

Your Money

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

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To: Members of the Rohm and Haas Employees Federal Credit Union

From: Jack Dewaele

DATA CONVERSION COMPLETED, working through some growing pains.

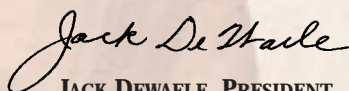
The data files of the two formerly separate credit unions were converted to one system, completing the final step of our merger process. Like most computer conversions, this one was not trouble-free, and we apologize to our members for any inconvenience this may have caused. As always, you should check the enclosed statement carefully to make sure it's accurate. If you find any discrepancies, please report them to a credit union employee at any of the three locations: Home Office, Spring House Technical Center, and Philadelphia Plant.

For members of the former Rohm and Haas Del Val Credit Union, you will no longer be able to use your old PIN on the Voice Response System, as it has been disconnected. Call our office to set up a new PIN to begin using the new system, which can be accessed at (215) 592-3084. Information in the new system will reflect your account and transactions since September 1, as this was the date of conversion. If you need information on transactions prior to that date, please call our Spring House office and speak with an employee. You may also access your account information online through NetTeller. Again, you will need to call our office to set up a logon ID and PIN.

Christmas Club checks will be available for pickup on November 1 after 12:00 noon in the Credit Union office. Please note that checks will not be prepared for members of the former Del Val Credit Union, since Del Val members were able to withdraw Christmas Club funds at any time. Your Christmas and Vacation club accounts have been converted to sub accounts, so the terms and conditions originally established when the accounts were opened have not changed.

Thanks for your patience and understanding as we continue to experience some growing pains, and as we work hard to deliver top-notch service!

Sincerely,



JACK DEWAELE, PRESIDENT
ROHM AND HAAS EMPLOYEES
FEDERAL CREDIT UNION



SEE DETAILS ABOUT:
LOAN PROMOTION
on reverse side

TAKE A TAX BREAK

Tax time is just around the corner, but—if you haven't already—there's still time to take advantage of some tax breaks you and your family may qualify for.

TO YOUR CREDIT

You may be entitled to claim a \$500 credit for each qualifying child. A qualifying child is younger than 17 years of age for whom you can claim a dependency exemption and deduction and who is your child, other direct descendant, stepchild, or eligible foster child. The credit phases out for certain higher-income taxpayers.

You also may be eligible for the Hope Scholarship Credit (\$1,500 per year, per student) and Lifetime Learning Credit (up to \$1,000 per year, per taxpayer) if you, your spouse, or your dependents have qualified higher-education expenses.

The Hope credit is available for students attending on at least a half-time basis for the first two years of undergraduate education at an eligible institution, provided the student never has been convicted of a federal or state felony drug offense.

The Lifetime Learning Credit is available to taxpayers for any post-high school education—including courses to acquire or improve job skills—at an eligible institution. Eligible institutions are accredited schools offering credit toward a bachelor's degree or associate's degree or other recognized post-high school credentials and certain vocational schools. Note: You may not claim the Hope and Lifetime Learning credits in the same tax year for the same expenses.

OTHER TAX BREAKS

You may be able to deduct interest you paid on a qualified student loan. No matter when you took out the loan, you may only deduct interest paid during the first 60 months that interest payments are required. Any months when you don't have to make payments—because your loan is deferred or in forbearance—do not count against the 60-month period. Your interest deduction can't be more than \$2,500 for 2001 and later years. Note: You cannot claim the deduction if another taxpayer claims you as a dependent, or your filing status is married filing a separate return.

OCTOBER LOAN PROMOTION

A special rate will be available on all real estate secured loans approved during the month of October: a 5.99% fixed rate for a term of 60 months or less. This is a great way to finance a car or make that home improvement you've been putting off. This promotion applies only to new funds taken, not to refinanced funds. Call or stop by the Credit Union offices to take advantage of this great deal before the month is up.

REGULAR SHARE DIVIDENDS AND INTEREST REBATES

The Board of Directors declared a dividend of 1.6% on regular shares, yielding 1.61% for the third quarter of 2002. In addition, an interest refund was declared on all real estate secured loans paid up to date at the end of the quarter, to reduce the effective rate to 6%.

CHANGING THE COLOR OF MONEY

The face of money in the U.S. will soon change. The U.S. Treasury announced plans to add subtle background colors to the \$20, \$50, and \$100 bills as early as fall 2003 for the \$20 bill, with the \$50 and \$100 bills to follow about a year later. No decision has been made on color schemes.

The hope is that the colored bills, called the NexGen series, will help deter counterfeiters. Changes will not be made to the \$1 and \$2 bills because they are rarely counterfeited; changes to the \$5 and \$10 bills are being considered.

The Treasury has repeatedly told Congress the importance of changing the larger bills every seven to 10 years. The last changes were made in 1996 when: The presidential portraits were enlarged; a watermark portrait, visible when held up to the light, was inserted; color-shifting ink was added to the number in the right-hand corner; and other subtle changes were made. The changes will remain on the new bills.

Despite the 1996 changes, counterfeiters printed \$47.5 million in "free" money during 2001, mainly by computer.

The Treasury also hopes that adding color to the bills will help consumers differentiate between denominations.

Certificates of Deposit

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

CD RATES AND YIELDS

6 month certificate	1.85% rate	1.87% yield	\$2,500 minimum
9 month certificate	1.95% rate	1.97% yield	\$2,500 minimum
12 month certificate	2.60% rate	2.63% yield	\$2,500 minimum
30 month certificate	2.85% rate	2.89% yield	\$1,000 minimum
60 month certificate	4.00% rate	4.08% yield	\$1,000 minimum

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

Money Market Rates

MONEY MARKET RATE AND YIELD

1.60% rate	1.61% yield
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5 Steps to Organizing Your Finances

Do you know your net worth? Or how much you spend each month, and on what? Or how much you can expect from your pension plan or Social Security in retirement?

A "no" to most of these questions puts you with the majority of the population who have been too busy with life to get a handle on their finances.

Fortunately, there's a five-step action plan to help you take control of your money.

1. Set up a financial filing system. Create a personalized filing system by labeling accordion file pockets with broad financial categories. Then label regular file folders with subcategories that fit your situation and file them into the accordion pockets. For example, create a Property & Casualty Insurance accordion file and fill it with a Vehicle Insurance regular file folder.

2. Gather records. Look through your records to identify missing information. For example, you need an estimate of your Social Security retirement benefits. To request one, contact the Social Security Administration at 800-772-1213. Gather copies of your health, disability, life, homeowners, and vehicle insurance policies, and get a copy of your credit report. Contact the three national credit bureaus for information about how to request a copy of your credit report and how to correct any errors you find (Experian 888-397-3742, Equifax 800-685-1111, Trans Union 800-888-4213). Better yet, just call your local credit union office, and we'll obtain your credit report for free!

3. Size up your situation. Add the estimated current value of all assets, including your home, car, personal property, savings, investments, and retirement accounts. Next, add all liabilities, including mortgage, credit card balances, and any other outstanding debt. Then subtract liabilities from assets to figure net worth. Then, make a list of income and expenses by reviewing paycheck stubs, checkbook register, and credit card statements from the past year. Finally, track spending for a month by saving all receipts or recording cash purchases in a notebook. A spending plan form or money management software program helps organize spending by category.

4. Chart a course. Set financial goals—long-term and short-term—and figure how much money you'll need for each. Create a target saving and spending plan that meets needs using your list of income expenses. For a month or more, track actual spending to see how you're doing, making changes as necessary.

5. Brush up on money management basics. Contact or visit your Rohm and Haas Employees Federal Credit Union for more information about how to save and spend finances wisely.

