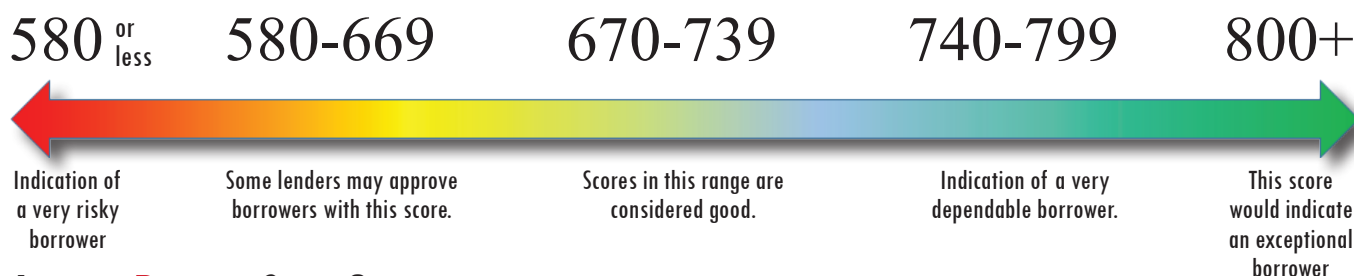


# Understanding & *Protecting* Your **Beacon** Score.

## What is a **Beacon** Score and Why is it important?

A Beacon Score ranges from 0 to 850 and is the number used by Equifax Credit Bureau to determine your credit-worthiness. This rating is based on your financial history and is used by all types of lending agencies to calculate the probability of you repaying a loan as well as determining the interest rate on the loan. Your score is important because it will assist in determining your eligibility to borrow on anything from a new car to a new home and it is one of the first numbers that a lender is going to look at. The higher your score is, the more opportunity you will have to borrow and possibly be eligible for a lower interest rate.



## How do I get a **Beacon** Score?

In order to develop your Beacon score you need to take out a lending product, such as loan, line of credit or a credit card. The activity of borrowing and making regular repayments will generate a Beacon Score. In the province of Manitoba, you need to be the contractual age of 18 to be eligible for a credit card. Those borrowers under the age of 18, looking for a loan product (for a vehicle or student loan) may be considered on approved credit and with a cosigner. Please sit down with your SVCU Financial Services Officer to find out if you are eligible.

## What factors affect my **Beacon** Score?

- 1. On-Time Payments** - Missing or late payments exceeding 30 days on your credit card or loans will drop your score. Always make your required payments, as this will continue to maintain your current Beacon Score.
- 2. Using all of your available credit** - Constantly maxing out your credit card or line of credit could lower your score, especially if coupled with only being able to make the minimum monthly payment. Leaving yourself available credit will help to keep your minimum monthly payment lower, give you room for emergency situations and be viewed as healthy borrowing activity by your card holder or credit reporting agency.
- 3. Credit Inquiries** - Any lender that runs a credit check to determine your eligibility for a new credit card, loan or line of credit could lower your Beacon Score. It is important to note that if you are rate shopping for a product (like a vehicle), applying for credit on multiple occasions may also lower your score. Depending on the product or item you are borrowing for, a pre-approval from SVCU could avoid multiple credit inquiries from outside financiers.
- 4. Length of Credit History** - The longer you have credit the more opportunity you have to increase your score. By managing your credit through different financial products and maintaining healthy repayment practices your score will continue to increase as the years progress.

## How do I *Protect* my **Beacon** Score?

The two most important things to manage are the amount of credit you are carrying and consistent repayment practices. Always ensure that your budget will allow you to carry your current credit or any new credit. Even if you have not maxed out your credit, could you withstand the total debt load if you had to? Will you be able to continue to make your minimum payments with an unexpected reduction in income? Planning ahead with an SVCU Financial Services Officer can help you determine what credit levels are best suited to your budget, helping you protect your Beacon Score for future borrowing.



**Jackie Lehmann**  
Financial Services Officer  
Tel. 204.734.6841



**Roxanne Schneider**  
Manager, Personal Financial Services  
Tel. 204.734.6837



**Melissa Sollis**  
Financial Services Officer  
Tel. 204.734.6820

*Personal Financial Services*

# What is happening in **Agriculture?** Lots!

Despite the seasonal aspect of agriculture, being a producer has become a 12 months of the year responsibility. Even though you have just put away the last of your equipment or sold your calves, we know you are already thinking about getting ready for "next year". Let us help you with those preparations by introducing you to two Ag programs designed to keep your operation sustainable and profitable.

## Concentra Leasing - Equipment, Shops and Bins.

Leasing options are a great opportunity for producers to take advantage of. It can provide accelerated tax benefits and is inflation friendly. It also allows you to try equipment out, keeping only what will be an investment in your operation. Fixed rate terms are a great feature at a time when interest rates are starting to change. Choose the shop or bin size that works best for your operation and work with Gwen or Nicole to set up the terms that suit your financial picture.

## 1% Ag Mortgage. *Go ahead, bet the farm on it!*

Program details: Available on new agricultural land purchases and agricultural mortgage transfers only. Promotional interest rate of 1% in effect for first 12 months. Minimum 5 year fixed term. Offer valid August 1, 2017 to January 31, 2018. Additional terms and conditions apply.

Let's talk numbers, what kind of an impact will 1% have on your investment?

OVER 12 MONTH "INITIAL RATE PERIOD"						OVER 25 YEAR AMORTIZATION	
MORTGAGE LOAN AMOUNT	INTEREST COSTS AT POSTED RATE (3.75%, 5 Year)	INTEREST COSTS AT PROMOTIONAL RATE	INTEREST SAVINGS YEAR 1	ENDING LOAN BALANCE AT POSTED RATES	ENDING LOAN BALANCE AT PROMOTIONAL RATE	LOAN PAID OFF SOONER BY (MONTHS)	AMOUNT SAVED IN PAYMENTS
\$ 100,000	\$ 3,727	\$ 991	\$ 2,736	\$ 97,528	\$ 94,793	12	\$ 6,198
\$ 200,000	\$ 7,454	\$ 1,982	\$ 5,472	\$ 195,057	\$ 189,585	12	\$ 12,397
\$ 300,000	\$ 11,181	\$ 2,974	\$ 8,207	\$ 292,585	\$ 284,380	12	\$ 18,594
\$ 400,000	\$ 14,908	\$ 3,965	\$ 10,943	\$ 390,114	\$ 379,171	12	\$ 24,794
\$ 500,000	\$ 18,635	\$ 4,956	\$ 13,679	\$ 487,643	\$ 473,964	12	\$ 30,992
\$ 600,000	\$ 22,362	\$ 5,947	\$ 16,415	\$ 585,171	\$ 568,757	12	\$ 37,190
\$ 700,000	\$ 26,090	\$ 6,939	\$ 19,151	\$ 682,699	\$ 664,009	12	\$ 42,930
\$ 800,000	\$ 29,816	\$ 7,930	\$ 21,886	\$ 780,228	\$ 758,342	12	\$ 49,588
\$ 900,000	\$ 33,543	\$ 8,921	\$ 24,622	\$ 877,756	\$ 853,134	12	\$ 55,787
\$ 1,000,000	\$ 37,270	\$ 9,912	\$ 27,358	\$ 975,285	\$ 947,926	12	\$ 61,986

These kind of savings puts cash back in your pocket and quickly builds equity in your operation.



**Gwen Colbert**  
Account Manager  
Tel. 204.734.6836

Gwen has been with SVCU for over 22 years. She has worked as an Member Services Representative & Financial Services Officer before moving into her role as Account Manager. Born & raised in the valley, Gwen's roots are in Agriculture and she has maintained that relationship professionally through her many roles within SVCU.



**Nicole Vestby**  
Account Manager  
Tel. 204.734.6823

Nicole returned to SVCU in 2016 after stepping away to complete her diploma of Business Administration Management. Starting as a Financial Services Officer, Nicole then accepted the role of Account Manager. Nicole's deep ties to our community come from a life raised volunteering and dedication to the economic development of our community.



# TDSR

## Get to know your number.

Next to your Beacon score, the most significant number that any lender will consider for borrowing purposes will be your TDSR. TDSR, stands for Total Debt Servicing Ratio and is calculated as follows:

### Part 1 - Household Income\*:

The first part of this calculation involves establishing your gross or before taxes monthly income, from all sources. This would include your employment income and any additional ongoing income that may be derived from rent, consulting or a second job. If you have a partner or spouse, you add both of your gross monthly income together.

### Part 2 - Household Debt\*:

For the second part you need to list of all your regular payments including, Mortgage or rent payments, property taxes if applicable, any home costs like heating or electricity. As well monthly credit card payments, vehicle payments and any other regular payments or obligations you have (ex. support payments)

\* The TDSR of self-employed borrowers is calculated differently, please contact SVCU for details.

Household Income - Monthly	
Gross/Before Taxes Employment Income (2015 Median Family Annual Income for Manitoba \$76,990*)	\$6,415.83
Additional Monthly Income from other Sources (Rental Properties/Sales from Services or Goods)	\$0.00
<b>Total Gross Monthly Income</b>	<b>\$6,416.83</b>
Household Debt - Monthly	
Mortgage Payment (\$190,000 Mortgage, 5 Year Term, 3.25% - Amortized 25 years )	\$925.90
Property Taxes (Estimated Property Taxes of \$3,000/year)	\$250.00
Hydro or Heating Costs (Estimated-Hydro \$200/Month)	\$200.00
Credit Card (Balance of \$1,500 - Monthly payment 3% of Balance \$45)	\$45.00
Furniture Store Card (Balance of \$2,500 - Monthly payment 3% of Balance \$75)	\$75.00
Car Loan (\$40,000, 0% financing for 7 years)	\$476.20
Additional Monthly Debt Payments - Support Payments (Spousal Support)	\$400.00
<b>Total Monthly Debt</b>	<b>\$2,372.10</b>
TDSR Calculation: 37%	
<b>(Total Monthly Debt \$2,372.10 divided by Total Gross Monthly Income \$6,416.83 = 37%)</b>	

\* <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil108a-eng.htm>  
<http://svc.mb.ca/calculators-page/mortgage-calculator/>

### Part 3 - Understanding your TDSR Percentage:

The higher your percentage the less capacity you have for additional borrowing. 37% as noted in the chart above would be at the high end of a member's debt servicing limit and as you take on different financial challenges throughout your life, your percentage can climb quickly. However there are lots of ways to eliminate or reduce your payments. A great place to start is restructuring your debt or considering ways to supplement your current income. Ultimately every member's financial picture is unique, for this reason our Financial Services Officers and Account Managers are always available to meet with you one on one to share their tools and expertise on planning for your future borrowing needs. *Give us a call today, so we can review your financial picture!*

he's going to  
take your money  
any way he can...

**Don't become a victim of fraud.**

Swan Valley Credit Union in partnership with MNP LLP, invite you to join us for an evening of information, tips & safe practices to protect your money & investments.

### Our feature speaker,

Michael McCormack - BA,CFI is a senior manager in the Investigation & Forensic Service line of MNP LLP.

Mike's career experience includes 24 years at the Ottawa Police Service, the RCMP Anti Money Laundering unit & the European Union Anti Organized Crime unit in Bosnia. As a designated Certified Forensic Investigator, Mike looks forward to sharing his knowledge with our community, giving you the tools & confidence to identify & combat fraud in all of its forms.

### Joining our feature speaker,

as part of their Wealth Management Series, Kandace Hart & Katlyn Patzer, Mutual Funds Investment Specialists with SVCU, would like to share their expertise on financial planning for all ages. Have questions about post secondary or professional education, retirement products & pension options at retirement or the importance of your credit report? We have the answers to your financial planning questions!

*Register early!*



**swan VALLEY**  
CREDIT UNION

November 9th, 2017 - Westwood Inn Hotel & Water Park - 7pm

Please RSVP by November 8th, 2017 to Kandace Hart at 204.734.6833 or Katlyn Patzer at 204.734.6847

# Community Minded

## SVCU Annual Beef on a Bun



**Grand Finale Winner**  
**ZACK RICHARDS**  
BRANDON, MB  
\$1,500  
5 finalists with cash prizes of \$500  
PAULETTE CASTILLO, KELLNER SK - TARA ENNS, SASKATOON SK  
REBECCA GIFFEN, SASKATOON SK - THOMAS EDWARD HAZLETT, PELLY SK  
JESSICA MAUSEN, THEODORE SK  
Thank you to our Sponsors  
MONTANA AREA PARKLAND CREDIT UNIONS and SWAN VALLEY CREDIT UNION FOR DONATING \$4,000 IN CASH PRIZES  
SWAN VALLEY LOCAL BUSINESS FOR DONATING OVER \$1,500 IN GIFT CERTIFICATES FOR OUR CONTESTANTS

## Northwest Roundup & Exhibition Annual Parade



*My* COMMUNITY *Matters*  
GRANT

SVCU is proud to offer the **My Community Matters Grant**. If your group or organization is looking for financial assistance with a new project or program, qualifying organizations or groups may receive up to **\$10,000** in grant funding.

Applications will be available commencing December 1, 2017.



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