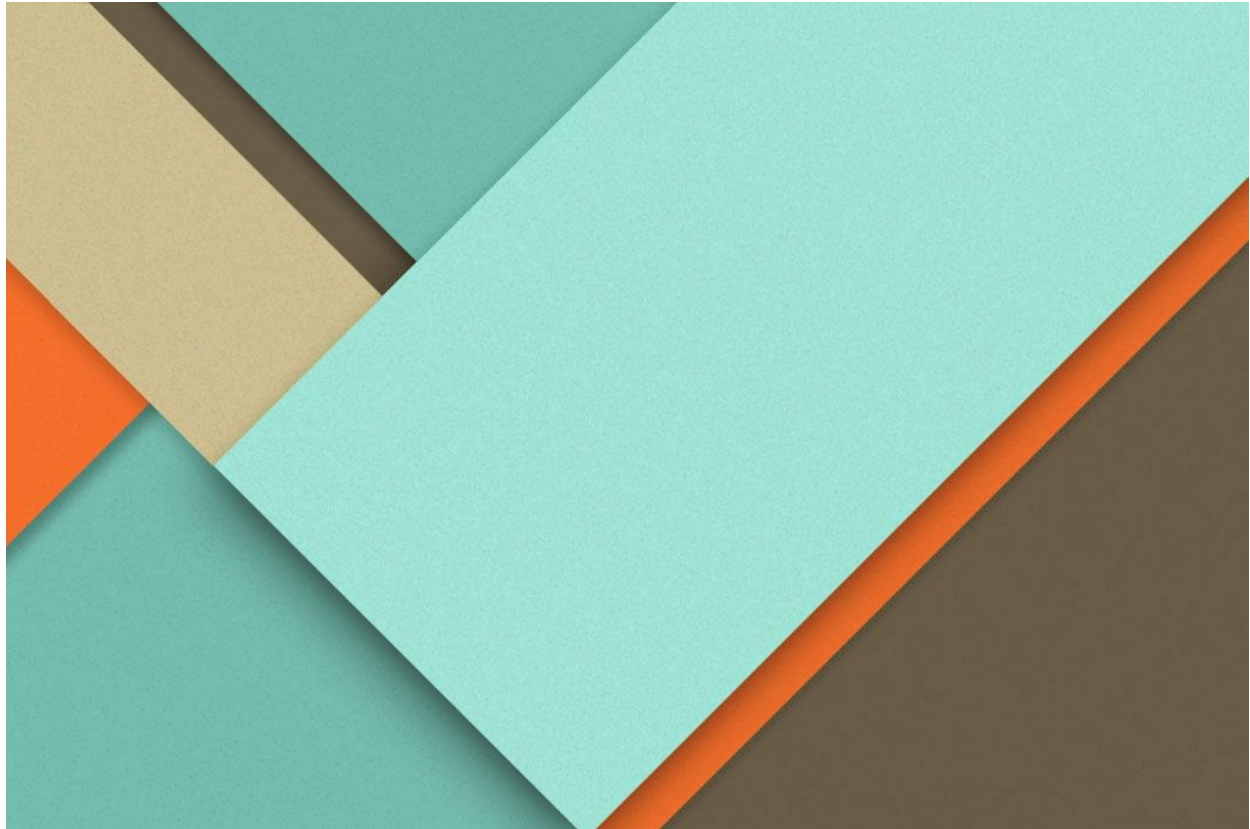




Savings/Investment Portfolio

Billie Gene

Risk Level: 3

—

Corey Burgess

Leila Fitt

Brandon Noguchi

Wendy Rios

Profile

Billie Gene is a 31 year old male. He graduated with a masters in social work from Baylor University and now makes \$55,000 annually. Currently, Billie still owes \$42,000 in student loans with a 5.05% APR, and he hopes to pay off his debt over the next five years. Billie's wife, Jennie Gene, went to Austin Community College for two years then transferred to Texas State University where she graduated with a degree in Human Development. Jennie is now an online english teacher, making \$44,160 annually. Jennie and Gene have a 10 month old baby boy named James. They have not yet started a college fund for him yet, as they are still working on paying off their outstanding debt. They just paid off their 2007 Toyota Tacoma and took out a loan on their 2018 Subaru Forester which has a monthly payment of \$522 until the \$23,411 car payment is paid off with the 10% interest rate. They bought a lovely 4 bedroom, 3 bath home in Waco, Texas for \$210,000 two years ago. Jennie and Billie made a \$42,000 down payment on the house and took out a \$168,000 loan with a 4.592% interest rate at a 30-year fixed rate of \$1,069 each month. Due to their financial status and future plans, they have a low risk level when it comes to investments and value saving. They are not comfortable investing at this time because their focus is on paying the rest of Billie's student loans and paying off the mortgage on the house and the 2018 Subaru Forester. However, they also plan on putting their money in a checking account, savings account, and in some certificate of deposits to increase their current funds while ensuring that their money stays safe.



Goals

1. Paying off the rest of the student loan of 42,000 dollars.
2. Paying off the mortgage of our house and our brand new 2018 Subaru Forester. Specifications

The Gene family's first priority is to pay off Billie's student loan of 42,000 dollars. Since Billie received a subsidized loan, which is a loan that begins charging interest right away, it is the main priority. With a 5.05% interest rate, his parents paid for his college for 4 years and when Billie applied to get his masters, he parents no longer supported him. Billie and Jennie look to pay off their mortgage next which is \$1,069 monthly. The Gene family's last goal is to pay off their car in which is a monthly payment of \$522 a month.

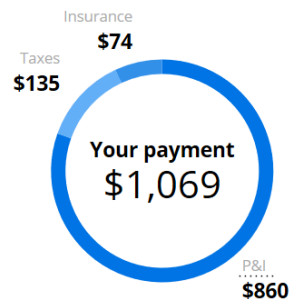
Mortgages · Mortgage calculator

Estimated payment

\$1,069 /mo

LOAN AMOUNT	\$168,000
DOWN PAYMENT	\$42,000
INTEREST RATE	4.592%
LOAN TERM	30 years
TAXES & INSURANCE INCLUDED?	Yes
PROPERTY TAX	0.8%/yr
HOMEOWNER'S INSURANCE	\$882/yr
MORTGAGE INSURANCE	\$0/mo
HOA DUES	\$0/mo

Payment Breakdown



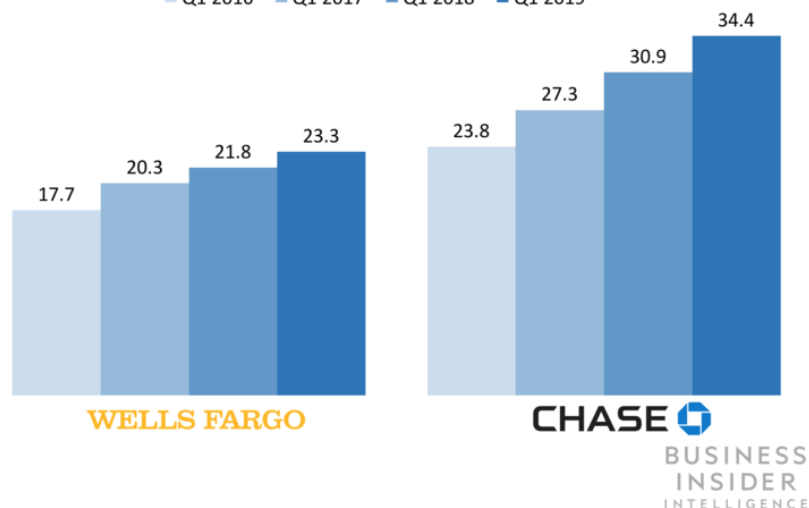
Checking Account

Billie Gene and Jennie Gene have decided to have their checking account with Chase Bank as it has over 16,000 ATMs that make it easier and more accessible to use. The monthly service fee is only \$12 but can be waived if there is a daily balance of \$1,500 in the account which would not be difficult for the Gene family to do in order to not pay the monthly fee. The overdraft and non-sufficient funds fees are both \$34 which is a dollar fewer than Wells Fargo but the Gene family can always apply to have both those fees waived. Chase is continuing to be more customer friendly when it comes to fees so should not be a problem for the Gene family. The money order fee is only \$5 and the cashier check fee is only \$8 but those fees can also be waived depending on the checking account. Chase also has an ATM surcharge of \$2.50 which is relatively cheaper to First Central Credit Unions ATM surcharge of \$5. Chase also has a great offer where they give \$200 bonuses for opening up a new checking account which is great for the Gene family who like earning money. Chase also has made it easier to bank online and has a mobile app that makes banking easier. The app allows for alerts if there is suspicious activity surrounding your account, alerts if you are going under the minimum balance, and allows you to make bill payments. This is a great option for Jennie Gene who is always busy working from home and when not working, is busy taking care of her child. Below is a graph that shows how many more users utilize the Chase mobile app than the Wells Fargo app because they trust Chase more and the app is easier to utilize.

Annual Growth In Active Mobile Banking Users At Major US Banks

Millions

Q1 2016 Q1 2017 Q1 2018 Q1 2019



Source: Company Filings

Savings Account

Billie and Jennie Gene chose chase for their savings account after closely reviewing and comparing to Wells Fargo. Although Wells Fargo and Chase have many similarities of the same Minimum balances, the big factors were that with Chase, there is a \$200 dollar bonus for setting up a new savings account. With already being in debt, free money is an incentive while Wells Fargo does not offer anything. The withdraw limit is 1,000 dollars verse Wells Fargo which is \$1,500, however it works in the Gene family's favor. Being that they are trying to save more money to pay off college and their new car, extracting large amounts isn't helpful. With Chase giving a higher interest rate for a higher balance of money, this allows for the fees to be waived, makes it the best choice for the Gene Family.



Certificate of Deposit (CD)

The certificate of deposit is best suited at Chase Bank for the Gene family because it is the most versatile which is perfect for the Gene family. The compared rates and APY (Annual Percent Yield) of a 6-month term, for example, is 0.02% at Chase, 0.85% at Wells Fargo, and 0.95% at First Central Credit Union. Though the other banks may have a larger APY for the 6 month period, the Gene family would not go with that route, as a 6-month term would not generate as much interest and return for the family and it is also not a realistic term for the family. The APY in a 6-month term for the other banks may seem higher, however, in 6 months, it would not produce much outcome. At Chase Bank, there is a 9-month term with an APY of 1.01% which we found would be much more suitable and realistic. This would be the best option for the Gene family since the term is not excessively large, yet the APY for the 9-month term is the highest among the compared banks and the Gene family would see the best result. For a similar, longer term, the 21-month option is great as well, with an APY of 1.4%. Though longer than 9 months, it is not too long and it is under two years which is sustainable for the family and generate the most interest from the other options.



The Chase minimum deposit is \$1000 which is the same as First Central Credit Union, while the minimum at Wells Fargo is \$2500, a significant difference. The penalty for early withdrawal fees is 1 percent of the amount withdrawn if the term of the CD is less than 24 months. The

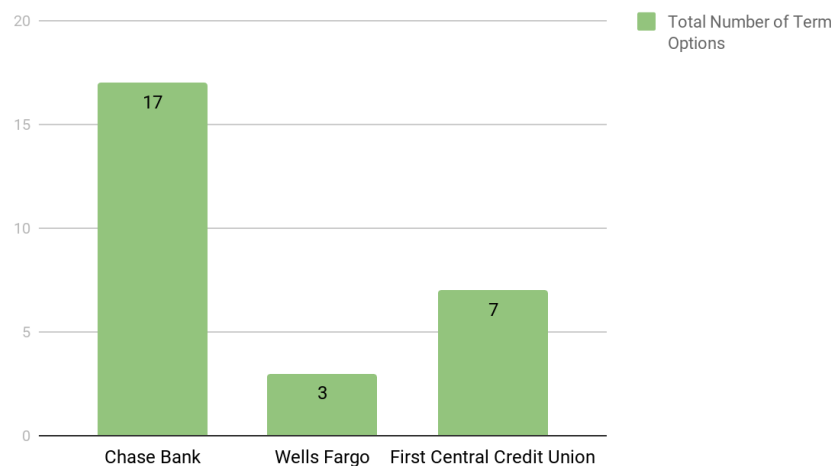
early-withdrawal penalty is 2 percent for terms of 24 months or more. If the family takes either the 9 month or 21 month suggested routes, either way, it would not exceed the 24 month term. Thus, it results in a higher payout for the family, and would not hurt as much as other banks if they were to be subject to an early withdrawal.

The Term options at Chase Bank vary greatly among the other compared banks. The Terms start from 1 month all the way to 120 months, which is ideal for the Gene family since they are not looking for too long of an investment. The numerous options give the family a wide variety of terms to choose the one that fits them best. Below are the listed terms and APY percentages that go along with each term.

CD TERM	\$0 - \$9,999.99	\$10K - \$24,999.99			
1-Month	0.02%	0.02%	21-Month	1.40%	1.75%
2-Month	0.02%	0.02%	24-Month	0.90%	1.01%
3-Month	0.02%	0.02%	30-Month	0.90%	1.01%
6-Month	0.02%	0.02%	36-Month	0.95%	1.06%
9-Month	1.01%	1.75%	42-Month	0.95%	1.06%
12-Month	0.02%	0.02%	48-Month	1.01%	1.21%
15-Month	0.05%	0.15%	60-Month	1.01%	1.21%
18-Month	0.15%	0.25%	84-Month	1.01%	1.21%
			120-Month	1.36%	1.46%

Below is a graph comparing Chase to other competitors in showing the number of Term options for CDs available at each bank.

Number of Term Options for CDs





Chase CDs are better opened with a linked Chase Bank checking account. Doing so opens up higher relationship rates which also earn according to balance tiers. This allows higher balances to earn at higher rates. Otherwise, the Chase CDs don't have much potential for big payouts at the end of their terms. Since The Gene family is opening with a Chase Checking account, they are able to take advantage of this perk.