

# Insights & Advice

2024 SPRING/SUMMER EDITION





## Message from the CEO

Spring is a powerful reminder that no matter how unpredictable winter may be, brighter days are ahead. With spring comes a sense of optimism, hope, and the spirit of revival. It is a reminder that we are inherently resilient and can grow and flourish, even in adversity.

Spring also brings SCU's Annual General Meeting, where we reflect on the past year and look towards the future. During the meeting, I talked about the challenging journey we have been on for the last three years. The trials of the pandemic, the economic aftershocks, and the anxiety of the unknown have tested our resolve and reshaped our perspectives and priorities. The historic lows in interest rates presented challenges—particularly for retirees—and the rapid rise in rates from the Bank of Canada put additional pressure on borrowers, expanding their need for guidance and custom solutions.

One thing that will never change is our unwavering dedication to our members. Now, more than ever, we know members rely on us as a trusted partner, helping guide them along their journey towards their best financial future.

Within these challenges lie opportunities to leverage SCU's stability today as a foundation for the future, innovate and meet our members' evolving needs, and to strengthen our communities.

Despite the economic challenges, it was a good year for SCU as our deposits rose 5.70% while loans grew by 5.36%. These numbers are down from the past few years but are still well above the Manitoba credit union system growth. We're excited to be able to share our success with our members in the form of a \$12 million cash back Member Bonus. Learn more about our Member Bonus from our Board of Directors on the back of this issue.

Inside you'll find helpful tips and information on some of our products and services. Whether you need advice on saving today or for the future, custom mortgages, safety tips while travelling, or loan programs for building your business, we've got you covered!

We continue to be committed to anticipating your needs, adapting to the changing financial landscape, and serving you better today and in the future.

Thank you for your continued loyalty and support.

Glenn Friesen

## Here's what's happening at SCU

### **IT PAYS TO BE A MEMBER: 12 MILLION CASH BONUS**

We continue to show that it pays to be a member at SCU. Read our back page to learn more.

### **INSIGHTS & ADVICE: TIPS FROM AN EXPERT**

Join us online on the second Wednesday of each month for a webinar on a variety of financial topics. All webinars require prior registration.

Visit our website at the link below to view our full events schedule and register to attend.

### **PANCAKE BREAKFAST**

Who's hungry? Join us on June 14 for a free pancake breakfast as a kickoff to Summer in the City in Steinbach.

### **SUMMER IN THE CITY**

SCU is once again a sponsor of the Summer in the City festival in Steinbach. Come find us at our booth on Main Street.

### **ASSINIBOINE PARK ZOO XTREME BUGS**

This summer, SCU is sponsoring Xtreme Bugs, an exciting and interactive bug experience at the zoo.

### **TASTE OF SUMMER CHARITY BBQ**

Join us at our Steinbach branch each Wednesday in July and August for a BBQ lunch to support local charities around Southeastern Manitoba.

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Get updates and explore all our events at  
[scu.mb.ca/events](https://scu.mb.ca/events)

# Four ways to save for your down payment faster

You need a good game plan when saving for a down payment. Every small amount you save now will move you closer to your goal. If you are a first-time homebuyer, you may qualify for a mortgage with as little as a 5% down payment. Or, save longer and set your down payment goal to 20% so you won't require mortgage default insurance. Plus, having a larger down payment can mean you'll also pay less each month.

How much you save depends on you, but these steps will set you on the right path:

- 1. Determine how much you need:** Review your budget, evaluate your income and expenses, and determine how much house you can afford. Try to deposit an amount similar to your mortgage payment into a savings account every month. Another option is to deposit the cost of your property taxes, so you get comfortable adding that to your monthly expenses.
- 2. Automate your savings:** Make savings a priority by setting up a pre-authorized debit, setting aside an amount from each paycheque to your High Interest Savings Account (HISA), First Home Savings Account (FHSA), or Tax-Free Savings Account (TFSA).
- 4. Leverage your registered products:** If you're a first-time homebuyer, you can open a First Home Savings Account (FHSA) to save up to \$8,000 annually (\$40,000 lifetime), which can be used toward the down payment for purchasing your first home. If you've made RRSP contributions, you can also use up to \$35,000 toward your down payment under the Home Buyers' Plan (HBP).

Maximize your savings potential by tapping into an FHSA and the HBP and increasing your down payment. A larger down payment will reduce your monthly mortgage payment and give you room in your budget to pay back your RRSP over time.

## HOT TIP

Because the FHSA provides the tax-reduction benefits of an RRSP with the tax-free growth of a TFSA, your contributions and interest earned are non-taxable when withdrawn and used toward purchasing your first home, which means you can keep more money in your pocket.

- 3. Save any "one-time" income that comes your way:** Bonuses, tax refunds, gifts, and side income can help you reach your goal more quickly.

## HOT TIP

When it's time, your pre-approval meeting is a great opportunity to ask questions and explore your mortgage options. Download a checklist to help you get ready to meet your lending specialist. [scu.mb.ca/mortgage-checklist](https://scu.mb.ca/mortgage-checklist)

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## Choose the mortgage term that meets your needs

Open, closed, fixed, or variable—it's important to choose the term option that fits your financial needs today and in the future.

### FIXED RATE:

Choose if you **like the structure of knowing exactly how much you're paying** down your principal.

### VARIABLE OPEN:

Choose if you're **going to pay your mortgage off quickly** or are going to make a **move** in less than a year.

### VARIABLE CLOSED:

Choose if you **believe rates will go down** as a way to pay your house off faster.

### VARIABLE RATE CAPPED:

Choose this option if you want the best of both worlds: **the flexibility** of a **variable** mortgage and the comfort of knowing the **rate is capped** above the closed variable rate.

# Custom mortgages designed for you

Congratulations! Now that you've decided to buy your first home, move, build new, or renovate, it's time to explore your mortgage options and make it happen. It all starts with a custom mortgage from SCU—tailored to fit your needs and lifestyle.

Every homeowner is unique, and your mortgage should be, too. A great place to begin is by making a list of your financial goals and ranking them by importance. Instead of trying to fit into a mortgage, let your needs and goals guide your decision. Whether you're looking for competitive rates, seeking flexible repayment options, leveraging your home equity, or are new to Canada, we have a custom mortgage designed for you.

## The Toolbelt Self-Build Mortgage



You're handy with a hammer, wear a well-stocked toolbelt, and have the vision and the skill to build your new dream home on land you own. All you need now is a customized mortgage that's as capable as you. If you have your down payment and are ready to roll up your sleeves and be your own contractor, then the self-build mortgage may be a perfect fit for you. Additional benefits include:

Leverage your sweat equity to ensure you have sufficient funds to complete your build should you need to hire subcontractors.

- Choose up to a 30-year amortization period, with a 20% down payment
- Your financing budget includes a 10% contingency to manage overages
- An 18-month interest-only period to protect your cash flow while you build
- You only begin paying principal and interest on your mortgage once you move in

## The Renovator Renovation Mortgage



Your dreams are filled with visions of tile samples, shiny new appliances, and the beautiful soaker tub you spotted. If you've been dreaming about a major renovation to increase the value of your home, add your personal touch, or modernize your home for increased functionality and efficiency, this may be the mortgage for you. Other benefits to consider:

- Tap into your home's equity and leverage its current value or its value when the renovation is complete
- A rate guarantee shields you from interest rate increases after your pre-approval meeting
- Spread the cost of your renovations over the life of your mortgage
- If the renovation cost is relatively small, a loan or line of credit may better fit your needs

## The “Planner” Contract-Build Mortgage



You've always wanted a custom-built home to suit your taste, needs, and lifestyle, and now you're ready to hire a contractor and take the plunge. Building a custom home is exciting, but it can be financially complicated. That's where SCU can help. Contract-build mortgages offer a variety of options tailored to suit the building process. Other benefits to consider include:

- Your funding is provided in stages throughout the build
- During construction, your mortgage is set up as interest-only and you only pay interest on the amount of money that has been advanced
- You pay principal and interest payments only once you take possession
- Up to 30-year amortization available
- Can make a one-time lump sum payment up to 20% during the first year your build is complete

## The Trailblazer Vacation Mortgage



For many Manitobans, it's a rite of passage to dream of owning a vacation property like a cottage. When you're ready to realize your dreams, you'll need a creative mortgage solution, the land, and a great partner. SCU has built relationships with a network of professionals who can help you through the process. From legal advice to cottage approvals, these partnerships provide extra support and peace of mind. Some of the other benefits include:

- Designed specifically to meet the requirements of purchasing or building on owned or leased land
- Finance up to 80% of your purchase
- The option to select up to a 30-year amortization on the property
- Eligible for the Cottage Equity Link Line (ELL), which can be used for more minor renovations, the purchase of recreational vehicles, and other uses

## The Dreamer New-to-Canada Mortgage



You made the move to Canada, and now you're ready to take the next step on your journey by purchasing a home. The New-to-Canada mortgage is designed to make home-buying easier for newcomers. For those who qualify, the benefits of this mortgage include:

- Income verification is not required.
- You can choose up to a 30-year amortization if you have the required 25%\* down payment.
- The option to pay your mortgage off early by making an additional principal-only payment of up to 20% of your original mortgage amount annually

*\*On mortgages up to \$750,000 and a home value of up to \$1,000,000. For mortgages over \$750,000 and a home valued over \$1,000,000, a 35% down payment is required.*

# Now may be a good time to...



Think about following these steps so you can better prepare yourself financially and ensure you're on track to meet your goals as you transition from spring through fall.

- **Review Investments:** Take stock of your investments and consider making any necessary adjustments as you move through the seasons.
- **RRSP to RRIF Transfer:** If you're turning 71 in 2024, consider speaking with a member of our wealth management team to plan the transfer of your RRSPs to RRIFs.
- **Tax Return Deadline:** Ensure you submit your personal tax return to the Canada Revenue Agency by Tuesday, April 30, 2024.
- **Spring Cleaning for Paperwork:** Sort through your paperwork and shred any unnecessary documents. Remember, you typically only need to retain most tax documents for seven years.
- **Review Notice of Assessment:** Carefully review your Notice of Assessment for the 2023 tax year to note any changes and your RRSP contribution room.
- **Formal Retirement Plan:** Schedule an appointment with a wealth management team member to create or review your retirement plan.
- **Set Up Pre-Authorized Contributions:** Consider setting up pre-authorized contributions to your RRSP, TFSA, or FHSA to simplify budgeting and increase savings consistency.
- **Review Family Budget:** Regularly review and update your family budget to adapt to changing circumstances and ensure financial stability.



**HOT TIP**

Keep an eye out for information on SCU's annual Shred Day in September. It's a great opportunity to safely dispose of old paperwork, personal files, tax returns, and other paper recyclables.



## Get our new GIC Explorer Guide today!

Discover all the tips, advice, and guidance you'll need on your savings journey.

Use the QR code to view the guide or visit [scu.mb.ca/explorer-guide](https://scu.mb.ca/explorer-guide) to download your copy.



# RRSPs: Two roads to retirement

It's never too early—or too late—to start saving for retirement. Like many members, Sally Saver and Charlie Chill are on a retirement journey, but each will reach their goal differently based on their saving habits.

## ARE YOU A SALLY SAVER OR A CHARLIE CHILL?

Some, like Sally Saver, like to start saving early, contributing a small amount regularly, that will build up over time. She has started her retirement saving journey early and plans to take advantage of the amount of time her money will be earning income.

Others, like Charlie Chill, prefer to focus on growing their careers or saving for a home. Though Charlie has assets and investments, as a small business owner and entrepreneur, he hasn't yet turned his attention to saving specifically for his retirement.



**Sally Saver**

**Name:** Sally Saver  
**Age:** 38  
**Education:** University degree  
**Employment:** Teacher, full-time employment  
**Homeowner:** Yes, first home  
**Lifestyle:** fitness classes, outdoor activity (hiking, canoeing/kayaking), Pilates/yoga, volunteering  
**Net worth:** Medium income and assets  
**Debt:** Medium

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### Want to get started early?

Read Sally's saving story and the recommendations she received on the road to her best financial future.

[scu.mb.ca/road2retirement](https://scu.mb.ca/road2retirement)



**Charlie Chill**

**Name:** Charlie Chill  
**Age:** 40  
**Education:** University degree  
**Employment:** Self-employed | Business owner | Entrepreneur  
**Homeowner:** Yes  
**Lifestyle:** Running, skiing, inline skating, snowboarding, hiking/backpacking, sports, arts  
**Net-worth:** Higher income and assets  
**Debt:** High

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### Want to get your retirement plan in shape?

Read Charlie's story and the recommendations he received to kick start his road to retirement and achieve his goals.

[scu.mb.ca/road2retirement](https://scu.mb.ca/road2retirement)

# Financial fitness and RRSPs: Two roads to retirement

Sally and Charlie are taking charge of their financial future! They're putting on their financial runners, flexing their saving muscles, and stretching their imaginations to explore the possibilities that financial fitness can bring. Follow their journey, and start your own.

**Sally's journey**

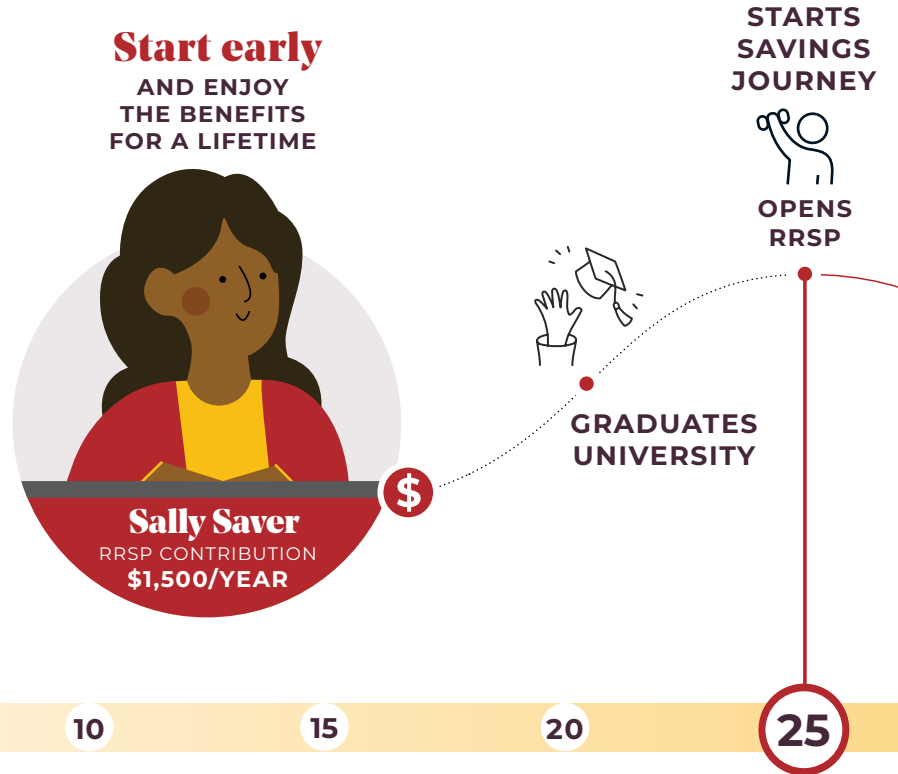
**TIME FRAME:**  
30 YEARS

**RATE:** 5.40% ANNUALLY

**ANNUAL CONTRIBUTION:**  
\$1,500/YEAR

**PAYMENTS:**  
\$62.50/ BI-WEEKLY

**AUTOMATED PRE-AUTHORIZED PAYMENTS**



## Savings Timeline



**Charlie's journey**

**TIME FRAME:**  
15 YEARS

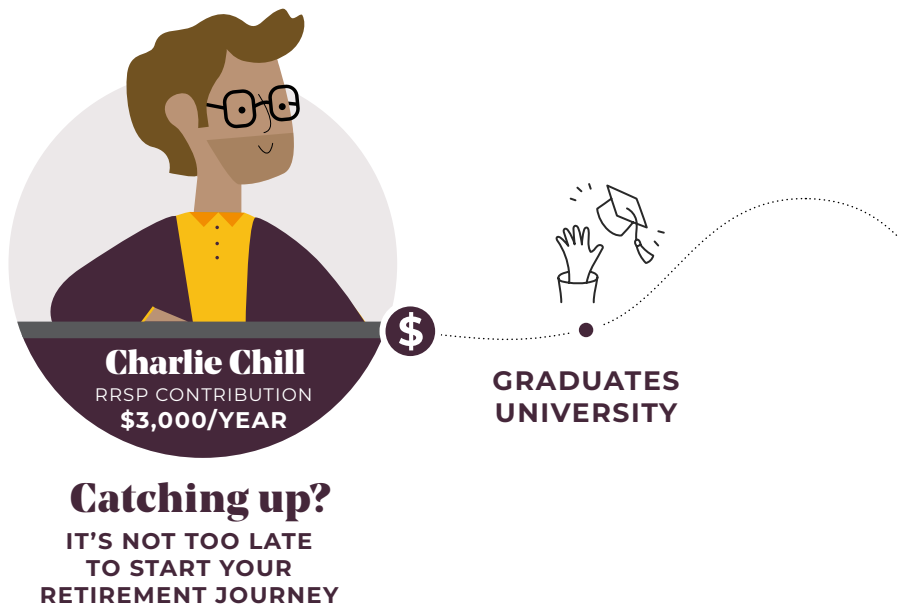
**RATE:** 5.40% ANNUALLY

**ANNUAL CONTRIBUTION:**  
\$3,000/YEAR

**PAYMENTS:**  
\$250/MONTHLY

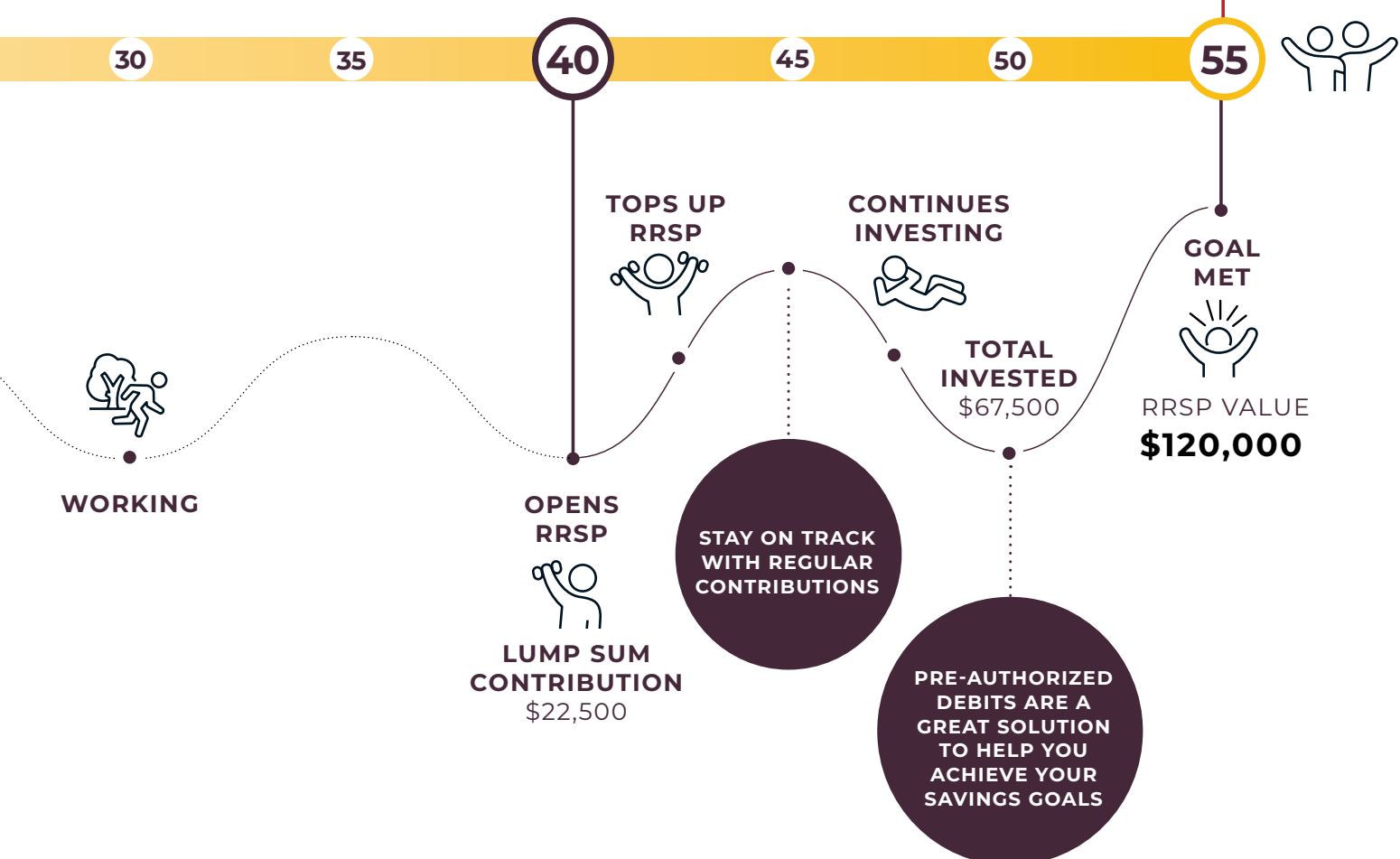
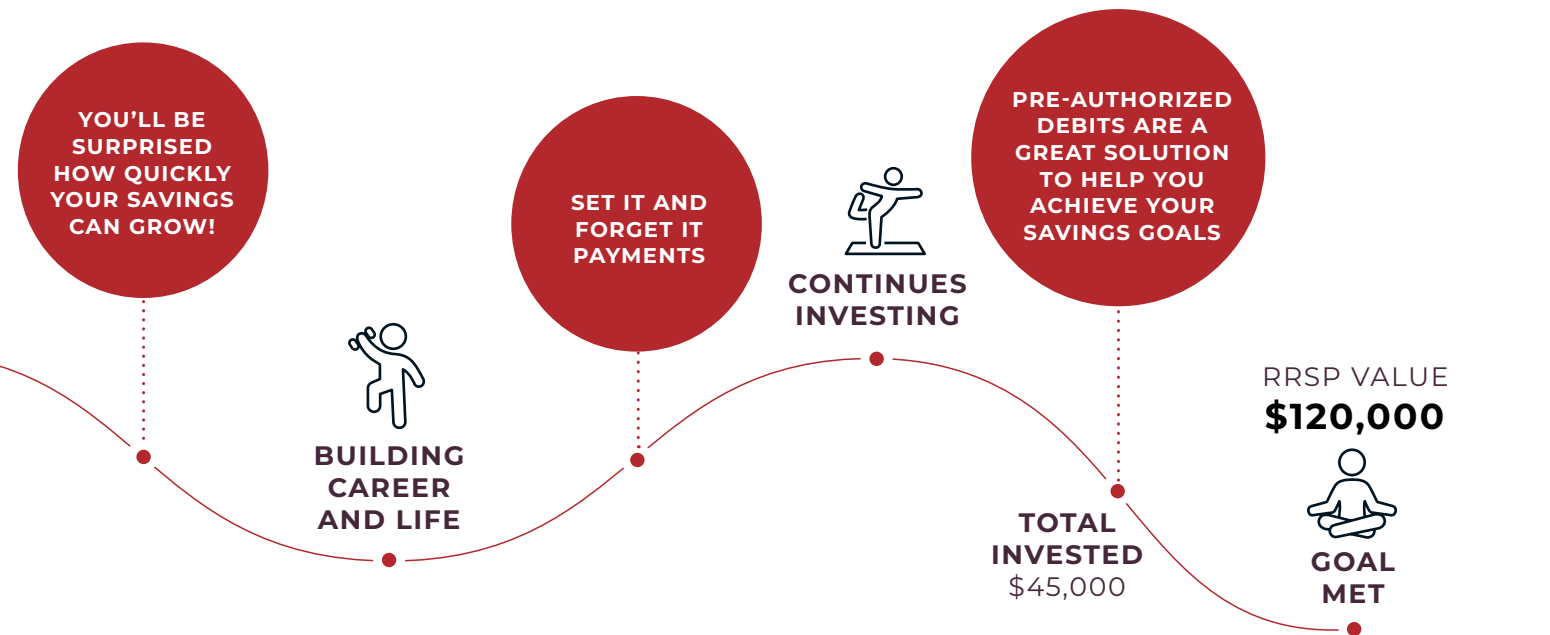
**LUMP SUM CONTRIBUTION:** \$22,500

**AUTOMATED PRE-AUTHORIZED PAYMENTS**



Contact a Member Financial Relationship Advisor to look at your retirement journey. Call 1.800.728.6440 or go to [scu.mb.ca/booknow](http://scu.mb.ca/booknow) to book an appointment.





# Thinking of starting or expanding your small business? SCU can help!

The stats tell the story. Of the 1.22 million businesses operating in Canada in 2022, 97.8%, or 1.19 million, were defined by the Government of Canada as “small businesses.” These businesses employed 5.7 million Canadians, or 46.8% of the total private labour force.

## The conclusion? There’s nothing small about “small” business.

The **Canada Small Business Financing Program (CSBFP)** is a government-backed program offering Canadian businesses loans of up to \$1.0 million. The program parameters including fees, loan size, asset classes, and maximum interest are set by federal government.

The review and approval of the application and business plan is overseen by banks, credit unions, and caisses populaires across Canada, including SCU.

Small businesses or start-ups with gross annual revenues of \$10 million or less that operate in Canada and provide a product or service to the public are eligible to submit a business plan and application to the financial institution of their choice.

For more information on the CSBFP, its requirements and eligibility, call **1.800.728.6440**, and ask to speak with an SCU Business Account Manager.

## Here’s a quick overview of the program.

Finance type	Available financing	Program purchasing parameters
Term loans	Maximum loan \$1.0 million to any single borrower	<p>May be used for intangible assets and working capital costs. No more than \$500,000 for the:</p> <ul style="list-style-type: none"> <li>• purchase of leasehold improvements or leased property</li> <li>• purchase or improvement to new or used equipment up to a maximum of \$150,000</li> </ul> <p>May be used to finance:</p> <ul style="list-style-type: none"> <li>• commercial vehicles</li> <li>• hotel or restaurant equipment</li> <li>• computer or telecommunications equipment and software</li> <li>• production equipment</li> <li>• costs to buy a franchise</li> <li>• leasehold improvements</li> <li>• goodwill on existing business purchase</li> </ul>
Lines of credit	Up to a maximum of \$150,000 for lines of credit for a period up to 5 years from date of registration	<p>May be used to pay for working capital costs, such as the:</p> <ul style="list-style-type: none"> <li>• day-to-day operating expenses of the business</li> <li>• program registration fee</li> </ul>

# Tips for planning and protecting yourself while travelling

## BEFORE YOU LEAVE:

### 1. Choose a credit card with travel benefits

Some cards offer advantages such as rental car insurance, trip cancellation insurance, and lost luggage reimbursement. Check out your benefits well in advance to ensure you're covered.

[scu.mb.ca/creditcards](https://scu.mb.ca/creditcards)

### 2. Order your foreign currency a couple of weeks in advance

Getting your foreign currency in advance often yields a better exchange rate and you'll be less likely to need an ATM machine while you're travelling

### 3. Don't forget to pack your insurance

Insurance might not seem important until you need it. It's a good idea to check what is covered through your employee benefits and credit card insurance—and what isn't—before you travel.

[scu.mb.ca/travel-insurance](https://scu.mb.ca/travel-insurance)

### 4. Inform your Financial Institution (FI) where you're travelling

FIs are always on the lookout for scams and might think your card transactions in another country are fraudulent. Advise your FI of your travel plans so a note can be placed on your account

## WHILE YOU'RE AWAY:

### 1. Manage your debit and credit cards

Easily manage your debit card through digital banking by toggling the on/off button to prevent unwanted transactions while you're travelling. Limit or exclude certain transactions, prevent transactions from occurring outside of Canada, or lock the card completely.

[scu.mb.ca/digitalbanking](https://scu.mb.ca/digitalbanking)

### 2. Split up your cash

It's good practice to bring some cash with you and leave the rest in a safe place in your hotel or rental home. Or split up your cash with a travel partner, so you'll still have money if your wallet goes missing.

### 3. Don't share too much information

Thieves know to scan social media looking for people posting travel photos, which makes posting about your trip after you return home a safer option. Plus, sharing photos after your trip will allow you to revisit all the fun you had on your travels!

Being mindful and exercising caution at the outset of your travels can make all the difference to ensuring you have a memorable, stress-free vacation. Wherever you choose to venture, use these tips to stay safe and have a great trip!



## Earn up to 4x rewards<sup>1</sup>

Reward yourself with a card that fits your lifestyle. With the Cash Back World Elite<sup>®</sup> Mastercard, you'll earn 4 times the rewards on everyday purchases<sup>1</sup> that can be redeemed for cash, travel, and more.\*

Apply at [scu.mb.ca/personal-cards](https://scu.mb.ca/personal-cards)

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<sup>1</sup>Reward points are earned on net purchases only. Any Cash-like Transactions including Cash Advances, and interest charges, fees, payments, credit or debit adjustments and any amount other than Purchases that may be charged to your Account with your Card or Convenience Cheques, do not qualify for Points. For more information visit [collabriacreditcards.ca/rewards](https://collabriacreditcards.ca/rewards)

\*Terms & Conditions apply. Visit [Collabria - rewards \(collabriacreditcards.ca\)](https://Collabria-rewards.collabriacreditcards.ca) for more details.

On Tuesday, March 12, 2024, SCU held our Annual General Meeting (AGM), announcing continued organizational growth, reaching \$9.54 billion in assets, and a \$12 million cash back bonus to members.

In 2023, SCU's growth continued with 5,028 new members. In addition, our assets grew by 4.60%, with an increase in deposit accounts of 5.70% and 5.36% in loan accounts. Our continued financial success means it has the strength to invest in new technology, products, and services that respond to an ever-changing market to meet the needs of today's members.

The bonus is shared with members who hold both deposit and lending accounts. The breakdown of this allocation was 60% to deposit holders and 40% to credit holders. As an example, if a member paid \$5,000 in

interest on their mortgage in 2023, they would have received an approximate bonus of \$64.50, which equates to a 1.29% bonus on interest already paid. Similarly, members who received \$1,500 in interest on their savings accounts in 2023, would enjoy a member bonus of approximately \$45.75, which translates to a 3.05% bonus on interest already received.

During the AGM, results of the 2024 Board of Directors vote were announced, and the membership re-elected board members Doris Martens, Bruce Penner, and Maria Reimer. In addition, the Board of Directors once again elected Maria Reimer as Board Chair, Bruce Penner as First Vice-Chair, and Chris Goertzen as Second Vice-Chair.

For more details, The SCU Annual Report and full financials are available for download from our website at [scu.mb.ca/annual-reports](https://scu.mb.ca/annual-reports).

## SCU Board of Directors



**Maria Reimer**  
Board Chair



**Bruce Penner**  
1st Vice-Chair



**Chris Goertzen**  
2nd Vice-Chair



**Doris Martens**  
Director



**Jeremy Hildebrand**  
Director



**Jayson Barkman**  
Director



**Bonnie Goertzen**  
Director



**Kris Plett**  
Director



**Matt Kehler**  
Director

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EXPLORE THE POSSIBILITIES™

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