

New Century Federal Credit Union

Volume 17 Issue 4

www.newcenturyfcu.org

October 1, 2023

Do More with Your Home Equity

What is Home Equity you may ask? Home equity is the appraised value of your home minus any outstanding loan balance that is secured by the property. In most cases, your equity usually builds over time as you pay down your balance or complete any projects to your home that will increase the value. Home Equity is an important asset since it can be used to open a line of credit or a fixed loan.

Home Equities Can Do the Following:

- Allow you to renovate your home
- Pay off other debt you may have
- Prepare for any unexpected expenses that arise
- Give you the ability to purchase an investment property
- Prepare for other major life events (wedding, college tuition, etc.)

Secure Act 2.0 Update

At the end of last year, Congress passed a new set of retirement rules designated to facilitate contribution to retirement plans. The new law is called SECURE 2.0 and is a follow up to the law passed in 2019. Below are some of the key provisions of this new law:

• **New Distribution Rules:**

Required minimum distribution (RMD) age rose to 73 years old in 2023. Further, starting in 2023, RMDs may begin at age 75. If you have already turned 72, you must continue to take distributions. However, if you are turning 72 this year, you may want to revisit your approach. Starting in 2023, if a RMD is missed, the penalty tax drops to 25 percent from 50 percent.

• **Revised Roth Rules:**

Starting in 2024, pending certain conditions, employers can roll a 529 savings plan into a Roth IRA. Therefore, if your child receives a

scholarship, goes to a less expensive school, or doesn't even go to school, the money is able to be repositioned into a retirement account. Keep in mind that rollovers are subject to the annual Roth IRA contribution limit and Roth IRA distributions must meet a five year holding requirement and occur after age 59½ to qualify for tax free and penalty free withdrawal of earnings. Tax free and penalty free withdrawals are allowed under other circumstances, such as the owner's death. The original Roth IRA owner is not required to take any minimum annual withdrawals.

Keep in mind that the above is strictly for informational purposes only. You should always consult with an accounting or tax professional before making any changes.

Locations and Hours

291 Springfield Ave. (Lobby)
Joliet, IL

(815) 741-1847

1910 Ferro Drive (Lobby)
New Lenox, IL

(815) 726-3440

Lobby Hours

Mon. - Fri. 9:00 am - 5:00 pm
Saturday Lobby Closed

Drive-up Facilities

291 Springfield Ave.
Joliet, IL

1910 Ferro Drive
New Lenox, IL

Drive-up Hours

Mon. - Fri. 8:00 am - 5:00 pm
Saturday 9:00 am - 1:00 pm

Touch Tone Teller

Available 24 Hours
(888) 488-8636

Website

www.newcenturyfcu.org

Visa Credit Cards

Are you tired of paying a high interest rate on your Visa card? Look no further. **New Century FCU has two cards with great low rates** – one at **8.8%**, the other at **11.8%**. If you've got a bank card and they are charging you double the rate or more, thinking twice about switching may be beneficial. Stay on the lookout for an exciting balance transfer promotion that will be coming your way shortly! We will post more details on our website in November!

Christmas Club Accounts

Christmas is right around the corner. On **October 1**, funds from members' Christmas club accounts automatically transferred over to the savings account so money will be available for the holidays. If you have a current Christmas club account, you can start putting money back into it for Christmas of 2024. If you don't have a Christmas club account and are looking for a good way to save money for the holidays, please give the credit union a call or stop in and we will be more than happy to set you up with one.



Holiday Closings

New Century FCU offices will be closed in observance of the following holidays during the 4th quarter of 2023:

October 9th – Columbus Day

November 11th – Veterans Day

November 23rd – Thanksgiving Day

December 25th – Christmas Day

January 1st, 2024 – New Year's Day