

## : velocity in the community :

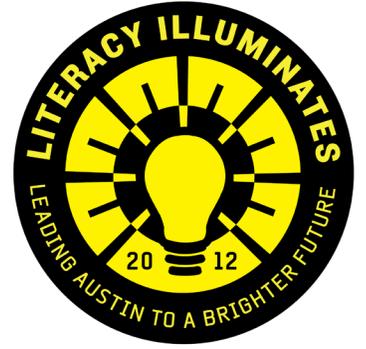
As a long-time supporter of the Literacy Coalition of Central Texas, we are proud to introduce their latest campaign, Literacy Illuminates.

Literacy Illuminates is an awareness campaign about the need for literacy services in Central Texas. Literacy transforms lives — providing better opportunities for individuals, families, and communities.

The campaign is a group effort among the Literacy Coalition, local government, and school districts. Never before have agencies like these come together like this to find a solution to a social problem. The great thing is that part of the solution is already here, at neighborhood literacy programs all over Austin.

The goals are to raise public awareness of the need for more literacy programs, connect folks in need to services in their neighborhoods, and get parents of young kids the information they need to teach their children basic literacy skills before they start school. (*A child who hasn't gained basic literacy skills by the time they start kindergarten is 3-4 times more likely to drop out later on.*)

For more information on Literacy Illuminates, or to get involved, please visit [www.literacyilluminates.org](http://www.literacyilluminates.org).



## : talking to aging parents about their finances :



The recession has affected all age groups. College graduates cannot find work, and many people close to retirement age are opting to *continue* working. These individuals have come close to draining all their retirement savings. In order to make ends meet, families are moving back in together. According to the Pew Research Center between 2007 and 2009, the total number of Americans living in multigenerational households increased more than 10 percent, from 46.5 million to 51.4 million. One way to alleviate some

of the financial stress of your aging parents is to start communicating and planning.

Do you know how your parents are managing their finances? If the answer is no, it may be time to have a conversation with them. Few people enjoy talking about money, but it can help ensure your parents' well-being.

**Bill-paying:** Have your parents been unable to pay bills or purchase essentials for living? If so, help them revise their budget. Are there expenses that can be cut or reduced? Is there a way to increase their income, such as through a part-time job or reverse mortgage? Encourage your parents to contact the creditors/service providers for bills they cannot pay.

**Long-term care cost:** If your parents do not already have a plan for financing their long-term care, help them create one. It may be difficult to save enough to completely cover their costs. One option is to purchase long-term care insurance. Since there are many provisions to consider, you and your parents may want to talk with an insurance advisor about what would best meet their needs.

**Salespeople/Scammers:** If someone is trying to sell your parents an annuity or other investment opportunity, review it in detail to see if it makes sense financially. If they are getting calls from telemarketers, sign them up on the National Do Not Call Registry (888-382-1222). Discuss common scams, and encourage them to talk to you before sending money to someone. Find online safety tips at [velocitycu.com](http://velocitycu.com).

**Estate Planning:** If you are not sure if your parents have a will, ask. Those with more complicated financial situations may want to have their will drafted by a lawyer, but others may be able to create one with the aid of a book or software. Also discuss if they have other estate planning documents, such as durable power of attorney for healthcare and finances.

## : learn where you earn :

The City of Austin launched a financial series, Learn Where You Earn (LWYE), in which employees attend scheduled workshops in their respective employment sites.

LWYE is an initiative to partner with local employers to provide education on financial literacy and money management for their employees within the workplace.

Velocity, alongside its community partners United Way of Central Texas and Cornerstone Financial, is part of this great initiative promoting the importance of financial wealth bringing resources to the workplace.

For information on how you can create your own LWYE, contact Luis Acuña at [luis.acuna@velocitycu.com](mailto:luis.acuna@velocitycu.com).

**:: reverse mortgages, *be informed* ::**



**R**iding the economy's rollercoaster has pushed many families to their limit and for some, to their breaking point. The national housing market continues to be volatile, and many people are looking at various options. Some of you may have seen advertising or materials about "Reverse Mortgages." We want to be sure you have the facts.

For many retirees of those that are 62 years and older, and have equity in their home, programs like reverse mortgages may seem intriguing as an option for supplementing retirement income or to help pay for healthcare expenses. The Federal Trade Commission defines reverse mortgages as a *product that allows you to convert part of the equity in your home into cash without having to sell your home or pay additional monthly bills.*

There are three types of reverse mortgages:

**Single-purpose reverse mortgage:** Offered by some state and local government agencies and nonprofit organizations. These can be used for only one purpose, which is specified by the government or nonprofit lender and are the least expensive.

**Federally-insured reverse mortgages:** Known as Home Equity conversion Mortgages (HECMs) and backed by the U.S. Department of Housing and Urban Development (HUD). Fewer requirements, but they can be more expensive.

**Proprietary reverse mortgages:** Private loans that are backed by the companies that develop them. These may be more expensive and the upfront costs can be high.

The bottom line: If you don't understand the cost of features of a reverse mortgage or any other product offered to you — or if there is pressure or urgency to complete the deal — walk away and take your business elsewhere. Consider seeking the advice of a family member, friend, or someone else you trust.

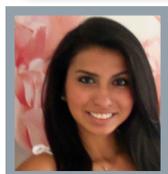
For more information visit, <http://ftc.gov/bcp/edu/pubs/consumer/homes/rea13.shtm>. Please get informed on how reverse mortgages work, research the best option for you and your family, and how to get the best deal.

**: *velocity's scholarship winners* :**

**C**ongratulations to the winners of the 19th Annual Velocity Credit Union Scholarship Awards. The reception, which was held on June 4, honored three exceptional young members of the Austin area and their achievements. Each winner received \$2,000 to pursue their college education. There were also five ongoing \$750 scholarships awarded to past winners who are continuing their college education. To date, Velocity has awarded more than \$125,000.



Ariel Frazier-Freeman  
 • Graduated from the Liberal Arts and Sciences Academy  
 • Will attend Lehigh University to study economics and finance



Maria Tovar  
 • Graduated from Akins High School  
 • Will attend Texas A&M to study architecture



Victoria Andres  
 • Graduated from Pflugerville High School  
 • Will attend Texas Tech University Honors College

**: *your velocity partners* :**

**W**e are committed to helping you and your employees become financially fit in 2012.

Our financial education workshops are geared toward helping you get control of your finances and become financially savvy.



To schedule a workshop for your employees, email Luis Acuña at [luis.acuna@velocitycu.com](mailto:luis.acuna@velocitycu.com). We'll even provide a free lunch or ice cream party. Healthy options included, of course!

