



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



GIVE YOUR DEBTS A Financial Health Check

A debt-to-income ratio is a measure of financial stability calculated by dividing monthly minimum debt payments by monthly gross income. This calculation gives a straightforward depiction of your financial position. Typically, the lower your ratio, the better handle you have on debt.

Determining your debt

- Collect your most recent credit billing statements for current balances.
- Outline your total monthly bills using two columns: bill type (such as car loan, mortgage/rent payments, and so on) and monthly payment. Do not include bills such as taxes and utilities in this list.
- Add up the total for all of the monthly payments listed.
- Calculate your monthly before-tax income. If you receive a paycheck every other week, as opposed to twice a month, your monthly gross income is your before-tax income from one paycheck times 2.17.
- Your monthly debt-to-income ratio is calculated by dividing your monthly debt payments by your monthly income. For example, someone with a monthly income of \$2,000 who is making monthly payments of \$500 on loans and credit cards has a debt-to-income ratio of 25% ($\$500 / \$2,000 = .25$ or 25%).

Staying aware of your ratio can help avoid debt reaching a problematic stage.

We Have Better Auto Loan Options



If you're in the market for a new car, you'll find several financing options. It's nice to have choices, but they can be confusing or downright expensive. In the end, you may be better off with conventional auto financing from Rohm and Haas Employees Federal Credit Union.

Some dealers are offering low-rate loans or cash-back rebates. Most low rates dealers advertise are for short-term loans. For example, one dealer offers 1.9% financing, but only on two-year loans. A new \$20,000 car with a \$2,000 down payment will require \$18,000 financing. That translates to an astounding \$765 monthly payment—way out of reach for most buyers.

Or, if you choose the dealer's rebate plan, you forego the low interest rate loan but get a \$1,500 cash rebate. Adding the rebate to your down payment can make Rohm and Haas Employees Federal Credit Union financing very attractive, because the larger down payment reduces the amount you need to finance. Which alternative is best?

Calculate your total finance charge and monthly payment after you deduct your down payment, plus the rebate. Then compare your results with the same figures if you take the dealer financing but finance the higher amount.

Or, if you own your house, a Rohm and Haas Employees Federal Credit Union home equity loan might look even better. The reason, of course, is that home equity loan interest payments can be 100% tax deductible (consult your tax adviser to see if you're eligible).

To calculate the after-tax loan rate, multiply the home equity loan interest rate, 7.25% (for a 6 year term), by one minus your marginal tax rate. For example, if your combined federal/state marginal tax rate is 33% and the credit union's home equity loan rate is 7.25%, your after-tax loan rate would be 4.86% ($.0725 \times (1-.33)$). That drops your effective interest rate below the dealer's 5.90%. And the \$1,500 cash rebate is gravy!

So, don't be smitten by auto dealer low rate advertising—visit or call Rohm and Haas Employees Federal Credit Union first to explore financing options.

Get Kids Started Right

We often hear that our children are our greatest asset, the door to the future. How can we help them build confidence in their financial future? Will they be equipped to deal with the financial demands of the 21st century?

One good answer is a credit union share savings account. By encouraging regular savings at Rohm and Haas Employees Federal Credit Union you prepare your kids to meet the demands of an increasingly complex financial world.

(continued on page 2)

Get Kids Started . . . (continued)

A regular savings program helps both teenagers and younger children understand the basics of personal finance and the importance of building sound money management habits.

It demonstrates the power of savings to help youngsters reach their goals. It prepares them for the day when they'll manage their own money.

Even very young children can grasp the fundamentals of saving, and become excited about having their very own savings program. Pilot programs in elementary schools and even preschool programs, including one operated jointly by CEDC Federal Credit Union and Nassau County Head Start Program, Hempstead, NY, prove that children become excited about having and contributing to savings accounts.

As children grow and acquire allowances, after-school jobs, and other income sources, they see those savings add up— and their pride and independence grow too.

Recent studies by sponsors as varied as Teen Research Unltd., Northbrook, IL, and the U.S. Labor Department indicate that America's children receive more than \$14 billion a year from allowances, odd jobs and gifts. Their income averages \$4.87 a week or about \$250 a year. The typical 12-year-old spends more than \$7 each week. And, children save \$6 billion a year or more than 40% of their income.



Perhaps the most important reason to start saving early and regularly is that saving helps young people develop the skills they'll need to be intelligent credit consumers. A record of regular savings tells the credit union this young person can handle the responsibility of repaying that first loan for a car, college or educational travel.

Having demonstrated the ability to stick to a planned program, loan officers are more likely to approve the loan application. In this situation, the share savings account does double duty, because the young borrower— lacking any credit history— can use it as security for the loan.

So don't wait. Help your children open share savings accounts and encourage them to add to them each week or month.

REMEMBER

It's not the amount of the deposit that counts. It's establishing sound, lifelong financial habits that will make more complex financial transactions later on easier and more comfortable. See Rohm and Haas Employees FCU now to start your kids on the road to confident money management.

Certificates of Deposit

Certificate	APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
6 Month CD	2.50 %	2.53 %
9 Month CD	2.75 %	2.79 %
12 Month CD	3.00 %	3.05 %
30 Month CD	3.00 %	3.05 %
60 Month CD	3.00 %	3.05 %

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 6.5% for the second quarter of 2008.*

Look for other information related to your credit union's services on our web page:

<http://www.rhcu.com>



"The Rohm and Haas Employees Federal Credit Union will never initiate a solicitation of your account number or PIN for online banking or voice response via an email or phone call. If you receive such a solicitation from any party purporting to represent the Credit Union, refuse to disclose the information requested and contact us immediately."

Share Account Rates

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

Share Draft

APR (Annual Percentage Rate)	APY (Annual Percentage Yield)
1.00 %	1.01 %

Money Market Account Rates

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