



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

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## Prime Time for Financial Planning?

Many of us assume that the services of a financial adviser are most appropriate for people who have more money than they know what to do with, and those who can't make it from one paycheck to the next.

But say you stand somewhere in between. You meet all your expenses, you have your debts under control, and you've set aside a cash reserve that would carry you through several months should a financial emergency arise. Beyond that, you have additional money that you've begun to invest to build your financial future.

Does this mean you've reached a point in your life when you could benefit from professional financial planning services?

A financial planner can evaluate your overall financial situation—your budget, savings, investments, retirement plans, taxes, estate planning, and insurance—and recommend strategies that will help you reach your financial goals.

To decide if seeing a financial planner would be a wise move for you, Sharon Danes, a professor of family social science at the University of Minnesota, St. Paul, suggests asking yourself seven questions:

- Am I confident about making financial decisions?
- Am I knowledgeable enough to begin my own long-range financial planning?
- Do I know enough about my investment options to work effectively toward my short-term and long-term objectives?
- Do I expect my present income and investment approach to provide for my retirement years?
- Am I comfortable with my level of debt?
- Is my household income less than \$50,000 a year?
- Do I have enough time and knowledge to devote to analyzing my family's financial situation?

If you answered "no" to some of the above, you may be a candidate for professional financial planning advice, Danes says.

It's wise to check the education, experience, and credentials of any financial planner you decide to hire.

Even if you do use a financial planner, you still need to stay on top of what's going on with your finances. Be sure you understand the planner's advice. Ask questions.



## Tap Your Home's Equity

If credit card payments are eating up your disposable income each month, or if you need cash to remodel your kitchen—or to buy a new car—a home equity loan or home equity line of credit (HELOC) might be your best bet.

These loans let you borrow money using the equity in your home as collateral. Unlike almost any other consumer loan type, the interest on a home equity loan or HELOC of \$100,000 or less is likely to be tax-deductible (\$50,000 if married filing separately).

With a home equity loan, you borrow a lump sum of money repayable over a fixed term, usually five to 15 years, giving you the security of a locked-in rate and a consistent monthly payment.

A HELOC is much like a credit card or any other type of open-ended credit. You can borrow money as needed, up to the credit limit your lender assigns, using a special checkbook. A HELOC is usually a variable-rate loan, so your monthly payments will change based on your outstanding balance and fluctuations in the prime rate.

Home equity products do have closing costs, but they're generally far lower than for first mortgages, and lenders sometimes will waive the costs or roll them into the amount borrowed. With a HELOC, once you establish your line of credit you can borrow multiple times with no additional closing costs.





## CU Everywhere

Credit unions have advantages that other financial institutions don't. For starters, every member of the credit union is an owner. You pay lower rates and earn higher dividends because credit unions are not-for-profit businesses. Plus you get extra attention for all the questions you have about your financial goals.

The phrase "credit union" is sometimes shortened to CU. See how many words beginning with the letters CU you can make by filling in the missing letters. Good luck!

- Type of pitch a baseball player might throw.  
C U
- Coil or ringlet in your hair.  
C U
- Ice squares.  
C U
- Fabric that covers your windows.  
C U
- Green vegetable.  
C U
- Sweet treat covered with frosting.  
C U
- Baby grizzly.  
C U
- "Chirpy" clock.  
C U
- Winged boy with bow and arrow for Valentine's Day.  
C U
- Any boy aged 8 through 10 and a member of Boy Scouts.  
C U
- Cement piece between the street and your yard.  
C U

ANSWERS:  
1. CURVEBALL, 2. CURL, 3. CUBES  
4. CURTAIN, 5. CUCUMBER,  
6. CUPCAKE, 7. CUB, 8. CUCOO  
9. GUID, 10. CUB SCOUT, 11. CURB

### Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 month	5.00	5.13
9 month	5.10	5.23
12 month	5.25	5.39
30 month	5.30	5.44
60 month	5.40	5.55

Minimum deposit \$500

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

### Money Market Account Rates

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
2.00	2.02

### 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.

## Visit Your Credit Union When Life Changes

Life changes require more than an emotional adjustment—they require a visit to Rohm and Haas Employees Federal Credit Union.

### Marriage

- Decide if you're going to pool your assets or maintain separate share draft/checking or savings accounts. See your credit union representative for help once you've made that decision and to open these accounts.
- If you have a credit card issued by Rohm and Haas Employees FCU notify us of your name change.
- Update beneficiaries on your IRAs (individual retirement accounts) and other investments.



### Divorce

- RHCU can help you examine financial accounts and determine where you stand financially.
- Visit the credit union to open and fund a share draft/checking and savings account in your own name. Get a credit card in your own name and manage it carefully.

### Death of a spouse or parent

- Inform all creditors, including Rohm and Haas Employees FCU of the death.
- Cancel any automatic or online bill paying services unless you'll continue to use them.

### Expecting a new baby (birth or adoption)

- The financial planners at Rohm and Haas Employees FCU can help you look at what you owe and what you make, and create a budget.

## 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 September—the refund reduces the effective rate to 6.5% for the third quarter of 2006.

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

