

The Credit Union Educator

W-BEE Federal Credit Union Member News, January 2010
<http://www.creducomp.com/wbee>

Wilkes-Barre - 87 N. Main St.
(570) 825-9950
All Credit Union Services / Lending

Wyoming - 800 Wyoming Ave.
(570) 693-4073
Teller Services / Debit Card Questions

Dallas - Church Street
(570) 675-8244
Teller Services



Roger's Tips for a Happy Financial New Year!

Well, here we go into 2010 with the economy still all screwed up, unemployment at an unacceptably high level, interest rates so low that any hope of keeping up with inflation is like an imaginary dream, unbelievable corruption in Luzerne County which most likely hasn't been fully revealed, and credit card companies shafting the American people beyond belief. Isn't it a wonderful life??? **HAPPY NEW YEAR ALL!** I can think of no better article than that of offering some suggestions and comments which are intended to help all of you with your finances.

First of all....what is the definition of a loan? To those of you who immediately thought I should be committed to the nearest sanitarium for asking...be advised if you responded at all about borrowing money or having funds that need to be repaid---**WRONG!!!** Per Alexander T. Kormas, United Penn Bank Loan Officer in 1971 and my supervisor the first three months after my college graduation – the proper definition of a loan is an **INVOLUNTARY SAVINGS ACCOUNT!** Frankly, at the time I thought Alex was nuts, but after 38 years in finance I can attest that he was exactly correct!! If you are currently unable to make ends meet, have no savings for emergencies, and have credit card balances, charge accounts, and other unsecured debt at very high interest rates, you are hurtin' – BAD!! The options available to you depending on the amount of debt, income, and equity in owned assets include bankruptcy, settlement of debt at less than amount due, a structured repayment plan at reduced interest rates using a vendor specializing in this service, or consolidation of debt using equity in your home or car (depends on amount). If the amount is under \$10,000, you may even be able to obtain a signature loan (assuming good history & income) which will pay your high cost charges/credit cards or other debt which is at higher rates.

Next....of equal importance is the necessity to build a financial plan that makes certain you don't get back in the same situation down the road. **THE NEED TO PAY YOURSELF FIRST TO HAVE SAVINGS TO COVER HOUSEHOLD EMERGENCIES and other discretionary items is a must!!** If you have no ability to save, you will be right back in the constantly poor feeling using the credit cards you just rid yourself of! Debt ratio plays a vital part of this puzzle. How much of your income should be spent on loan payments? Additionally, how many dependents must this income take care of? Certainly an income of \$100,000 can have a higher ratio than one of \$50,000....and an income of \$25,000 will be significantly less.

Here's where your credit union can help!! Linda & I have nearly 60 years of lending experience and financial suggestions. We will be happy to assist any of you. Only one requirement on your side – complete honesty about your situation. If we can help you, call us at 825-9950 for private consultation.

Roger H. Stout
Manager



SAVINGS RATES

RATES PAID FOR THE QUARTER ENDED 12-31-09



<u>\$ Balance</u>	<u>Regular Shares (Savings)</u>		<u>IRA Accounts:</u>	
	<u>APR*</u>	<u>APY**</u>	<u>APR*</u>	<u>APY**</u>
Under \$500.00	none	none	none	none
\$500 – \$4,999.99	1.000%	1.004%	1.500%	1.508%
\$5,000 – \$9,999.99	1.250%	1.256%	1.700%	1.711%
\$10,000 – \$24,999.99	1.500%	1.508%	1.750%	1.762%
\$25,000 – \$49,999.99	1.700%	1.711%	2.000%	2.015%
\$50,000 Up	1.900%	1.914%	2.100%	2.117%
Christmas Share Accounts (\$100 – Up)	1.000%	1.004%	<div>Rates are not guaranteed for future quarters; rates pay- able 3-31-10 will be determined in late March.</div>	
Share Drafts (Checking)				
Under \$5,000.00	none	none		
\$5,000.00 Up	0.500%	0.501%		

PLEASE NOTE: Savings rates are computed based on the average monthly account balance for all types of share accounts. For regular and IRA accounts, an account may earn dividend credit at multiple rates if the average monthly balance falls into different tiers during each month of the quarter. For share draft accounts, dividends are posted on a monthly basis. **A Truth in Savings disclosure covering all types of share accounts is available upon request. Contact our office for further information.**

*APR = annual percentage rate **APY = annual percentage yield

FEES

CURRENTLY IN EFFECT

A necessary evil, fees are charged to recover the loss of revenue for member account activity which costs other members money. **We want you to avoid fee costs!** Review the list below to make sure you won't be charged.

REGULAR SHARES:

1. DORMANT FEE: \$5 per month is charged to accounts under \$200 with no activity for 12 months.
2. EXCESSIVE WITHDRAWAL FEE: Accounts that have had more than 3 withdrawals per calendar quarter will be charged a fee of \$3 for each additional withdrawal if your balance is under \$200 after the withdrawal.
3. WITHDRAWAL BY MAIL FEE: \$2 is charged for withdrawals by mail if your balance is under \$200 before the withdrawal.

CHRISTMAS SHARES:

1. EARLY WITHDRAWAL FEE: 5% of the shares withdrawn (up to a maximum of \$10) will be charged for the second withdrawal prior to the annual payout. The Christmas Club must close at that time.

SHARE DRAFTS/TRANSACTION ACCOUNTS:

1. MONTHLY FEE: \$5 per month is charged to share draft/transaction accounts if you do not maintain a minimum balance of \$200 in your regular share (S-10) account each day of the month.
2. DORMANT FEE: \$2 per month is charged if there are less than 2 transactions and the draft/transaction account balance any day of the month is below \$300.
3. OVERDRAFT TRANSFER FEE: The first two days per month of automatic transfers by the credit union are free. Days 3 and 4 are \$5 each. Fifth and additional days are \$10 each.
4. NSF RETURN ITEMS (non-sufficient funds): \$15 each for items 1 and 2, \$20 for items 3 and 4, and \$25 for the fifth item. The share draft account will be closed by the credit union upon the fifth occurrence in 90 days.
5. STOP PAYMENT FEE or CERTIFIED DRAFT FEE: \$5 each.
6. DRAFT COPY FEE: \$2 each.

DEBIT CARDS:

1. ATM WITHDRAWAL FEE: \$.50. This does not include any additional charges which may be imposed by the machine owner.
2. LOST CARD REPLACEMENT FEE: \$10 for the first instance, \$50 for the second instance. If a card is lost a third time, debit card privileges are revoked.

MISCELLANEOUS:

1. STATEMENT COPY FEE: \$2 each.
2. THIRD-PARTY WITHDRAWAL CHECK FEE: \$3 is charged for each check withdrawal under \$1000 payable to a third party.