



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

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The Best Time to Buy a Car

To put yourself in the best negotiating position, the time of month or year when you shop for a new car really does matter. Dealerships and individuals have monthly quotas to meet. So in the last few days of a month, they're especially eager to make deals. In late summer and early fall as the next year's models are about to go on sale, buying a leftover vehicle from the current model year can mean huge savings. Shopping for cars, not gifts, right before Christmas—when auto showroom traffic is light—also can produce a good deal.

And, even consider shopping after very bad weather—when the roads clear just after a snowstorm, for instance. Any time when few people are out and about is a good time to be car shopping.

Shopping at the right time can boost your chances of getting a really good deal. But if you aren't prepared with research and a pragmatic target price, you aren't likely to make the most of your good timing.

Fortunately, Internet Web sites now make it easy to find once-elusive cost data that will tell you how ready a dealer is to deal on a given model. Web sites like Kelley Blue Book (kbb.com), Edmunds.com, and MSN Autos (autos.msn.com) show the dealer cost or invoice price in addition to the list price or manufacturers suggested retail price (MSRP). Whenever you're shopping, always start negotiating from the invoice price, not the MSRP. Kelley Blue Book and Edmunds also show what typical consumers actually paid for a given model in your region based on your zip code.

Especially if you are shopping for a slow-selling model, you can aim for a deal near invoice price and sometimes even lower. Make sure you don't let the sales person bring the rebate into the negotiations. You're entitled to that from the manufacturer no matter what price you negotiate otherwise.

As auto companies get ready for their annual new-model introduction, dealers are eager to get rid of the old models—especially since dealer volume targets set by the manufacturers track the model year. With this strategy, you may be limited in your choice of the exact color and optional equipment you ideally would pick. Offsetting that is the best deal you're likely to find any time. Usually such model-year shopping works best in July, August, and early September ahead of the traditional Oct. 1 start of the model year.

It can get lonely on the sales floor of a car dealer in late December when almost everyone is at the mall rushing to finish holiday shopping. So if you show up at the dealership with a well-prepared plan, you may get a great deal for Christmas.

Even if you get a great deal, don't forget a cardinal rule of car buying: Plan ahead for your financing. Get financing preapproved from Rohm and Haas Employees FCU before you ever go car shopping. Call (215) 592-2737 or (215) 641-7987 or stop by any office.



DEALERSHIP SALES INCENTIVES

Read the Fine Print

Ads promoting auto dealership sales incentives such as 0% financing, low-rate financing, or rebates can be enticing, but read the fine print before getting too excited.

Ads often sound like anyone qualifies and rates are good on just about any vehicle. Often this is not the case. It's not unusual for dealerships to use "bait and switch" tactics to get consumers in the door, only to find that what they thought was true, isn't.

Look for the letters "OAC." Most consumers aren't familiar with this acronym, meaning "on approved credit." In reality, only about 25% to 30% of consumers qualify for 0% financing. You have to have what's considered the best credit score—typically 685 or higher—to qualify for that special financing deal.

The fine print also might read, "Advertised vehicles may differ from shown vehicles," "0% available on all new brand 'X' automobiles, excluding make 'Y' automobiles," "Prices good through 'a certain date'; subject to change without notice," or "Rebate good only if financing is done through dealership." These phrases mean quantities and styles are limited, sale dates can change instantly, and you might be forced to finance through the dealership.



Do you wonder how auto dealerships can offer great rates and a rebate, too? Pay attention to what they're charging for GAP (guaranteed asset protection) insurance and mechanical repair coverage. GAP insurance covers the difference between what a consumer owes a lender and what an auto insurer will pay if a car is totaled or stolen shortly after it's purchased—when the amount owed is still high. Mechanical repair coverage extends the dealer warranty, making the resale value higher.

At Rohm and Haas Employees FCU, we offer these products, often at substantially lower cost. Check with us today for all your auto financing needs.

Common Credit Report Mistakes Could Cost You

If you haven't requested a copy of your credit report, there are many reasons why you should.

A 2004 study by the National Association of State Public Interest Research Groups revealed that almost 79% of all credit reports contain some type of error. One-fourth of credit reports contain such serious



Common Credit Report Mistakes Cont.

errors that those individuals could be denied credit.

What are the common errors?

- 1) Misspelled names
- 2) Wrong Social Security numbers
- 3) Inaccurate birth dates
- 4) Inaccurate information about a spouse
- 5) Out-of-date address
- 6) "Closed" accounts listed as "open"
- 7) The same mortgage or loan listed twice
- 8) Absence of major credit, loan, mortgage, or other accounts that could be used to demonstrate creditworthiness

How can these errors happen?

Most mistakes can be pinned to creditors who provide inaccurate information to credit bureaus. Mistakes happen when credit accounts change hands. Other mistakes simply are human error. One report found that some banks admit to not providing credit bureaus with complete information about their customers. Some errors are the result of thieves stealing your personal information and establishing fraudulent accounts in your name.

Why should you care?

Lenders use credit reports to determine the interest rates on loans; the more creditworthy you appear on paper, the lower the rate you pay. Errors may cause you to pay more. In some cases, you even could pay a higher premium for auto and homeowners insurance, because insurance companies have found that people with poor credit histories tend to file more claims. And many people are surprised to learn that a potential employer turned them down for a job because of negative information on their credit report. Federal law, however, requires that the employer get your permission before pulling your report.

How much does a credit report cost?

A new federal law requires each of the "big three" credit reporting agencies—Experian, Equifax, and TransUnion—provide consumers with one free credit report per year. Go to annualcreditreport.com, or call 877-322-8228. If you want your credit score, a three-digit assessment of your creditworthiness, you'll pay \$7 to \$9.

What if you find an error?

Write a letter to the credit bureau, which is obligated by law to contact the creditor who supplied the disputed information. The credit bureau must respond to you within 30 days. If you're not satisfied with how the dispute is settled, ask that a brief written explanation be added to the bottom of your credit report.



REBATE OR LOW RATE:

Select One

Rebate or low-rate financing? Car buyers often face this dilemma, and the decision isn't obvious.

You can use a factory rebate:

- As a down payment toward your purchase, lowering the amount financed, or
- In the form of a manufacturer's check, to use as you wish.

Low-rate financing, on the other hand, sounds great too—until you crunch the numbers. The amount financed has a larger impact on monthly payments and total interest charges than the interest rate does.

Take an offer for 0% financing for 24 months or a \$2,000 factory rebate on a \$20,000 purchase. If you take the credit union's rate of, for example, 6.5% and the rebate (thus financing only \$18,000), you actually would save about \$30 a month.

Discount financing plans generally are limited to shorter lengths and use a sliding scale where the best rates are for the shortest terms. And there isn't always one rate. You may find 0.9% on 24 months, 3.9% on 36 months, and so on. Low-rate financing terms often are so short that most people can't afford the monthly payments.

To find out which is better for you, see the calculator "Which is better: a rebate or special dealer financing?" at www.cuna.org. Go to "Consumer Information" and choose "Calculators."

Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 Month CD	5 rate	5.13 yield
9 Month CD	5.1 rate	5.23 yield
12 Month CD	4.90 rate	5.02 yield
30 Month CD	4.00 rate	4.08 yield
60 Month CD	4.00 rate	4.08 yield

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.

Beginning July 1, our money market rates will double to earn 4%, with a 4.08% yield.

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 June—the refund reduces the effective rate to 7% for the second quarter of 2007.

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

