

Your Money

A quarterly publication for members of the Rohm and Haas Employees Federal Credit Union

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MERGER UPDATE

We are proceeding with preparatory steps to combine our operations with the Del Val Credit Union. This work is underway while we await a response to our merger application submitted to both the National Credit Union Administration, our regulator, and the Pennsylvania Banking Department, the regulator of Rohm and Haas Del Val Credit Union.

While we expect a favorable response from both agencies, the fact remains that these are both large government organizations, and the application process is ponderous. We are doing our best to respond in a timely fashion to any questions and additional paperwork they may request.

We remain hopeful that all government approvals will be secured in the coming months, which will lead to a final merger later this summer. Until then, I will keep you updated as key developments unfold.

*Jack DeWaele
Manager,
Rohm and Haas Employees Federal Credit Union*

Spring LOAN PROMOTIONS

Take advantage of your Credit Union's special spring loan promotions from April 1 to June 30. Check out these super offers on all secured loans.

Real Estate...Say goodbye to fees

For real estate loans, we will waive our loan closing costs, including appraisal, property search, flood certification, and recording fees. The only fee which will not be waived is title insurance, which is required on loans in excess of \$100,000 and on any mortgage taken to purchase a new property. In order to qualify for the waiver of fees, you must borrow at least \$25,000 in new funds. We lend up to 80% of the home value, less the amount of any first mortgage, up to a maximum loan amount of \$300,000 and a maximum term of 15 years.

New Autos...We've dropped your interest rate

For new auto loans, we have dropped the rate by 1/2% from April 1 to June 30, 2002. This results in the following rates:

With no down payment	With 10% down
36 month loan 6.999%	36 month loan 6.499%
48 month loan 7.499%	48 month loan 6.999%
60 month loan 7.999%	60 month loan 7.499%

Used Autos

We'll help you get a great value

If you're interested in a used car, we subscribe to the NADA used car guide and provide you with advice on value. During the promotion period, our used car rate has been dropped 1/2% to 7.499% with down payment requirements from 10% to 30% and loan terms from 24 to 48 months, depending on the age of the car.



Don't miss these tremendous buys!

During the week of May 13 to 18, you can take advantage of a special promotion offered in conjunction with the Enterprise used car sale. At any Enterprise location, you can make a deal for a 1999 or 2000 car at lower than NADA book value. Enterprise offers a 12 month or 12,000 mile warranty and a 7 day or 1000 mile buyback guarantee, no questions asked if you return the car for any reason during the guarantee period. For this sale only, in addition to the 1/2% rate cut, we are offering 100% financing for up to 60 months. For those members in the Philadelphia area, Enterprise will hold a large sales event on May 18 at the Philadelphia Airport Sheraton.

National Credit Union Youth Week

Here's \$25 to get you started!

This year, National Credit Union Youth Week is April 14-20. To celebrate this event, and to encourage saving at an early age, your Credit Union is offering a savings promotion for the month of April to members who open accounts for other family members.

Just open an account for a family member, sign up for payroll deduction or direct deposit, and we will make the initial \$25 deposit to open the account! You may sign up for payroll deduction for any amount, but the deductions must continue for at least a year in order to keep the initial \$25.*

Although it's designed to promote youth savings, this promotion applies to any family member. Also, even though we will deposit the \$25 into a regular savings account, the deductions can go to any type account we offer: Education IRAs, checking accounts, money market accounts, Christmas Clubs or Vacation Clubs. This is a great deal for anyone, but could be particularly useful in teaching children to save and budget, especially older children who may be away at college. In order to take advantage of this offer, call or stop by the Credit Union office for paperwork.

* The \$25 bonus deposit will be forfeited if the account does not remain active for at least 12 months, including automatic monthly payroll deduction or direct deposit into the account for 12 months.

DIVIDENDS

For the first quarter of 2002, the Board of Directors declared the dividend rate of 2% on regular share balances of less than \$5,000 and 2.25% on balances of \$5,000 and greater. The annual percentage yield on these rates is 2.02% and 2.27% respectively.

REBATES

Your Credit Union is pleased to continue the quarterly rebate for all real estate loans and older unsecured loans. This reduced the effective secured loan rate to 6.5%, and the effective unsecured loan rate to 12% for the first quarter of 2002.

Money Market Rates

MONEY MARKET RATES AND YIELDS

\$0-\$2,500	2.000% rate	2.01% yield
\$2,501-\$5,000	2.250% rate	2.26% yield
\$5,001-\$10,000	2.500% rate	2.52% yield
\$10,001-\$20,000	2.750% rate	2.78% yield
over \$20,000	3.000% rate	3.04% yield

Certificates of Deposit

We offer certificates of deposit at the following current rates and yields for the following terms:

CD RATES AND YIELDS

6 month certificate	2.55% rate	2.58% yield	\$2,500 minimum
9 month certificate	2.65% rate	2.68% yield	\$2,500 minimum
12 month certificate	2.75% rate	2.78% yield	\$2,500 minimum
30 month certificate	3.00% rate	3.04% yield	\$1,000 minimum
60 month certificate	4.25% rate	4.34% yield	\$1,000 minimum

Current certificate of deposit rates offered are subject to change in response to market conditions.

CU TIP:

Why it makes sense to convert your 401K Loan to a Credit Union Loan

If you have a loan from your 401k plan which you think is beneficial because you are in effect borrowing from yourself, you should take another look at the situation, because you may in fact be borrowing from your future.

On the face of it, a loan at 7%, for example, may look like a clear-cut winner over a Credit Union unsecured loan at 12%. But did you consider that the 401K funds you lend yourself are withdrawn from the investments in your 401K plan in which you had originally placed them? This may not have been a bad thing in the recent past, when returns on stock and bond investments have been low, but if the market is poised for a turnaround, the funds you have lent yourself will be excluded from the market gains.

For example, if you have a \$10,000 401K loan at 7% with three years left to pay, you will pay yourself \$1,115.72 in interest. If you borrowed the same amount from the Credit Union and immediately returned \$10,000 back to your 401K, you would pay \$1,957.04 in interest, an increase of \$841.32. That doesn't sound too good. But wait ...

If the market performed at 10% for those three years, its long-term average return on \$10,000 would have earned \$3,448.88, assuming quarterly compounding, leaving you \$2,607.56 ahead with the Credit Union loan option. Of course, this number may be significantly higher (due to compounding) depending on the number of years you maintain a 401K account. If you use a home equity loan (also available at your Credit Union) to pay off your 401K loan, you are even further ahead as the rate is lower and the interest is usually tax-deductible. This can be confusing stuff, but the savings may be quite significant!

If you have a loan with your 401K, go to www.vanguard.com and use the special calculator to determine the loss to your plan which could occur over the long-term as a result of borrowing against it.

Give us a call if you would like to discuss borrowing options that let you put your 401K funds back to work for you.

Look for other information related to our offerings on our web page at:

<http://www.rhcu.com>

