave Credits for Self-Employed

- This credit expires after tax year 2021

Charitable Contribution Deduction

- You can no longer claim the deduction for cash donations up to \$300 (\$600 married filing jointly) if you claim the standard deduction for 2022. However, if you choose to itemize your deductions, you will still be able to claim your charitable deductions

STRENGTHEN YOUR FINANCIAL FOUNDATION

Building your finances is a lot like building a house. If you don't start with the right foundation, your home will start to crumble at the first sign of stress. So, where does the foundation of financial stability begin? It begins with savings. Having emergency savings tucked away will help you keep the rest of your finances on track when life happens (and it will).

Getting started is easy. Simply visit us online at www.connectsfcu.org to learn more about each of our savings account options. If you're not sure which one is right for you, just give us a call and we'll be happy to help.

Choose from:

- Savings Accounts
- Money Markets
- CDs
- IRAs
- Youth Savings

www.connectsfcu.org

804.756.5000 | 800.833.5200 | FAX 804.756.5005



HENRICO/WEST-END

7700 Shrader Rd.
Richmond, VA 23228

HANOVER/MECHANICSVILLE

9280 Chamberlayne Rd., Suite 100
Mechanicsville, VA 23116

CHESTERFIELD

9960 Midlothian Turnpike
North Chesterfield, VA 23235



This credit union is federally insured by the National Credit Union Administration.

Connects Federal Credit Union, a member-owned financial cooperative exists to provide professional, economical and convenient quality services while maintaining financial stability. In order to be the primary financial source, we will safeguard member assets with continued growth to meet member needs.

© 2022 CONNECTS FEDERAL CREDIT UNION. All rights reserved.