

Your Money

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

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LETTER FROM THE PRESIDENT

Starting now we will be offering Spring Loan Specials until June 30, 2005. On real estate secured loans, we will be waiving all fees (except title insurance where required). To obtain the fee waiver, borrowers must apply for at least \$25,000 in new funds. Our loan rates are very competitive: 5.5% for a 4 year loan, 6% for a 5 year loan, and 6.5% for a 6 year loan. Over 6 years up to 15 years, our rate is a variable one which is tied to prime and resets semi-annually; currently it is 6.75%. We will also be holding an Enterprise used car sale April 16–30, and will be lending up to 100% of value for up to 5 years at 6.25%. Finally, we will be making 1 year unsecured loans up to \$10,000 at 7%. To get more information on these and our other loan offerings, call the Home Office (215) 592-2737, Spring House (215) 641-7920, or Bridesburg (Monday and Friday 12:30 to 3:30) (215) 537-4026.

Jack De Waale
President

Begin AUTO SEARCH with Manufacturers' Web Sites

How did your last search for a new car begin? If you're like a growing number of shoppers, you started with auto manufacturers' Web sites.

Manufacturers' sites provide the most accurate information on their models, including detailed photos and information on features and options, according to industry analysts. This information is especially useful if you have a specific brand or model in mind.

The 2004 New **Autoshopper.com** Study, released by J.D. Power and Associates, reports that 40% of consumers start their shopping at

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AVOID CREDIT CARD TRAPS

Credit card issuers are setting hidden traps that can cost you hefty fees and trigger sharp interest rate hikes:

- **Universal default penalties**—Some banks will jack up the interest rate on your credit card account if you're late with payments on other accounts. Interest rates can run as high as 30%, according to industry analysts.
- **Shorter grace periods and skyrocketing late fees**—Credit card companies are shortening the interval for making "on-time" payments without incurring interest or late fees, and late fees at large issuers are as high as \$39.

- **Late payments and interest rate hikes**—Some issuers raise your interest rate significantly if you miss a payment, and if you're late two or three times, the rate may go up again.
- **Over-the-limit fee triggers**—An issuer typically charges an over-the-limit fee only if an account exceeds its limit at statement date. However, some issuers charge the fee if your balance has exceeded the limit at any time during the billing cycle.
- **Hidden fees along with low introductory interest rates on balance transfers**—Issuers may charge fees as high as \$50 to cut the check that pays off your old balance. New purchases and cash advances may incur high interest

rates, and your payments may be applied to the high-rate balances last.

The answer?

- Read the fine print on your credit card agreement so you understand your account's terms and conditions.
- Pay promptly and stay within your credit limit.
- If your issuer raises your interest rate, call immediately to negotiate a lower one.
- Move your balance to a credit union account with competitive rates and no hidden fees or traps.

Call your nearest branch to ask about the terms and conditions of credit cards offered at Rohm and Haas Employees Federal Credit Union.

AUTO SEARCH (CONTINUED)

manufacturers' sites, and 39% find these the most useful sites overall.

The survey found that online shoppers are most interested in researching dealer cost and invoice information, vehicle options and features, **MSRP** (manufacturer's suggested retail price), and reliability ratings. Respondents also increasingly researched trade-in values online.

Many consumers also search independent sites such as www.edmunds.com for an unbiased look at market-value pricing and vehicle ratings. You can even compare vehicles side-by-side at www.kbb.com or www.jdpower.com.

Online auto research takes time—the average Net surfer spends 4.9 hours shopping and visits seven sites, according to the survey—but it can yield important facts that help you make a savvy purchase.

Call *Rohm and Haas Employees Federal Credit Union* for current auto loan rates.

A MESSAGE FROM THE PRESIDENT

Dear Member,

After careful consideration of all the factors involved, we have found it necessary to revise the Loan Protection Insurance program covering the loans of our members.

This change does NOT immediately affect the insurance on loans granted prior to March 1, 2005. All such insurable loans will continue to have coverage until:

- 1) A closed-end loan is refinanced, repaid or otherwise liquidated.
- 2) An advance is granted on an open-end loan, at which time the entire outstanding loan balance is no longer insured.
- 3) The Loan Protection Policy is cancelled.

All loans granted on or after March 1, 2005 will not be insured under the Loan Protection Policy.

We have taken steps to make quality alternative insurance protection available to you with low cost MEMBERS CHOICE™ Term Life Insurance. Term Life Insurance provides protection on your loan up to \$40,000, in case of the member's death. Each member making a new loan or refinancing a loan may apply for this coverage, without providing proof of insurability, provided the coverage is applied for within 30 days of the date of the loan.

If you have any questions regarding this change, please contact our credit union office.

Sincerely,

Jack De Haale
President

Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 month	1.10	1.10
9 month	1.20	1.20
12 month	1.35	1.35
30 month	2.00	2.02
60 month	3.00	3.04

Money Market Account Rates

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
1.00	1.00

Share Account Rates

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
0.50	0.50

Rates are subject to change in response to market conditions.

Beware of Money-Hungry CREDIT COUNSELORS

Watch out for firms running new credit counseling commercials on TV stations nationwide. The majority of the new firms advertising on TV charge fees and get bonuses from credit card issuers for every name they sign up, according to the *South Florida Sun-Sentinel*, Fort Lauderdale, Fla.

Some are legally structured as nonprofits but funnel large amounts of money to their own executives in the form of pay, bonuses, and real-estate deals.

A good credit-counseling service will be partially supported by grants and charitable donations, and not depend on debtor's fees for any more than 60% to 80% of its income. It will cap fees to a debtor at \$25 a month or less. It also will offer free counseling and may have as many as 50% of its clients in counseling alone—not enrolled in a debt repayment plan.

The **Consumer Credit Counseling Service (CCCS)** is a nonprofit agency supported by community organizations and overseen by local volunteer directors. It's funded through customer fees, charitable donations, and grants, but mostly through creditor contributions. **Most consumers who call a CCCS office don't pay any fees.** To find the nearest CCCS office, call 800-388-2227 or visit www.nfcc.org.

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 March—the refund reduces the effective rate to 6% for the first quarter of 2005.



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

