

## What is an Adjustable Rate Mortgage?

If you are thinking about purchasing a home or refinancing one, you might want to also consider an adjustable rate mortgage, often referred to as an ARM.



**An ARM is a mortgage with an interest rate that may increase or decrease periodically.**

An adjustable rate mortgage has a fluctuating interest rate after the fixed rate period has expired. For example, a 7/1 ARM means that for the first seven years of your loan, the introductory rate will be fixed (that is the 7 in 7/1). After that, the interest rate can change every year (that is the 1 with rate change in 7/1).

The reason for the fluctuation is that the interest rate moves up or down along with the index it is tied to. The loan will identify which index the ARM follows as well as the rate cap. The rate cap is the amount by which rates and payments can change – this will protect you from steep year-to-year increases.

## So why consider an ARM over a fixed rate loan?

- 1** The fixed introductory rate is lower, so you can buy a more expensive home.
- 2** Will allow you to take advantage of falling rates without refinancing.
- 3** Cheaper for homeowners who don't plan on living in one place for very long. (Like first-time home buyers)
- 4** Most consumers refinance every 5 years, so it's better if you plan to move, remodel, retire, etc.

There are many ARM products to consider such as 3/1 ARMs, 5/1 ARMs, 7/1 ARMs, and 10/1 ARMs. There are even adjustables, like the 5/5 product, which adjusts every 5 years, with a 2% cap. A fixed rate loan, is one that never adjusts. Now that you know about the differences between an ARM and a fixed rate mortgage, you're better able to figure out which option works best for your situation.

**Call the Credit Union at (800) 231-1626 and we can help identify the best product to meet your needs.**

# Be Prepared with a Financial Disaster Recovery Kit

Disaster can strike at any time and with little notice. Do you have all of your financial documents prepared in case of an emergency? Here is a list of essential documents to help get you started:

- **Two years' tax returns as well as personal and business property tax statements**
- **Insurance policies such as homeowners, renters, automobile, life, and health**
- **Mortgage documents or rental agreements**
- **Certificates for stocks, bonds, and other investments**
- **Financial account numbers**
- **Credit card number(s)**

Keep these critical documents together, current, and stored in a water and fire resistant and/or safety deposit box. Having these ready will help keep you financially secure and stable during and after a disaster.

## Look Before You Swipe

ATM skimming is like identity theft for debit & credit cards. Criminals will place a device on an ATM or payment device that is disguised to look like it's a part of it. When you slide your card into a device that has a skimmer attached, it collects your card number from the magnetic strip and captures your PIN from the keypad or a small camera nearby. That information is used to create counterfeit cards. It's sneaky, but there are things you can do to be more observant. Before using an ATM or payment device, check for:



- **Tape and/or sticky glue residue on any part of the device**
- **Bulkiness on the card insert area or the PIN keypad**
- **Anything hanging from the device**

Current technology allows you to do your banking and bill paying on your mobile phone. Most smart phones are enabled to make deposits by taking photos of the front and back of a check and transferring the images and typed in amounts directly to your bank or credit union account. If you have never done so, download the [FireFirstCU App today.](#)

Turning your mobile phone into a digital wallet is the next step. Several apps are available for this. Digital Wallet® offers a secure and convenient way to make purchases using your mobile device. By linking your Firefighters First debit and credit cards to your mobile device, you have safe and reliable ways to make purchases at millions of US merchant locations that accept mobile payments. When you use this trusted solution, your payment information is never shared with merchants or stored on your device.

And finally, safeguard your Firefighters First debit and credit cards using the Card Valet® App - now with Touch ID. Card Valet® lets you decide when, where, and how your credit and debit cards are used. Custom notifications alert you to irregular activity, allowing you to stop fraud with the one touch on/off control.

Did you forget your card at the last place you visited? Just freeze the card until you can retrieve it. Turning your card on is just as simple. No need to replace your card.



# Check your FICO®! It's free.



As an additional benefit for our members, we offer a quarterly update on your FICO® score. As you know, this score is extremely important when applying for a mortgage or auto loan. The interest you will pay is based on how good your score is. So do remind yourself to maintain a good credit history and to keep a solid credit score. It is your credit batting average. The higher the score, the better. Between 69-719 is considered good, above 72 is great.

## ▶ **Member Quote**

*"Firefighters First Credit Union upholds and demonstrates the values and mission that is instilled in the fire service across the country. It is exciting and humbling to be a part of Firefighters First Credit Union."*  
- Ryan D.



## WHAT'S ON YOUR MIND?

## Investment Property Loans

If you have been thinking about starting a business for when that rainy day arrives, how about considering an investment property? Do you see yourself as a landlord?

If so, an investment property is an ideal way to supplement your income and build wealth. Firefighters First offers financing for 1-4 unit residential properties. Contact our Business Services for more information.



**FirefightersFirst**  
CREDIT UNION

*It's yours.*

**Fireline**

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(800) 231-1626 | [FirefightersFirstcu.org](http://FirefightersFirstcu.org)

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