

# Your Money

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

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## A MESSAGE FROM THE PRESIDENT

As interest rates in the economy have steadily increased during 2005, the Credit Union moved this quarter to **increase our savings rates** to remain competitive. Remember to check our interest rates in the box at the bottom of the second page. I think you'll be pleasantly surprised. At the same time, our loan rates remain extremely attractive, and it's now easier than ever to apply for a loan online directly from our website "**rhcu.com**". This is no accident. It's our core business philosophy to provide the best rates possible to our members on both savings and loan instruments consistent with prudent financial management of your Credit Union.

*Jack DeHaile*  
President

## CREDIT CARDS: PAY MORE THAN MINIMUM FOR FASTER PAYOFF

**A handful of credit card issuers have raised minimum payments from 2% to 4% of the balance due.** If you can afford these higher payments each month, you'll benefit over the long haul. If you can't afford this increase, chances are you're in over your head. Ask someone at the Credit Union for help in straightening out your finances.

Consider the example of a \$2,000 balance at 18% interest. If your minimum payment is 2% of the balance due each month, it will take you about 19 years to pay it off and you'll pay \$3,862 in interest. (A 2% minimum payment would start at \$40 and taper to \$20. Maintain the \$40 and you'll pay off the debt faster.)

If you're paying 4% of the balance due, you'll pay off the balance in seven years and four months and cut your interest costs to \$1,031. (A 4% minimum payment starts at \$80 and tapers to \$20.)

By paying 8% of the balance due, much more than minimum, it will take you three years and nine months to pay off, and you'll pay about \$433 in interest. (An 8% minimum payment starts at \$160 and tapers to \$20.) Remember, these calculations assume you add no more charges to the card.

Always pay at least the minimum amount due so you don't incur a late fee, and if possible, charge only as much as you can pay in full each month or within a few months.

And if you're paying high credit card rates elsewhere, check out the Credit Union credit cards for consistent savings.

## ONCE A MEMBER, ALWAYS A MEMBER

When life brings you the challenge of relocating, there's one thing you won't have to worry about...finding a new credit union. No matter where you go, you can stay with us. That's because of our "**once a member, always a member**" policy. In addition, online banking access makes it even easier to stay on top of your account status.

## BACK-TO-SCHOOL: PLAN YOUR BUDGET

### Back to school means expenses!

Clothes, shoes, and school supplies can drain a budget quickly. With the average family with school-aged children spending \$483 on back-to-school items each year, it's no wonder setting a budget is essential for all parents with school-bound youngsters.

To avoid falling into debt at back-to-school time, plan ahead for how much you want to spend. In recent years, the average consumer has spent \$220 on clothing, \$90 on shoes, and \$73 on school supplies for each child.

You also may want to budget for the changing technology of school supplies. More classrooms are using computers and computer-related study materials. And with many electronics now somewhat affordable to most families, classrooms may be requiring or recommending tech-smart supplies and materials.

Also, don't forget about doctor checkups, school fees, and athletics or other extracurricular fees, which often are overlooked when setting a back-to-school budget.

**Call the Rohm and Haas Employees Federal Credit Union at (215) 592-2737 or (215) 641-7987 for help with all your financial needs.**

## EMPLOYERS USE CREDIT REPORTS TO HIRE AND FIRE

Job seekers today are discovering that employers are interested in a lot more than their résumés. *Many companies routinely check credit reports on current and prospective employees.* Whether you're a new hire or 20-year veteran, your employer may check your credit history.

This screening practice is growing due to the increased security concerns companies face. Employers generally check credit histories of those applying for management and executive positions, as well as those who will have access to cash, assets, a company credit card, or confidential information. More companies check backgrounds because the reports are easy to get and relatively inexpensive. A 2004 study by the Society for Human Resource Management reports that 35% of employers now check credit histories, a 16% increase since 1996.

Employers obtain your credit report by paying a fee to a consumer reporting agency or employment background check agency. They use the information to verify your identity and employment history. Some employers also look at how much you owe on loans and other debts and whether you've been late on payments, had accounts sent to collection, or declared bankruptcy. They use these as indicators of your ability to manage your affairs and see how the salary will match up against your monthly payments.

While this practice is perfectly legal, you should be aware of your rights. Some observers have raised concerns about fairness in the hiring process. The **Fair Credit Reporting Act (FCRA)** and state laws regulate how employers get and use your information. Employers must notify you they'll be checking your credit report and wait for your written permission. **You may elect to refuse a credit check, but it could cost you the job.**

Employers can use credit problems such as defaults or collections actions against you in the hiring process. However, before they eliminate you as a job candidate or fire you because of your credit report, they must give you a pre-adverse action disclosure. After they give you a copy of your credit report and a written summary of your rights under FCRA, they also must give you an adverse action notice that explains why you're no longer being considered. You also should receive the name and contact information for the agency that provided your report, so you can dispute inaccurate information.

An employer cannot use bankruptcy as a reason not to hire or promote an employee, according to the **Federal Bankruptcy Act**. In compliance with state and federal laws, employers cannot violate discrimination laws in any aspect of employment, including hiring.

Get a copy of your credit report before you interview to avoid any surprises. The **Fair and Accurate Credit Transactions Act (FACTA)** now requires the three nationwide consumer reporting agencies—**Equifax**, **Experian**, and **TransUnion**—to provide consumers with a free copy of their credit report every year ([annualcreditreport.com](http://annualcreditreport.com)). If you think a company violated the FCRA, contact the **Federal Trade Commission** at [www.ftc.gov](http://www.ftc.gov) or by calling **877-FTC-HELP**.

*And remember that the people at your credit union are here to help you build and protect your credit record, by offering loans at fair rates and counseling if needed.*

### Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 month	3.10	3.15
9 month	3.20	3.25
12 month	4.00	4.08
30 month	4.10	4.18
60 month	4.20	4.29

### Money Market Account

Month	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
July	1.00	1.01
August	1.10	1.11
September	1.50	1.51

### Share Account

Month	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
July	0.50	0.50
August	0.60	0.60
September	1.25	1.26

Rates are subject to change in response to market conditions.

## A COMPLIMENTARY \$100 GAS CARD IS WAITING FOR YOU!

With gas prices on the rise on an almost daily basis, having \$100 in complimentary gas makes going to the pump a little less painful. And that's exactly what you'll get with your pre-approved vehicle purchase during the **Enterprise Car Sales** fall lot promotion.

The fall lot promotion is taking place from **October 15-31, 2005** at any of Enterprise's six referral branch locations. To find the location nearest to you simply call **1 800 car sales**, or visit our website, [www.rhcu.com](http://www.rhcu.com) and click on the Enterprise link.

During this two week lot promotion, Enterprise will have on display a large selection of quality **pre-owned vehicles** including cars, trucks, vans, small and large, domestic and foreign. Trade-ins are welcome, and 100% financing is available to qualified buyers. In addition to **\$100 in complimentary gas**, Rohm and Haas Federal Credit Union members will enjoy our current extremely low used automobile rates.

Enterprise offers the **"Perfect Used Car Package"**, which includes a 7-day repurchase agreement. Within the first 7 days, if you are not completely satisfied with your purchase, Enterprise will gladly accept your return. Enterprise offers a "haggle-free" buying experience, and guarantees it's pricing to be below NADA retail. All of Enterprise's vehicles are certified pre-owned, and go through a rigorous 109-point inspection by an **independent ASE Certified Technician** prior to being sold.

With **\$100 in complimentary gas**, and our **low rates**, now may be the perfect time to buy your next car. To get pre-approved before this special lot promotion begins, call **(215) 592-2737** or **(215) 641-7987**, or visit any branch location. Call **1 800 car sales** for the nearest location.

### 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 2005.



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

