

Your Money

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PREPARING FOR HOMEOWNERSHIP

Are you thinking about buying a house? Are you worried about applying for a mortgage? Let Rohm and Haas Employees Federal Credit Union make your mortgage experience smooth and easy. Together with PHH Mortgage Services, we are dedicated to meeting all of your mortgage needs with ease, speed, flexibility, and the same superior service you have come to expect from Rohm and Haas Employees Federal Credit Union. We'll make preparing for home ownership the fun and exciting experience it should be.

Preparation is paramount when financing a home. At Rohm and Haas Employees Federal Credit Union we understand the mortgage process inside and out, and we're here to help you plan every step of the way. To ensure a smooth process, we've provided some helpful tips below.

- Before you begin looking for a house, check your credit history and take steps to correct any errors. You can request a copy of your credit report from any of the three national companies that lenders use—**Experian** (800-311-4769 or www.experian.com), **Equifax** (800-685-1111 or www.equifax.com), or **Trans Union Corporation** (800-888-4213 or www.transunion.com). A fee may apply.
- Then, find out how much you can afford for your new home by applying for a pre-approved mortgage through PHH Mortgage Services.
- When budgeting for your new home, don't forget about hidden costs such as property taxes, utility costs and hookup fees, maintenance, moving costs, and closing costs. PHH Mortgage Services' expert mortgage consultants can estimate these costs for you and provide a clear idea of exactly how much money you will need.
- During your planning phase, seek advice from friends or family members who have experience with the mortgage process; they are a great source of information about home financing.

Whether you're a first-time homebuyer or an experienced homeowner, PHH Mortgage Services is ready when you are. PHH Mortgage Services guarantees:

- To provide you with a same-day loan decision or pay you \$250
- To beat any lender's price or pay you \$500*
- To meet your requested closing date or reduce your interest rate by 1/8 of 1 percent for the life of your loan**

* A customer must provide a complete, system generated Good Faith Estimate, listing a specific lender's name, that is dated the same day as the rate quoted by us. If such Good Faith Estimate indicates an equivalent or lower interest rate and closing costs package for the same loan program that is offered by us, and we have verified the accuracy of the rate and fees listed, then we will have the option of beating that lender's total loan costs by \$100, or paying the customer \$250 (\$500 for properties located in California) when they close with that lender and provide us with a copy of the signed Note and final HUD1 settlement statement.

**Approved, conventional, purchase loans only

Auto Loan MARKUPS CAN COST YOU!

Consumers who finance their vehicles through auto dealerships are charged hundreds of millions and perhaps as much as a billion dollars annually in undisclosed finance markup charges, reports the Consumer Federation of America, Washington, D.C. **These hidden markups typically add at least \$1,000 to the cost of an auto loan.** This takes place when automobile dealers subjectively hike the car loan rates of buyers who arrange financing through those dealers.

This markup practice is encouraged by all of the auto industry's leading captive finance companies and top auto-lending banks and impacts about one in four buyers of new and used cars who finance through the dealership. Marked-up finance rates are determined arbitrarily by the dealer and encouraged by the lender, regardless of the consumer's creditworthiness, with kickbacks to both.

Don't be part of the statistics. Visit Rohm and Haas Employees Federal Credit Union today for all your auto financing needs.

AVOIDING THE RUSH TO SIGN – TAKE YOUR TIME AT THE DEALERSHIP

"Always get preapproved at a credit union before you shop dealership financing," suggests Remar Sutton, an Atlanta-based auto consultant and author of the book ***Don't Get Taken Every Time: The Ultimate***

Guide to Buying or Leasing a Car in the Showroom or on the Internet. "Car dealerships' entire environment is based on always finding a place to make more money on the consumer. Which means that everything becomes negotiable at the car dealership. If consumers don't know how to negotiate, they can be hurt."

Buying a new car requires you to take your time and do your homework before visiting a dealership. Rushing through a car deal invites a dealer to potentially take advantage of you.

Before you sign or agree to anything, ask the following questions: *(continued on page 2)*

AVOIDING THE RUSH...*(CONTINUED)*

1. What is the total price of the vehicle?

"The most important thing on a purchase order is what the end price of a vehicle is going to be," says Dianne Craft, marketing analyst at American Airlines Federal Credit Union in Fort Worth, Texas. The end price, according to Craft, is "minus the trade, down payment, and all of the fees that might be on there. You have to be sure to validate all the charges that are on a purchase order because sometimes, even though it's on a preprinted form, that doesn't mean it's a valid fee."

2. Does the dealer require an arbitration agreement in order to buy a car from that dealership?

"Arbitration agreements are bad for the consumer because they take away the consumer's rights for any legal redress if they have any problems with that dealership," according to Sutton.

"Arbitration agreements are being forced on many consumers because [clauses are] hidden in contracts or they're presented at the very last minute, before a person signs the paperwork to take delivery on a car. Do not buy from a dealership that requires arbitration agreements," adds Sutton.

3. What will the dealership do with your personal information?

According to Sutton, "Many dealerships are asking consumers to sign an acknowledgement that the dealership has a right to sell personal information about that consumer to anyone." If a dealership asks you to sign a statement acknowledging they can sell your private information, Sutton recommends not signing it.

Some other things a dealer contract should spell out, from the Web site auto.consumerguide.com:

- **What's your down payment or how much will you have to pay immediately out of pocket, either in cash or combined with a trade-in or rebate?**
- **What's your trade-in value?** "Make sure you have shopped the trade so that you know what its value is. Don't just take the dealer's opinion of what your trade is worth," recommends Craft.
- **Are all fees spelled out in the contract and how much are those fees?** Look for destination charges, sales tax, and title fees.

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	2.25	2.27
30 month	3.00	3.04
60 month	3.75	3.79

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.

CREDIT UNION MEMBERS ENJOY LOW FEES

Bank Rank Monitor reports that bank lawyers are turning up in courtrooms a lot these days, "as consumers fight bank transaction fees through class-action lawsuits."

Credit union members have a much more effective way of influencing fees and other charges—as member-owners, you keep fees down simply by using credit union services. The more services you use, the more cost-effective all services become. And credit union fees are low to begin with, because credit unions are not-for-profit cooperatives that return income to members in the form of lower fees and loan rates and higher savings rates.

Just how bad is it getting? Here are some examples:

- The Florida Public Interest Research Group estimates it could cost nonbank customers at one institution as much as \$14 to \$25 just to cash a government check or a private check drawn on another institution.
- Nationally, more than 12 million people without checking accounts are using check-cashing stores instead, to the tune of an average \$162 a year per person, according to a U.S. Public Interest Research Group (U.S. PIRG) study.
- Bounced check fees drew a lawsuit for Wells Fargo Bank, based in California. Say a customer has \$95 in a checking account, but writes checks for \$30, \$25, \$20, and \$100 for a total of \$175. Bank Rate Monitor reports, "A bank that pays the smallest check first would clear the first three checks before bouncing the fourth and largest check. The customer would pay one bounced-check fee. But a bank that pays the largest check first would charge the customer fees for four bounced checks."

You and other consumers can keep fees manageable by using your accounts appropriately and by using credit union services. Call Rohm and Haas Employees Federal Credit Union at (215) 592-2737 or (215) 641-7987 about overdraft protection—from your savings or a line of credit—and about service packages that reduce our low fees even more. You're the reason we're here, and we can help you hold the line on fees.

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 6% for the second quarter of 2005.



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

