


TODAY'S INTEREST RATES (OUCH!)

... not a pretty picture, unless
you're borrowing.

Interest rates today are at their lowest levels in 40 years, and the stock market has delivered losses for the last three years. This is bad news for investors, leaving few safe options for your savings. At your Credit Union, we try to keep our savings rates slightly above those of our competitors, but we too face a tough dilemma. For funds that are not loaned out, we must get rates that are sufficient to meet our costs of operation. In light of this, it's obvious that even our rates look pretty insignificant compared to the recent past.

The bright side of this story is for borrowers, because the interest they pay on a loan is extremely low compared to the past. Now is the time for debt consolidation, particularly through home equity financing. Home sales, and their prices, have held up very well during this time of correction in the stock market. Lenders are eager to make loans since it's the most profitable placement for their funds. Consolidating high interest credit cards or other consumer debt with an unsecured loan or home equity loan at a fixed rate in today's market is a no-brainer for most people. It's a wonderful strategy to make the best of a bad economic situation. And if you decide on a home equity loan, you may be eligible for possible tax deductions.

So, after you recover from sticker shock from your credit card statement, take a look at the card's interest rate (it's often the fine print at the bottom). Then call or stop by your local credit union office to discuss how we can save you significant money by transferring your balance to a lower interest loan.



JACK DEWAELE, PRESIDENT
ROHM AND HAAS EMPLOYEES
FEDERAL CREDIT UNION

MVCP OFFERS HASSLE-FREE CAR BUYING

Your credit union is offering the Motor Vehicle Certification Program as a FREE service to our members! Call MVCP at (800) 345-0990 to speak directly with an advisor who will help you through the entire car

buying process. You will be directed to an MVCP participating dealer where the price on all vehicles has been pre-negotiated. After visiting the dealer, your advisor will double-check the entire transaction to ensure that you are getting a fair and correct price and correct any discrepancies with the dealer. Call MVCP today before you buy your new or used car!

CERTIFICATE LADDERING: A STRONG ALTERNATIVE FOR YOUR SAVINGS

You've accumulated a substantial amount in your share savings account and are thinking of shifting the funds into share certificates to earn higher interest. Here's your dilemma: *Do you put your money in longer-term certificates to get the highest rate? Or do you invest in shorter-term certificates to keep your money more readily accessible—even if it means settling for a lower rate?*

"Laddering" is a strategy that lets you have it both ways. Say you have \$5,000 to invest in certificates. Put \$1,000 each into certificates that mature in one, two, three, four, and five years. One year later, your first certificate matures, yielding you \$1,000 plus dividends earned. If you need the money, you cash in. If you don't, you reinvest in a new five-year certificate, at a higher dividend rate.

The next year, the two-year certificate matures. Again, if you don't need the money, you reinvest in a new five-year certificate.

By the end of the fourth year, all your money is earning at the five-year rate. Yet a certificate matures each year, so you can tap into the cash if you need it. Laddering gives you both bigger savings and the advantage of maintaining access to your money.

Spreading the maturities from one to five years is just one strategy. If you prefer to tie up your money for shorter time spans, you could invest in two-, six-, 12-, 18-, and 24-month certificates.

You can ladder any way you wish to best meet your financial needs. For more information or to start your certificate ladder, contact your local credit union office.

WHY CREDIT UNIONS AREN'T BANKS

When you walk into one of our branches, or call a loan officer, what makes the Rohm and Haas Employees Federal Credit Union different from a bank isn't immediately apparent. The two financial institutions may offer similar products and services. But there the similarities stop. Crucial differences exist—in ownership, in cost of borrowing money, and in use of services.

- **You own your credit union.** Credit unions are member owned nonprofit financial cooperatives dedicated to improving members' lives. More than 80 million members own 10,500 U.S. credit unions with combined assets of \$450 billion. Stockholders own banks (with combined assets of \$6.2 trillion). Banks make money for stockholders, not for customers.
- **Credit unions are the only democratically controlled financial institutions in the United States.** You and other members elect a volunteer board of directors to oversee the credit union. The president reports to this board. On the other hand, bank directors are paid and legally bound to make decisions that benefit stockholders, not customers.
- **Credit unions have among the best rates.** Credit unions price loans, pay interest on funds you've deposited, and charge fees to provide you with high-quality, low-cost services. Banks price products and services to make a profit.
- **You earn more on your savings**—in some cases up to one percentage point—at the credit union.
- **Credit union loan rates also are better.** The average credit card interest rate is four percentage points better at credit unions vs. banks. And credit union auto loans often average almost one and one-half percentage points less than banks' auto loan rates. Credit unions primarily make consumer loans; banks offer consumer loans, but really emphasize business loans.
- **Credit unions educate members about money matters.** They provide publications such as this newsletter to keep you advised of rates, loan sales, and financial trends that affect you. Your credit union also stresses education, providing materials on financial planning, car, and home buying to help you make informed buying decisions. Many banks simply advertise their rates and sell their services.

Because you're an owner of the Rohm and Haas Employees Federal Credit Union, you have a say in how we do business. Let us know how you think we're doing, and what services you want at your credit union.

Certificates of Deposit

RATES AND YIELDS			
6 month certificate	1.50% rate	1.51% yield	\$2,500 minimum
9 month certificate	1.60% rate	1.61% yield	\$2,500 minimum
12 month certificate	2.00% rate	2.02% yield	\$2,500 minimum
30 month certificate	2.85% rate	2.89% yield	\$1,000 minimum
60 month certificate	3.50% rate	3.56% yield	\$1,000 minimum

Money Market & Share Account Rates

RATE AND YIELD	
1.35% rate	1.359% yield

Rates are subject to change in response to market conditions.

Legal services discounted for credit union members

As a member of the Rohm and Haas Employees Federal Credit Union, you are entitled to a free initial consultation on any legal matter either on the telephone or in person. This service, which had been available to members of the Del Val Credit Union prior to the merger, is offered by the Law Office of James W. Pearson, Jr. Jim Pearson is licensed to practice law in Pennsylvania, New Jersey, and California, and has provided legal services to the Del Val Credit Union for over 25 years.

This offer is open to all credit union members and their families. Services include estate planning (wills, living wills, powers of attorney, trusts, deeds, etc.), estate administration, family law, real estate, and criminal defense, to name a few.

For a consultation, call 215-735-3969 in Philadelphia, 856-428-3242 in Cherry Hill, or 610-566-2666 in Media. Be sure to ask for Jim Pearson.

REGULAR SHARE Dividends and Interest Rebates

The Board of Directors declared a dividend of 1.35% on regular shares, yielding 1.359%. In addition, an interest refund was declared on all real estate secured loans paid up to date at the end of December—the refund reduces the effective rate to 6%.



Look for other information related to your credit union's services on our web page: <http://www.rhcu.com>

