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It's Your MONEY

Family Financial Meetings

Sit down at least once a year, preferably more, throughout your marriage to have an involved discussion about your finances. Don't wait until crisis time to review and plan. That can lead to much more stress and general anxiety associated with financial discussions. Instead, your annual financial discussion allows you both to calmly and rationally assess where you are, determine if your financial goals have changed, and decide what you need to do to meet your goals. If you have this discussion more than once a

year, you'll be that much more financially in sync.

Other topics of discussion should include:

Important Documents

You both should know exactly where all your important documents are located, including insurance policies, wills, tax forms, bank account numbers, investment specifics and more.

Current Debts and Assets

Add up all of your debts. See how much you have paid off in the past year and decide if that's acceptable or if you need to try harder in the coming year. Do the same with assets. Understand how your money is working for you and try to determine if it should be working harder.

Get an idea of what you've been spending your money on. If your spending doesn't match your priorities, fine tune your budget to help you get the most out of your income.

Re-evaluate Your Goals

Revisit the financial goals you made in the last annual meeting. Are you moving toward those goals? Do those

goals still matter to you? Are there other short-term or long-term goals you might wish to discuss?

Find Your Vulnerability

Find the weak links on your financial armor. Do you have too much debt? Is your revenue source (jobs, income) secure? Do you have insufficient income to cover your spending? Just identifying these weaknesses can help you avoid some pitfalls. But you should also talk about how you can strengthen these areas and incorporate these strategies into your financial goals.

Day-to-day Responsibilities

Is the division of responsibilities you made still practical? Is it working out or does one person feel overburdened?

Learning About Yourself

What have you learned about yourself regarding financial matters over the last year? Sharing your attitudes toward money with each other may help you understand how to better manage your finances.

3 things to help your finances...

Here are three things you can do to get in better finan-

cial shape this year:

1. **BUDGET** - Live within your means by creating and sticking to a budget. Need help? A great online tool is: <http://www.mint.com>

2. **SAVE** - Everyone should know how to "pay yourself first". Set up an auto-deduction into a separate savings account of 10% or more off of each paycheck.

3. **CREDIT** - Get a handle on that credit card debt. Here's a non-profit org that can help: <http://www.clearpointcreditcounselingsolutions.org/>

First-time Homebuyer Tax Credit Expanded

By Jason Alderman

A key feature in last year's economic stimulus bill was the federal income tax credit designed to help first-time homebuyers. Now, as part of legislation signed by President Obama in November 2009, that tax credit has been extended - as well as expanded to include a credit for current homebuyers looking to buy a new primary residence.

Here's how it works:

The deadline for the first-time homebuyer credit was extended to include purchases where a binding contract is signed by April 30, 2010, and closed by June 30, 2010. A few rules:

• "First-time homebuyers" are those who have not owned a home during the previous three years.

• The credit is worth 10 percent of the purchase price, up to a credit limit of \$8,000 on homes costing \$800,000 or less; homes priced above that are ineligible.

• Qualifying income thresholds have been raised to \$125,000 in modified adjusted gross income (MAGI) for individuals and \$225,000 for married couples filing jointly, from the previous \$75,000 and \$150,000, respectively. (MAGI is usually found on line 38 of your federal income tax return).

• The credit phases out for individuals with MAGI between \$125,000 and \$145,000 and \$225,000 to \$245,000 for joint filers.

• If you are married, both you and your spouse must qualify as first-time homebuyers to receive the credit; also, each of you must be at least 18



years old at closing and neither can be claimed as another taxpayer's dependent.

• Purchase transactions between immediate family members are not eligible.

• You must attach a copy of the purchase settlement agreement to your tax return.

• You must repay the credit if, within three years of purchase, the home is no longer

your primary residence. (Certain exceptions will be made for military personnel and when one of the homeowners dies.)

• Qualified housing includes newly constructed or existing single-family houses, condominiums, manufactured or mobile homes - even boats that function as your principal residence.

• You can claim the tax credit for a 2010 purchase on either your 2009 (via an amended return, if necessary) or 2010 taxes.

The good news in this bill for current homeowners is that they too may qualify for a tax credit if they want to move to a new primary residence, whether because of a job transfer, downsizing at retirement or moving to a larger home or a new community. Although the same income

thresholds, purchase cost limit and closing deadlines apply, there are a few unique features:

• Instead of \$8,000, the maximum credit amount is \$6,500.

• You must have lived in your current home for five consecutive years out of the last eight.

• The newly purchased home must become your primary residence and not a second home or investment property.

• You are not required to sell your current residence; thus, you could rent it out or turn it into a second home. To learn more, visit www.federalhousingtaxcredit.com. Because of the complexity of tax law governing these transactions, consult your tax advisor before finalizing a purchase or deciding which year to claim the credit.

Living Green Without Spending Green

It's official, the eco-friendly movement is in full swing. As consumers, we've become more and more inundated with messaging about the environment and how product X is going to save the world. With no disrespect to these groundbreaking efforts, the problem for many of us living on a budget is that installing solar panels, channeling wind energy and shopping at our favorite eco-designer's boutique isn't an option right now.

Fortunately, there are plenty of simple things we can do daily to support a greener lifestyle that do not cost a thing upfront. Better still, these greener habits can save your household money, and the environment, some of its precious resources. Even if you only adopt one or two of these suggestions, it's a great start. At home, at school and out in the world, consider these greener habits in 2010.

Shorten your shower. We all love a nice hot shower, but there's plenty of time in there when the water doesn't need to be blasting. Consider shutting off the water for a few moments while you lather up. Or better still, install a low flow showerhead.



They're not very expensive, and you'll quickly notice a difference on your water bill.

Trick your tank. Drop a plastic bottle filled with water into the tank of your toilet. With every flush, you'll be saving that much water to refill the tank.

Power strip it. Lots of household

appliances still use energy, even when they are asleep or in standby mode. Consider using a power strip for these appliances, and switch it off every evening.

Recharge. For wireless computer mice and remote control devices, rechargeable batteries can't be bought for themselves, and translate to fewer

chemicals in landfills.

Recycle. If you find yourself in a position to upgrade appliances, consider Energy Star products, or other energy efficient brands. And don't send your old appliances or electronics to the landfill by tossing them out. There are many organizations that now make it easy to pass on your existing machines. One worth exploring is www.mygreenelectronics.com

Reuse. Most people think thrift stores only sell clothes, but many offer furniture, tools, and other household items that are still in working condition. Organizations like www.freecycle.org and www.earth911.org can connect you with local options for both giving and getting.

Check your pressure. There are a lot of great ways to cut down on fuel costs. One simple tip that often gets overlooked is checking the tire pressure on your vehicle. Some states have even passed ordinances that require car repair shops to check tire pressure on every vehicle they serve. It's a simple step that reduces fuel consumption and saves consumers at the gas pump.

Shop locally. When you're shopping for your household, it's easy and understandable to go for the best

chemicals and those are often online, or at big box stores. Still, it's always worth considering local options. A locally grown or produced item does not require the energy to be shipped to your location. And supporting smaller businesses also helps stimulate your local economy. Compare the cost and decide for yourself if the savings outweighs the greater benefit.

Support eco-friendly businesses. One of the best ways to show support of green living is by shopping at eco-friendly businesses. These businesses don't have to manufacturing cutting edge green products. They might even be a corporate chain. But if they have a good track record of recycling, or are clearly making the effort to reduce their carbon emissions and recycle responsibly, why not reward them with your business?

Inspire a green classroom. Educators serve as a role model for students, and are in a perfect position to reinforce greener habits at a young age. By turning off lights not in use, making recycled paper and other products readily available, and weaving in lessons about greener living into curriculum, teachers can provide clarity on this evolving issue that is so crucial to future generations.

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