

APB



**Providing Financial Solutions
to Take Care of Our Own**

IN THIS ISSUE:

- The Benefits of a Mortgage Preapproval
- In Memory of James Hennessy
- Driverless Cars - Are You Ready?
- SFPCU employees support Walk MS: San Francisco
- Peace Officers' Memorial Ceremony
- Easy Ways to Manage Online Passwords
- Amazing Places to Visit in 2018
- View Your FICO® Score in Online Banking



The Benefits of a Mortgage Preapproval

The Benefits of a Mortgage Preapproval

Unless you were recently selected as the No. 1 pick in the NFL draft or released a hit album, you probably won't pay for your new house in cash. Like millions of Americans, you'll take out a mortgage.

Before you begin your housing search, try to get a mortgage preapproval, which is usually good for up to 90 days. After reviewing and verifying some of your financial information, lenders will tell you how much money they'd be willing to let you borrow. Getting preapproved can speed up the sale process and demonstrates to sellers that you're serious about buying.

Here's a closer look at how you could benefit from a mortgage preapproval and what it takes to get one.

Narrows the scope of the housing search

On a very basic level, buying a home is like deciding where to go for dinner. Although the possibilities may seem endless, you'll need to stick to your budget. Ask yourself, how much house can I afford? And stay within that range. Otherwise, you may end up regretting your decision. A mortgage preapproval ensures that you can focus on looking at homes that you can afford, since a lender provides you with a letter saying how much money you could get for a mortgage.

To obtain a preapproval, you'll need to provide your would-be lender with some financial documentation, including tax returns, pay stubs and checking and savings account statements. This helps financial institutions determine your creditworthiness. Usually it's free, but you may have to pay the lender's cost to get your credit report.

Getting a mortgage preapproval isn't a 100% guarantee that you'll receive a loan. However, as long as there aren't any dramatic changes in your personal finances, it's fairly safe to assume that the lender will let you borrow the stated amount. Therefore, it's best not to switch jobs just before applying for a mortgage and to avoid racking up additional debt between getting preapproved and actually trying to borrow the money.

How preapprovals help buyers

When looking at homes, a preapproval letter can be a great tool with which to impress sellers. This document indicates that you're serious about buying. More importantly, it shows you'd probably get the needed financing and that you have the backing of a lender to go through with a deal. Having that kind of support could even give you additional leverage when negotiating the final price of a home.

Don't confuse preapprovals with pre-qualifications

Although they sound quite similar, a mortgage pre-qualification is not the same thing as a preapproval letter. The former is simply when a lender provides a potential homebuyer with a rough estimate of how large of a loan he or she might be able to take out. This is based on very little background information, and so pre-qualification letters don't carry much weight if presented to a seller.

The takeaway

Before applying for a preapproval, work on improving your credit score. Reduce your debt as much as possible while making sure not to accumulate any more of it. These moves will make you look like a better risk to lenders. Once you have a preapproval letter in hand, you'll be that much closer to buying your own home, even if you haven't won the lottery.



Impact of the New Tax Law

The recently passed 2018 Tax Reform Act does make changes to how much you can deduct in mortgage interest that you paid. Beginning in 2018, the deduction is scaled back to interest on debt up to \$750,000, instead of \$1 million, for people who buy homes on or after Dec. 15, 2017. The new tax law also caps the deduction for property taxes to a total of \$10,000. And finally, you won't be able to deduct interest on a home equity loan or line of credit unless the funds are used for major home improvements.

If you're interested in becoming a homeowner or refinancing your mortgage, now is a great time to apply with us, as we've kept our mortgage rates below market. But don't wait, rates are rising, so call us at 800.222.1391 and ask to speak with a Mortgage Loan Officer.



In Memory of James Hennessy

We are deeply saddened by the passing in April of Jim Hennessy, a longtime member of SFPCU's Board of Directors. Our thoughts and prayers are with his family.

A San Francisco native, Jim joined the SFPD as a returning Vietnam veteran. He served the city as an officer for over 30 years as a Tactical Unit mounted officer and part of the Captain's Staff. Upon entering the Department, Jim became a member of the Credit Union and in the 1990s, he began his lengthy career as a volunteer, serving on the Loan, Political Action, Supervisory, Education, Strategic Planning and Budget Committees—including 2 terms as Board Chair. Jim was also employed for two years as a security officer for our San Mateo Branch.

Jim was very well known as a highly experienced travel agent who organized many exciting travel opportunities for the law enforcement community to Alaska, Europe, the Mediterranean, China, Southeast Asia, and Malaysia. Jim himself traveled to China more than 15 times. Eddie Young, SFPCU's President/CEO notes, "I will certainly miss Jim's fascinating stories about his many adventures traveling the globe. But most importantly, he will be dearly missed for his passionate advocacy for all our members and his love and dedicated service to SF Police Credit Union for so many years."

Stephen Tacchini, SFPCU Chairman of the Board, had these words to add, "Jim Hennessey was a dedicated volunteer for the SF Police Credit Union for over twenty years. I had the pleasure to work with Jim on the Board of Directors for many years and found him to be a hard worker who devoted a great deal of time to address the many issues which confronted the SF Police Credit Union. Jim was firm in his beliefs and could be a formidable ally or opponent in the Boardroom, but always strove for what he thought was in the best interest of the membership."

He concludes, "On behalf of the Board of Directors, we are saddened by the loss of Jim Hennessey, a wonderful man and a respected Director. We were all proud to work with Jim on the Board, and serve the membership towards the common goal of keeping the SFPCU the strong, stable, and secure financial institution it is today."



I will certainly miss Jim's fascinating stories about his many adventures traveling the globe. But most importantly, he will be dearly missed for his passionate advocacy for all our members and his love and dedicated service to SF Police Credit Union for so many years.

**Eddie Young
SFPCU President/CEO**

Driverless Cars Are Coming— Are You Ready?



According to a Wall Street Journal article last year, cars will undergo huge changes in the coming years. One of the biggest—you may not even own one. Thanks to ride sharing and the growing acceptance of self-driving vehicles, the entire model of car ownership is being upended. Drivers may no longer be drivers, relying instead on hailing a driverless car on demand, and if they do buy, they will likely share the vehicle—by renting it out to other people when it isn't in use. “By 2022, 2023, the majority of transportation in urban cities with temperate weather will be on demand, shared and likely autonomous,” says Aarjav Trivedi, chief executive of Ridecell, a San Francisco company that provides the back-end software for car sharing.

Impact on Auto makers

Major auto makers are aware of what's on the horizon, and most are already looking to sustain their business as fewer people begin to make a long-term commitment to a car. Whether it's investing in the development of self-driving vehicles, or leveraging the growing trend of ride-sharing, auto manufacturers are seeing the writing on the wall. For example, BMW is experimenting with shared rides through its Reachnow service. Members can get access to a fleet of BMW vehicles and Minis that they pick up as needed and drop off anywhere when they're done. General Motors, the largest U.S. auto maker by sales, has acquired an autonomous-car tech startup called Cruise Automation and has also invested \$500 million in ride-share company Lyft. Meanwhile, it's offering Cadillac customers the ability to subscribe to ownership, letting them use a vehicle for a month at a flat fee.

Impact on Auto Insurance

Early 2020s to late 2030s

In 2015, consulting giant KPMG predicted that the transition from human-driven cars to self-driving cars would become the “new normal” by the year 2040. Just two years later, new developments compelled them to shave five years off this prediction. During this period, fully autonomous vehicles — not just prototypes in testing — will become available to the general public. Many of the human-driven vehicles will come with semi-automated capabilities that control acceleration, braking and even steering.

Insurance prediction: According to Donald Light, a research director for technology consultant Celent, fewer accidents among self-driving cars will reduce premiums by over 50%.

Early 2040s to late 2050s

Between on-demand transportation provided by ridesharing fleets and the wide-scale adoption of self-driving cars, most personal liability and collision coverage will be a thing of the past.

Insurance prediction: Insurers will start to go out of business as customers reduce their personal auto policies or drop insurance altogether.

While all these predictions are expected to happen over time, there are still challenges. The biggest obstacle may be that people have to give up the idea of owning their car, an intrinsic part of our culture for many decades. But they will have a powerful incentive to do so. A study by Deloitte Consulting, for example, estimates that the cost of personal car ownership could drop by two-thirds in a world of shared, self-driving vehicles—a tipping point that could gain the technology acceptance into daily life for many people. In cities, the idea will be even more appealing, because it removes annoyances such as parking and negotiating traffic jams. But the greatest reward could be that people will have more free time while in the vehicle. Autonomous vehicles could ultimately free up more than 250 million hours of consumers' commuting time a year, unlocking a new so-called passenger economy, according to Intel Corp., which is working to provide the computing power behind self-driving software.

SFPCU Employees Join SFPD for Walk MS: San Francisco

On April 22, 2018, dedicated SFPCU staff members laced up their walking shoes for a second year and joined the San Francisco Police Department's team 'Walking the Beat' to support MS research at San Francisco's Walk MS event. The annual event raises funds in an effort to combat multiple sclerosis. Multiple sclerosis (MS) is an unpredictable, often disabling disease of the central nervous system that disrupts the flow of information within the brain, and between the brain and body. The first Walk MS event was in 1988, and since then more than \$1 billion has been raised for research and programs to improve the lives of people living with MS.

The Credit Union donated \$500 and the employees raised \$315 through individual fundraising. The Credit Union makes it a goal to have staff participate in community events each year and it was a great honor to join the SFPD for this worthy cause.



SFPCU Attends 42nd Annual California Peace Officers' Memorial Ceremony

President/CEO Eddie Young, and VP of Membership Development Darlene Hong, were honored to represent SFPCU at the 42nd Annual California Peace Officers' Memorial Ceremony in Sacramento on May 7, 2018. The annual ceremony honors officers who have died in the line of duty, while recognizing the sacrifices made by their loved ones.



SF Police Credit Union is proud to support the California Peace Officers' Memorial Foundation and their mission to honor California peace officers who have made the ultimate sacrifice. And this year, we had the additional privilege of having the name of the credit union listed on the wall as a proud sponsor.



? ASK AN EXPERT

Q. Why is the TLS 1.0 upgrade for Online Banking necessary?

- A. To provide the most secure Online Banking experience possible, we've made some changes to comply with best practices mandated by the Payment Card Industry Data Security Standard (PCI DSS).

TLS (Transport Layer Security) is a protocol that works with your web browser to keep web applications such as SFPCU's Online Banking secure. According to industry best practices and PCI (Payment Card Industry) mandates, web browsers that only use older versions of TLS (1.0) are not secure enough by today's standards, leaving information vulnerable to cyber attacks.

In the interest of our members' security, we are requiring that members use web browsers that support TLS 1.1 or higher in order to access Online Banking.

The majority of web users are already using a browser that supports TLS 1.1. If you've been ignoring that "Please upgrade to the latest version" pop-up from Google Chrome or your browser of choice, it's a good idea to take a few minutes and update now! Remember, the most recent version of your web browser is also the most secure version. For instructions on updating your browser version and settings visit www.sfpcu.org/tlsupdate.



Easy Ways to Manage Your Online Passwords

It can be highly disconcerting to know that one of the most common ways cybercriminals gain access to personal information is through software programs that have become increasingly effective at quickly and correctly guessing our passwords. Thankfully, there are now a number of excellent free and low-cost online tools that have made this process simple and secure.

Here are just a few password management services that security experts recommend in 2018:

DASHLANE

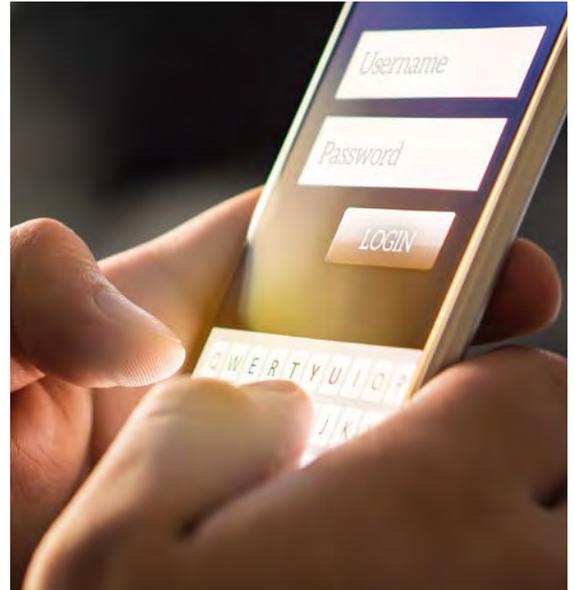
This user-friendly service generates and stores secure passwords for you, autofills online forms and enables you to designate a contact who will have access to your information in case of an emergency. Dashlane also provides a digital wallet option that stores your financial account information and allows you to capture and store your receipts. Like the majority of online password managers, Dashlane stores all of your passwords in one file that is accessed through one secure master password. Not only does the app use military-grade AES-256 encryption to secure your passwords, but it also alerts you if any of the sites you use have reported a breach. Already using a password manager but want to give this service a try? Dashlane allows you to import from CSV files and competitors such as 1Password, LastPass and RoboForm.

ENPASS

Experts praise Enpass for its compatibility with a wide variety of devices, from Blackberry and iOS to Chromebooks and Linux, and for its unique pricing model which allows users to pay a one-time fee for each mobile device or use the desktop version for free. Instead of using cloud-based storage, Enpass operates using local stores of data, which can reduce your exposure to the possibility of a breach. Essentially, this means that your data always remains on your device unless you decide to sync it across multiple devices through cloud accounts including iCloud (for Apple devices only), Dropbox, Google Drive, OneDrive or Box.

LASTPASS

LastPass is a cost-effective provider that uses first-rate encryption and integrates seamlessly with browser extensions. The service allows you to save sites as you login, import sites from your email or upload data from other password managers. In addition, LastPass will create strong passwords for you and autofill online forms. Another useful feature is the capability to audit your accounts for duplicate and weak passwords. Unlike competitors, it also allows you to instantly sync your data with multiple devices for free. Among its premium product offerings are priority tech support and the ability to create a contingency plan for emergency access.



STICKY PASSWORD

This password manager offers enticing advantages including biometric confirmation using Touch ID on mobile devices and the option to choose whether you want to synchronize your encrypted password data on all your devices via the cloud or offline using your local Wi-Fi (so that your data never leaves your devices). Although you can download the desktop and mobile app for free, you'll need to subscribe to the premium service to access features such as the biometric authentication and synchronization with multiple devices. Sticky Password also generates new passwords for you, autofills web forms, uses AES-256 encryption and can store your credit card numbers for easy checkout while shopping.

Although it's not impossible for unauthorized users to gain access to your data via a password manager, most of these services safeguard your information using advanced encryption methods as well as multi-factor authentication. That being said, breaches have occurred, so it's important that you do enough research to ascertain whether you're comfortable with the level of security that the service provides.

Amazing Places to Visit in 2018

If you're looking for inspiration on travel in 2018, you'll find that the Year of the Dog offers an incredible mix of new destinations on the rise as well as an abundance of enticing new reasons to visit many of the all-time favorites. We've selected a few to highlight:

Malta: There is no shortage of reasons why this Southern European island country with a fascinating heritage is high on the radar of seasoned travelers and industry experts in 2018. Located between Sicily and Tunisia in the Mediterranean Sea, it was selected as a European Capital of Culture in 2018 by the European Union along with partner city, Leeuwarden. Just a few of the spectacular events planned for capital city Valletta in 2018: Malta Fashion Week, the Malta International Arts Festival, Valletta Pageant of the Seas and Valletta Film Festival.

Asheville, North Carolina: Situated in the Blue Ridge Mountains at the convergence of the Swannanoa and French Broad Rivers, this scenic Southern town has a rich history, plenty of natural attractions, a thriving brewery and arts scene plus much more. Asheville is home to a number of iconic landmarks including the largest private home in the country, Biltmore Estate. Built for George W. Vanderbilt II, its approximate 8,000 acres contains the 250-room Chateausque-style mansion and gorgeously landscaped botanical gardens. Revered for its cycling terrain, Asheville will host the highly prestigious Haute Route in May. Nearby Mill Spring will be the site of the FEI World Equestrian Games in April. With its nearly 6,000 foot peaks, Asheville has also provided a magnificent backdrop to a number of blockbuster films including the Last of the Mohicans, Forrest Gump and Dirty Dancing.

Cambodia: Massive ancient ruins set in thick green jungles, beautiful, unspoiled beaches, great food and hospitable locals are just a few of the reasons millions of tourists visit the Kingdom of Cambodia each year. Since emerging from its painful past, the nation's newfound political and security stability have made it an increasingly popular destination. At Angkor, you'll not only see the largest religious monument ever built, but get the chance to explore the ruins of an entire ancient city that was the capital of the Khmer Empire from the ninth to the 15th centuries. And as Forbes points out, the openings of a number of luxury



hotels and the much-anticipated Shinta Mani Wild from Bill Bensley will enable travelers to explore lesser-known regions of the country in 2018.

Orlando, Florida: This family vacation hotspot dubbed "The Theme Park Capital of the World" is taking hospitality and entertainment to a new level this year with added attractions along with new offerings in dining, hotels and resorts. You can experience the new Fast & Furious-Supercharged ride at Universal Studios Florida and in early summer, Toy Story Land debuts at Disney's Hollywood Studios. In March, LEGOLAND Florida kicked off the first virtual reality (VR) roller coaster experience designed for kids. SeaWorld Orlando also will launch its share of new experiences in 2018 including Infinity Falls, a river rapids ride through a "lost river jungle...past the remains of an ancient civilization." New accommodations in Orlando will include the boutique Delaney Hotel, Universal's Aventura Hotel and the tropical vacation cottages of Margaritaville Resort Orlando. On the culinary scene, you'll find a wealth of new restaurant openings including Bem Bom On Corrine and Wolfgang Puck Bar & Grill.

Buenos Aires, Argentina: An exciting cultural fusion of "Latin flair with old European grandeur," this cosmopolitan city pulses with an invigorating energy that captivates visitors every year. Buenos Aires is heralded for its impressive architecture, exceptional cuisine, vibrant nightlife, art and cultural offerings and much more. In 2018, the city will be the setting of world-class events including the 2018 Youth Olympic Games, which will include free access to four parks featuring competitive sports, music, arts, sports initiation, educational programs and more. A sampling of other major happenings in the Argentinean capital includes the International Tango Festival and World Cup, Argentine Open polo tournament and the BA International Jazz Festival.

(continued from previous page)

Curious about more destinations with big plans for 2018? Stateside, New Orleans and San Antonio will both mark their tricentennials in 2018. The Minneapolis Big Build will also provide plenty to explore in this beautiful city known for its parks and lakes. For those who want to travel abroad, the Faroe Islands, Jordan, Milan and Sanya, China are among the many destinations topping the lists of travel sites this year.

But before you book your trip, keep in mind that your SFPCU Platinum Visa provides valuable travel benefits and protections including lost luggage reimbursement and travel accident insurance. By enrolling in our CU Rewards Program, you'll also earn points for every dollar you spend on your Platinum Visa toward rewards such as gift cards, brand-name merchandise, travel and more.

View your FICO® Score in Online Banking

We're now offering SFPCU members free access to their FICO® Scores, including information on the top factors affecting their scores, and comprehensive credit education. The scores, which will be updated quarterly, are available through SFPCU's secure online banking platform to eligible members.

“We’re committed to providing our members financial solutions to help them make confident decisions for their financial well-being,” said President/CEO Eddie Young. “It’s important to know how healthy you are financially. By providing our members free access to their FICO® Scores, we empower them with the important financial information they need.”

The FICO® Score is the standard measure of U.S. consumer credit risk, and used in more than 90 percent of consumer lending decisions in the U.S.

FICO is a registered trademark of Fair Isaac Corporation in the United States and other countries.





PLAN NOW TO REACH YOUR FINANCIAL GOALS

Schedule a No-Cost consultation today with Chris Breault, Financial Advisor at 415.682.3361 or online at www.sfpcu.org/mfs.

Knowledgeable in:

- Investment Management
- Deferred Comp/DROP Rollovers
- Retirement Income Planning
- Long Term Care
- Portfolio Assessment
- Life Insurance



Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution. FR-1483263.1-0416-0518

Financial Highlights (May 31, 2018):

Assets \$899,318,725
 Loans \$606,549,842
 Members 40,690

Contact Us

Branch and ATM Locations:
sfpcu.org/locations

SFPCU Website:
sfpcu.org

Email:
Members_Info@sfpcu.org

24/7 Contact Center:
 800.222.1391 or 415.564.3800

MemberLink 24-hour transactions:
 800.871.3419 or 415.242.2124

 facebook.com/SFPoliceCreditUnion
   [@SFPoliceCU](https://twitter.com/SFPoliceCU)
 youtube.com/user/SFPoliceCU

Read our blog, *The Watch* at sfpcu.org/blog