

## A Letter to Members

In October, there will be some changes at the Spring House and Bridesburg branches of our Credit Union which are of importance to our members at both sites. First, we are consolidating all our Spring House employees into Building 48, our more central location. By this move, we hope to improve service to all customers who use the branch. It will ensure that the branch is always staffed during working hours, from 7:30 AM to 3:30 PM, and having multiple employees at one site will enable us to handle more than one customer at a time.

At the same time, we will relocate our ATM machine to Building 6 by the cafeteria, which we expect will be a more convenient location. At that time, transactions made using your Credit Union ATM card will be free, but so it would be advisable for those members who do not currently have a Credit Union ATM card to apply for one at any branch.

Secondly, we will reduce the operating hours of the Philadelphia Plant branch. Currently the office is open three days per week, 12:30 PM to 3:30 PM Monday and Friday, and 7:30 AM to 3:30 PM Wednesday. After October 1, we will be eliminating the Wednesday hours, so October 1 will be the last Wednesday we will be open.

This difficult decision was made after a careful review of the Philadelphia Plant branch office and its volume of business, which has trailed off steadily in the last ten years. Though we understand this change will impact our members who either work or live around the Philadelphia Plant, we think it's a reasonable compromise: the Credit Union will maintain a presence at the plant, but adjust resources that are commensurate with the reduced volume of business.

I'd like to remind all members that you have access to NetTeller, our on-line banking service, the Voice Response Unit, which allows you to bank by phone, and you can make deposit and withdrawals to your accounts with an ATM card. Finally, our Home Office branch is open Monday through Friday, 10:00 AM to 4:30 PM. If you have questions about these and other banking services, please call us at (215) 592-2737 (Home Office), (215) 641-7987 (Spring House), or (215) 537-4026 (Philadelphia Plant).

*Jack De Waale*  
JACK DEWAELE, PRESIDENT  
ROHM AND HAAS EMPLOYEES  
FEDERAL CREDIT UNION

## SAVING FOR AUTO REPAIRS: a "Christmas Club" for your car

**You do it for your larger bills, your vacations, and Christmas—why not for your car? Set aside a fixed sum of money each month for car repairs and maintenance so you can avoid future troubles.**

According to the Car Care Council (CCC), nearly eight out of 10 vehicles are found to have one or more problems. In many cases, owners delay repairs—leading to serious car troubles—because of other budget needs. Car problems easily can be fixed by putting aside money each month specifically for repairs.

To start, get a comprehensive inspection by a qualified technician. After the vehicle has been inspected and any necessary repairs made, you should try to save about six cents per mile you typically drive all your vehicles combined, although the amount varies according to vehicle type. For a typical driver, this equals about \$60 per month. According to the CCC, that should cover most mechanical work plus tire replacement.

To avoid scrambling to find the money for a sudden car repair, set aside a fixed amount each month. Rohm and Haas Employees Federal Credit Union can help you set up your own 'rainy day' car account.

## Put your Home Equity to work!

If you're a homeowner, you work hard to pay for your home. Maybe it's time to put your home to work for you—with a **home equity loan or line of credit**.

With a home equity loan or credit line, the equity you've built serves as collateral. Equity is the difference between your house's market value and the amount outstanding on your mortgage. Typically, lenders will allow you to borrow an amount equal to 80% of your value. So, if market value is \$150,000, 80% of this amount is \$120,000. If the mortgage balance is \$100,000, your home equity loan amount could be as much as \$20,000.

You can use a home equity loan or credit line to borrow for home improvements, college tuition, a new vehicle, a vacation, medical bills, a family wedding, starting a home-based business, and any number of other major expenditures.

Borrowing with a home equity loan or credit line offers **two key benefits**:

- **The interest rate will be lower**—usually much lower—than what you'd pay on a credit card or personal loan. The lender can offer you a lower rate because your house secures the loan or credit line.
- **The interest you pay on a home equity loan usually is tax deductible**, which further reduces the cost of borrowing. Consult your tax adviser to find out what deductions you can take.

When borrowing on home equity, you have two credit forms to choose from. A home equity loan is a **lump sum** you borrow at a **fixed or variable interest rate**. You'll pay back the loan over a four to fifteen year period. If it's a fixed-rate loan, your monthly **payments stay constant** throughout the loan term.

A home equity credit line is an **open credit line** you can draw on as needed, up to a preset limit. Usually a home equity line of credit carries a **variable interest rate** tied to some sort of index, such as the **prime rate**. As you pay off past borrowings, you replenish the credit line up to your dollar limit. You can tap a home equity line of credit again and again, without having to reapply for a loan each time you borrow.

Call (215) 592-3696 or (215) 641-7987 for help deciding which form of home equity borrowing is best for you. The answer usually depends on how you plan to use the funds.

# Car Buyers' Worst Mistakes

**How much money do you think educated car buyers can save over uneducated buyers when buying the same car? Would \$5,000 get your attention?**

Not long ago, I was involved in an undercover filming at a dealership where consumers paid that whopping difference on the same car. And the difference in the customers? One couple made the "big mistakes" outlined here; the other didn't. While you may not save \$5,000, you'll save a bunch if you avoid these classic car-buying errors.

- 1. Showing enthusiasm.** *If you act excited, the sellers know they have a unique product you want. The price goes up instantly. Keep that enthusiasm in check until you've driven home. Sneer a little if you like the car.*
- 2. Buying in a hurry.** *If you buy on your first visit to a dealership, you don't have time to compare. Take your time. Be willing to walk away. The price at most dealerships falls quickly if you move slowly.*
- 3. Giving deposits before the dealer approves your offer on a vehicle.** *Feel free to give a deposit, if you really want a vehicle. But don't give it until the boss has said "yes." Some dealerships use deposits to keep you there while they try to convince you to pay more. And you can't leave if they have your deposit-money, a credit card, a driver's license, or your kids.*
- 4. Being switched to leasing without doing your homework.** *Because dealerships make a much larger profit if they lease rather than sell, even the best dealership is going to try to "switch" you. They'll try to convince you leasing is cheaper than buying. In most instances, it isn't. If you want to lease, fine. Just don't do it on the spur of the moment.*
- 5. Trading in your old car without knowing its value in advance.** *A dealership has the right to give you the least you will take for your old car. But you have a right to get the most your car is worth. To know that value, simply clean it up, and try to sell it to several used car departments. The highest amount you're offered for it is your car's real value right now. Don't accept less than that in trade.*
- 6. Financing automatically at the dealership.** *Dealerships may be the cheapest place to finance. To find out, simply bring a copy of the filled-out dealer contract to your credit union and compare contracts. If the dealership won't give you a copy, they're probably telling you they're not really the cheapest.*

Big mistakes, big bucks out the window. We like to help you preserve your money—that's what credit unions are all about. Avoid these mistakes, and put that money to work rather than throwing it away.

## 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)
1.00	1.00

Rates are subject to change in response to market conditions.

## End-of-Year Considerations

As we enter the fourth quarter, it's time to think about two things: **Holiday Savings** and **Tax Savings**. We can help you with both at the Credit Union.

It's best to plan a year in advance for **Holiday Savings**, rather than run up the bills on charge accounts and pay later with interest. We have two types of accounts to achieve this. For those who have no problem putting aside funds for a specific purpose, we offer **subsidiary accounts**. A "sub" account is one separate from your regular share account, so you can segregate the funds and watch your progress as it builds. This is the type of account referred to in another article on vehicle repairs. For those who have trouble disciplining themselves to complete this kind of savings, we offer **Christmas** and **Vacation Club** accounts. These are similar to the other sub accounts, but offer an incentive to refrain from withdrawing the funds before you've reached your goal. Each has a specific maturity date, Christmas Clubs in November, and Vacation Clubs in May. Both types of accounts pay the **same interest rate** as regular share accounts from day of deposit to day of withdrawal, however Christmas and Vacation Clubs provide for **forfeiture of interest** earned if funds are withdrawn prior to the **maturity date**. Christmas Club checks will be paid out this year on **November 3**, and will be available to be picked up at the Home Office branch after 12:00 noon on that day. Checks not picked up by the end of the day will be mailed home, unless account holders have made other arrangements with the branch. Now is the time to start planning for next year's holidays. Member who would like to set up either of these types of accounts should contact their nearest branch for information. **Direct deposit** from pay makes regular saving toward a specific goal easy and ensures the funds will be there when you need them.

For tax savings, the Credit Union offers both **conventional**, **educational**, and **Roth IRA** accounts. Conventional IRAs may not be best for members who are already covered by a retirement or **401K plan**, as the contributions may not be fully tax-deductible, but are an excellent means of achieving **tax savings** for those not already covered. Educational IRAs are a means of achieving **tax exempt savings** for a child's education, and Roth IRAs are a supplement to retirement savings after the benefits of 401K savings have been maximized. Call the Credit Union to discuss your personal situation and needs.

## 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 September—the refund reduces the effective rate to 6% for the third quarter of 2003.



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

