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# MONEY *Matters*



## **Study: Auto Loan Markups Cost \$25.8 Billion**

Consumers financing a new or used vehicle through a dealership will drive off the lot and pay more than \$25.8 billion in hidden interest-rate markups over the lives of their loans, according to a study by Washington based Center for Responsible Lending (CRL).

Your out-of-pocket cost is significant, averaging \$714 per consumer, with an average rate markup of 2.47 percentage points. States with the highest markup costs are California (\$2.6 billion), Texas (\$2.2 billion), New York (\$1.6 billion), Florida (\$1.5 billion), and Pennsylvania (\$1.2 billion), with Alaska having the lowest (\$54 million).

Also known as “dealer reserve” or “dealer participation,” hidden interest-rate markups are described by dealers as their compensation for the time they spend putting a financing deal together. It’s considered “hidden” because consumers usually don’t know what interest rate they actually qualify for.

The Consumer Federation of America, National Association of Consumer Advocates, and CRL offer these suggestions:

- \* Run your credit report. Do this before you visit the dealership. Visit [annualcreditreport.com](http://annualcreditreport.com) or call 877-322-8228. Get one free report a year from Experian, Equifax, and TransUnion.
- \* Buy your credit score. Order one individual score (FICO Standard) directly from FICO for \$15.95 at [myfico.com/Products/Products.aspx](http://myfico.com/Products/Products.aspx). Here’s a tip: If your score is low, take steps to improve it before you apply for a loan.
- \* Be skeptical of ads for “0%” loans. You’ll likely be switched to a higher rate, or find it difficult to negotiate on the price of the vehicle.
- \* Research prices. Check price information at [Edmunds.com](http://Edmunds.com). For used cars, visit [kbb.com](http://kbb.com).



And the best tip of all: Line up financing at Germania Credit Union. Get prequalified for a loan before you shop for a vehicle. You don’t have to accept financing from a dealer; the sales and finance people may tell you they can provide the best financing, but kickbacks and markups add to the cost you’ll pay.

A Germania Credit Union loan officer can help you size up any financing offer and likely make you a better one. Stop in or call 800-392-2202 today to land your best car deal.



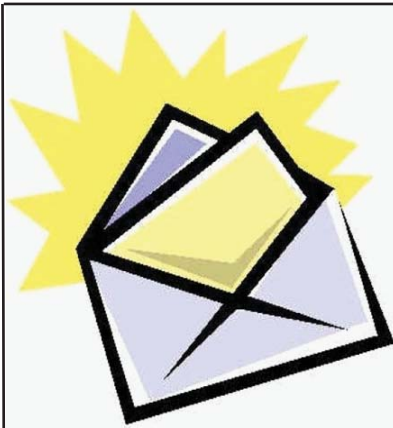
*The Twenty Sixth Annual Meeting of Germania Credit Union will be February 23, 2012 beginning at 6:00 p.m. at the Germania home office. Following the meeting, door prizes will be drawn and refreshments will be served. Our members are our strength, your participation assures that we will continue as a strong credit union with a bright future.*

## Board of Directors Names Nominating Committee

The following members were appointed by the Board of Directors to serve on the Nominating Committee at the Twenty Sixth Annual Meeting: Tina Mikeska, Donna Pellerin and Ted Duckworth.

The Nominating Committee is responsible for nominating at least one member for each vacancy on the Board of Directors, including any unexpired term, for which elections are to be held.

The Nominating Committee will place the names of the members they have selected into nomination before the membership at the annual meeting. They will advise the Chairman of the Board as to their selections no later than three days before the meeting so that ballots can be prepared.



If you move or change your address, don't forget to update your information with the Credit Union!

Also, you can send us your email address for added convenience.

## Statement Of Accounts To Be Mailed By Audit Committee

The Audit Committee of the Credit Union is required by law to audit credit union records periodically. As of December 31, 2011, the audit committee will be distributing or mailing statements of account on or about January 13, 2012. Your statement should contain a certification notice in the upper right corner. If you do not receive your statement of verification or your notice is missing, please contact the Audit Committee by writing:

Bill Boer, Audit Committee Chairman, P.O. Box 645, Brenham, TX 77834-0645 or by calling 979-836-5224.

## Office Hours:

Monday - Friday  
8:00 am - 5:00 pm  
(No transactions after 4:00 pm)

Germania will be closed  
Monday, January 2  
in observance of New Years Day.

## Current Rates:

Annual Percentage Yield (APY) for Regular Share Accounts is accurate as of 12-31-2011.

### Regular Share Account

Dividend Rate..... 0.10%  
APY ..... 0.10%

Contact the credit union for further information about applicable rates, fees and terms.

## Statistics:

(as of November 30, 2011)

Assets ..... \$11,190,046  
Shares ..... \$9,747,492  
Loans ..... \$7,054,817  
Members ..... 2458

## Board of Directors

Rick Blundell, Jr., Chairman  
Richard Gimmer, Vice Chairman  
Trey Hardy, Treasurer  
Sandy Wellbrock, Secretary  
William Boer  
Delbert Boeker  
Debby Nichols  
Howard Tomlinson  
Flinta Shipley

## Staff

C.W. Barker, President  
Janet Mantey  
Jo Lynne Goldberg  
Anna Hollingsworth  
Chelsea Lozano



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