



This Credit Union is of, by and for the People of Rohm and Haas

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Rohm and Haas Credit Union Celebrates 60th Year...All Year Long!



Let's talk. 2006 is our 60th birthday, and the Rohm and Haas Federal Credit Union is giving you—your family and colleagues too—some reasons to party with us this year. Usually, we're a quiet crew, working diligently behind the scenes to help you make the most of your money. But we have a story to tell, and in a world of large financial institutions and mile-a-minute marketing messages, ours is a tale of small-town values, personal service, and the kind of trust that can only come from long-term relationships.

Whether you are a current member or someone looking for great, personalized banking services, we'd like you to know more about us, and we'd like to know more about you.

One thing you might not know about the Rohm and Haas Federal Credit Union, is that we're a full service financial institution, just like a bank. We serve members by making loans, accepting deposits (and paying interest), and providing many other financial services such as checking, savings, credit lines, financial counseling and more. And that's just the beginning of what we offer our members.

So to celebrate 60 years of service to our community, we're opening up the lines of communication. You are hereby invited to our pre-birthday reception at Home Office and other locations in April (free food, fun & music), and our grand 60th Birthday Block Party at Home Office in September. In between, you'll receive a series of *Did You Know* e-mails containing fun facts about RHCUCU, and details on how to enter* our special birthday sweepstakes with a grand prize of a 42" Flat Screen TV.

For more information on our 60th Birthday Celebration, or to tell us more about your needs, or provide us with an e-mail address, contact Manager Jack DeWaele or any of the friendly RHCUCU staff members at (215) 641-7920 or (215) 592-2737.



*ENTERING IS EASY! Look for links on the upcoming *Did You Know* e-mails, or just drop us a postcard with your name and contact information.

SWEEPSTAKES RULES

Limit one entry per person per *Did You Know* email. Must be 18 years or older, and a current RHCUCU member or eligible to become a RHCUCU member. Recipients are responsible for any taxes associated with prize winnings.

Being GOOD can be BAD for your CREDIT RATING

Handling credit simply but responsibly should pay off, right? Not always, because it seems there's a right way and a wrong way to be good. Sometimes being good actually can hurt your credit score, according to a Kiplinger's article.

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True or False?

Car Dealerships Must Run Credit Before a Test-Drive

False: It's illegal for the dealership to check your credit report without first getting explicit permission from you. But why would a dealer want you to do this in the first place? For financing reasons of course. If they line it up for you they're hoping you won't check around for the best rates.

To avoid this situation, get a preapproved auto loan from your credit union before visiting the dealership. Credit unions often offer better rates on automobiles than other financial institutions. Contact us at (215) 592-2737 or (215) 641-7987 today.

BANKRUPTCY Becomes Harder, But There are Options



Bankruptcy, which was never an easy option—just got harder under the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.

Now debtors must qualify under a "means" test in order to file for Chapter 7 bankruptcy relief, if they earn better than average wages. And debtors are required to undergo two credit-counseling sessions—one before they file a bankruptcy petition and another after filing.

These added requirements mean the cost of going bankrupt is going up another \$400 or more. Previously, attorney fees and court costs ran \$1,000 to \$1,200, so add \$400 to that.

Bankruptcy messes up a person's financial life. It stays on the credit report for up to 10 years. That makes it tough to get loans for a car or home or even a credit card—and makes credit extremely expensive when you do get it. Think of it this way—creditors know you can't file again for up to eight years so they can soak you with any rate they want.

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Credit Rating (continued)

Lenders use your credit score—a number from 300 to 850—to decide whether to grant credit and at what cost. Factors that affect your score include payment history (35%), amount you owe (30%), length of credit history (15%), types of credit used (10%), and new credit (10%).

The higher the credit score, the better, but keep your intuition in check:

- **Prove you can pay on time.** You may assume that having just one or two credit cards would prove you're responsible and not prone to problems. That's not true. Too few credit cards actually can hurt your credit score, according to Evan Hendricks, author of the book *"Credit Scores & Credit Report,"* because you don't have the necessary evidence to prove to lenders that you're capable of paying back your debts on time. Experts now recommend that you boost your score by opening—though not all at once—another credit card or two, and an installment loan such as a car loan. Opening several accounts in a short period of time will reduce your credit score; each issuer checks your credit report, and although each inquiry is not damaging by itself, the cumulative effect of several inquiries is.
- **Timing is everything.** Keep your balance below 30% to 50% of the maximum you can charge. One of the biggest factors in determining your credit score is the amount you've borrowed relative to your credit limit. But again, intuition can be deceiving. Even if you routinely pay your balance in full, creditors may think you've exceeded that threshold, because your score reflects what you owe when your card issuer sends data to the credit bureaus. If issuers send reports in the small window immediately after you made a large purchase, but before your payment is received, your score gets docked.
- **Switch with caution.** Most people think shifting debt to a low-rate credit card and closing more expensive cards would work in their favor. Not always. If you owe \$2,500 on each of two cards with a \$10,000 limit, your combined balance (\$5,000) is 25% of your total line of credit (\$20,000). Let's say you close the higher-rate card and transfer the balance to the lower-rate card. By doing this, you'll reduce your total line of credit to \$10,000 and your debt is 50% of the maximum you can borrow, much higher than the 30% threshold. Here's an alternative: Leave the second account open without a balance, or pay off the \$5,000 card balance with an installment loan from Rohm and Haas Employees Federal Credit Union, keeping both accounts open.
- **Avoid late payments like the plague.** One financial emergency can throw a wrench in an otherwise perfect payment history. Some lenders still will report a payment—no matter how small the amount—that is 30 days late to the credit-reporting agency. Consider a home equity line of credit from Rohm and Haas Employees Federal Credit Union on which you always make timely payments to lessen the negative impact of a missed payment.

Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 month	4.00	4.08
9 month	4.10	4.18
12 month	4.25	4.34
30 month	4.30	4.39
60 month	4.40	4.50

Minimum deposit \$500
Deposits over \$90,000 earn .25% higher

Money Market Account Rates

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
1.50	1.51

Share Account Rates

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
1.25	1.26

Rates are subject to change in response to market conditions.

Bankruptcy (continued)

It even can be tough to rent a nice apartment. Landlords check credit ratings, as do prospective employers and insurers.

That's why bankruptcy should be considered a last resort, says financial counselor Connie Kilmark, Kilmark & Associates, Madison, Wis.

There are options to bankruptcy:

- 1) If you can pay off your debts within three years, do so;
- 2) If you can't, contact creditors and explain your situation. Ask if they will lower your interest rate and waive late fees; and
- 3) If creditors refuse to budge, find a nonprofit credit-counseling service to work with you on a debt management plan. Their fees are either free or very reasonable.

Two national associations can help you find a nonprofit agency: The National Foundation for Credit Counseling (NFCC) (www.nfcc.org) and the Association of Independent Consumer Credit Counseling Agencies (AICCCA) (www.aiccca.org) maintain lists of accredited member agencies.

NFCC offers an online Zip Code locator, or you can call 800-388-2227. The AICCCA provides state lists of its member agencies and has a toll-free referral line at 800-450-1794.

One caution: Watch out for debt-settlement companies that masquerade as repayment plans. "They'll help you settle, but not before they help themselves," says Ken King, executive director of the Consumer Credit Counseling Service in Sheboygan, Wis.

These firms offer to settle your debts for you. The catch is they charge set-up fees of up to \$1,500, plus monthly fees of \$75 or more, King explains. That means you pay them for several months before they have enough money to start settling your debts.

And if they do get a creditor to settle for less than what's owed, the settlement firm gets 20% of that savings on top of its fees.

Loan Interest Rebates

The Board of Directors declared an interest refund on all real estate and share secured loans paid up to date at the end of March—the refund reduces the effective rate to 6.5% for the first quarter of 2006.

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

