

Super Summer LOAN SPECIAL

CUTIP:

Confused about interest rebates?
Here's how it puts money
back into your pocket!

Polls have shown that most members are not aware that your credit union pays interest rebates, and for those who are aware, they don't really understand the process. Let's try to clear-up some confusion.

Your credit union pays interest rebates to reduce the rates on older loans to equalize them with lower rates on newer loans. Loan rates have been steadily drifting downward for approximately 20 years. Through interest rebates, we have been able to afford borrowers with older loans (at higher rates) the benefits enjoyed by newer borrowers without the trouble of refinancing.

Interest rebates are not guaranteed, and depend on our profitability; however, we have been paying rebates steadily since 1983 to lower the total rates our members pay. Here's how it works: Assume that John has an older loan with a 9% rate, Mary has a more recent loan at 8%, and Ken has a variable rate loan at 6.75%, and that all three loans have a balance of \$10,000 and a 5 year term. Your credit union wants to reduce all three loans to an effective rate of 6.5%. In each case, the amount of interest paid during the quarter differs with the rate, and the percentage rebated differs, but the net interest paid is the same. The amount rebated is deposited to the member's savings account.

John

•Interest paid during the quarter	\$ 222.01
•Interest rebate of 27.7% to reduce 9% to 6.5%	\$ 61.66
•Net interest paid	\$ 160.35

Mary

•Interest paid during the quarter	\$ 197.35
•Interest rebate of 18.75% to reduce 8% to 6.5%	\$ 37.00
•Net interest paid	\$ 160.35

Ken

•Interest paid during the quarter	\$ 166.51
•Interest rebate of 3.7% to reduce 6.75% to 6.5%	\$ 6.16
•Net interest paid	\$ 160.35

We hope this demystifies the interest rebate program. If you're still confused, don't worry. Just call 215-592-3696 and we'll be happy to explain it to you.

Through Labor Day 2003, qualified borrowers can receive a special **ultra low 4% APR fixed rate home equity loan for a 4 year term!*** A rate that low can come in handy not only for that new deck or pool you've been putting off, but also for a new car, tuition, a vacation for the family, or perhaps to pay off some high interest credit cards.

This Super Summer Home Equity Loan Sale is for new funds only, which means members cannot take these funds to refinance any existing Credit Union loan. This does not prevent current loan customers from taking a new loan, in addition to any existing loans they may have, as long as they can afford the payments and meet our credit standards.

If you expect to need funds for a big project or tuition later in the year, don't wait. This loan promotion expires August 29, 2003. Members have up to six months to draw the funds once they have been approved. Call your nearest Credit Union office for details or to receive paperwork. Home Office (215) 592-2737; Spring House (215) 641-7987; or Philadelphia Plant (215) 537-4026.

**Monthly payment on a 4% APR loan in the amount of \$1,000 for 48 months: \$22.58. Total principal and interest repaid: \$1,083.84.*

Before You Kick The Tires

Before you shop for your next car, check with the credit union. We can outfit you with money to plunk down and with information to help you get the best deal.

One of our loan officers will be happy to sit down with you and come up with a preapproved line of credit to buy that next vehicle. We'll even do that over the phone. That takes some of the pressure off when bargaining begins at the dealership. You can tell the salespeople you have cash.

If you have a car to trade in, the loan officer can show you what it's worth. Our price guides show wholesale, retail, and finance values. Dealers usually allow a wholesale value on your trade-in and then offer it for sale at the retail value.

Armed with cash and confidence, you can start your search for a new vehicle. Find the make and model with the features you want. Jot down the features and their prices; you'll need them later. Ask the salesperson for the best cash price with and without a trade.

Then compare those prices with one or two more dealers. (Some shoppers do this by phone.) Here's where you need to know what the features are worth. Rarely do two cars have identical features. If one dealer is higher priced but more convenient to you, see if the "convenient" dealer will match the lower offer.

Your final decision is whether to trade in your present car or sell it yourself. A warning: Rarely will you or the dealer get the retail value, unless your car is in exceptional condition or a popular model. Expect to sell it for the financing value, in which case it's up to you to decide whether its worth the hassle of selling it yourself.

SOME ACCOUNTS

...BOOST Coverage

When it comes to finances, you don't want to lose. That's why the National Credit Union Administration (NCUA), an independent government agency that insures credit union members' funds, has simplified insurance rules for two common types of accounts, giving you and other members more deposit insurance coverage and more peace of mind.

The NCUA increased insurance limits for joint accounts (those two or more people own), and expanded the list of people who qualify for insurance coverage on revocable trust accounts, also called payable-on-death (POD) accounts.

Here's how:

- Joint accounts (those two or more people own)--Takes into consideration each person's share in all qualifying joint accounts at the credit union and insures that person's funds to \$100,000.

For example: Say you and your spouse have \$200,000 in one joint account at Rohm and Haas Employees Federal Credit Union. And that's the only joint account you have here. How much of that \$200,000 does federal insurance cover?

Now it's \$200,000, because each person's interest in the account is insured up to \$100,000 for his or her share of all joint accounts at Rohm and Haas Employees Federal Credit Union.

- POD (those where the depositor indicates that upon his or her death, funds will be named to one or more beneficiaries)--Adds parents and siblings to the list of people qualifying for POD insurance coverage.

For example: You have a \$300,000 POD account at Rohm and Haas Employees Federal Credit Union, so that when you die, the money is payable to your child, a brother, and a sister. How much of that \$300,000 is covered by federal insurance?

Now it's \$300,000, because your siblings now qualify for POD coverage.

Contact our branch nearest you for more information about the safety of your accounts and all our savings options.

Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 month	1.25	1.25
9 month	1.35	1.35
12 month	1.75	1.76
30 month	2.35	2.37
60 month	3.00	3.04

Money Market & Share Account Rates

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
1.10	1.10

Rates are subject to change in response to market conditions.

CREDIT UNIONS: Safer Than Ever

Credit unions are safer and sounder than ever.

Credit union capital is near an all-time high. Capital—reserves plus undivided earnings—is the safety cushion that protects against loss. It allows credit unions to survive recessions or turbulent financial markets. The movement-wide net capital-to-asset ratio remains close to 10.8%, according to the Credit Union National Association, Inc. in Madison, Wis.

Credit unions experienced strong loan growth last year while loan losses remain low. Credit union loan portfolios typically are more stable than those of other lenders because credit unions generally make loans to their consumer-members rather than to potentially riskier commercial borrowers.

Credit unions' strength means a strong National Credit Union Share Insurance Fund (NCUSIF)—the federal deposit insurance fund that guarantees the safety of member savings. In fact, NCUSIF is on a winning streak as well. There were no insurance losses during the past two years.

Rohm and Haas Employees Federal Credit Union is strong because you, our member-owners, are in control. You demand good member service. And once again, consumers responding to the 2002 American Banker/Gallup consumer satisfaction poll say they're most satisfied with credit unions.

You demand favorable rates and fees. Credit unions remain the low-cost, high-return providers of products and services.

It's member leadership that makes our credit union and other credit unions so successful. Thanks for another great year. And here's to many more.

Loan Interest Rebates

The Board of Directors declared an interest refund on all real estate secured loans paid up to date at the end of June—the refund reduces the effective rate to 5% for the second quarter of 2003.



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

