

## Making a Case for Credit Unions or Why We Really Have Lower Rates

When you hear a commercial that says they have “Lower Loan Rates” do you start to wonder, lower than what? Lower than a loan shark?

Who is a bank accountable to? Day in and day out it is the shareholders. These individuals have purchased shares in hopes of making a reasonable return on their investment. These are people who may or may not bank with the institution they have invested in. A credit union on the other hand is accountable to their members. Members serve as the financiers of the credit union and as its “customers”, reaping the benefits of their investments in the form of LOWER loan rates, higher savings yields and no or lower fees.

Our members and potential members need to understand why they can get lower rates here at Roanoke Postal. It's simply; because the credit union's profits don't go back to paying shareholders' dividends. It is passed back to our members in the form of Return on Membership, which translates into lower loan rates and higher savings yields for you, our members.

This may sound obvious or like old news, but there are still many people out there who don't understand that their credit union is the best choice for lending and savings.

### You Could Win \$25

Members in good standing could win \$25! All you need to do is answer the following questions that relate to the articles in this CU-Tips edition. Answer all of them correctly and you will be eligible to win 1 of 4 drawings for \$25! It's that simple! **The deadline for submitting quiz entries is April 30, 2008.** One entry per member please!

True  False Alexander Scholarships will be available in April, 2008.

True  False Roanoke Postal paid out less dollars in dividends in 2007.

True  False Roanoke Postal Gift Cards are only \$1.50 each.

True  False Being late or missing a payment does not show on your credit report.

True  False Banks pay their profits back to their customers in dividends.

Name: \_\_\_\_\_

Member #: \_\_\_\_\_ Date: \_\_\_\_\_

SEND YOUR ENTRY TO:  
Roanoke Postal Employees' FCU • ATTN: CU-Tips Quiz  
PO Box 12405 • Roanoke, VA 24025-2405



## Tips for Parents of College-Bound Students

High-school students bound for college will embark on many new experiences—including financial independence. Here are some tips for parents to help kids prepare for what's in store.

\* Explain how credit works. If your son applies for a credit card at a campus table promotion, he'll not only take home a free T-shirt, but a credit line he may not be able to afford, and may not know how to manage. A credit card is not free money; it is a means of putting off paying for purchases until a later date. Accompany him to the credit union for the best rates on credit cards and consider urging him to use a debit card instead.

\* Create a spending plan. Write down all college expenses such as tuition, books, room and board, toiletries, entertainment, and so forth. Determine which expenses you'll be paying and those for which your child will be paying.

\* Come to a no-bail-out agreement. If your daughter ends up charging more than she can afford, or runs out of money before the end of the month, your first reaction may be to send money and bail her out. Don't do it. If she needs to figure out a way to get out of debt, such as working or staying home on weekends, chances are good she won't make the same mistake twice.



### Roanoke Postal Employees' Federal Credit Union

Is a member-owned, not-for-profit financial cooperative. It is run by a volunteer Board of Directors chosen by the members of the credit union.

**Mailing Address:** P.O. Box 12405 • Roanoke, VA 24025

#### Office Locations:

419 Rutherford Ave. • Roanoke, VA **Office Phone:** 540-342-3429  
4025 Brambleton Ave. • Roanoke, VA 800-342-3429  
3300 Odd Fellows Rd. • Lynchburg, VA **Office Fax:** 540-345-0500

**PAL:** Roanoke area: 855-3600 • Toll-free: 800-450-2345

MyCU@Home Online Banking available at [www.rpefcu.org](http://www.rpefcu.org)



Our Members. Our Strength.  
Our Future.

# CU-Tips

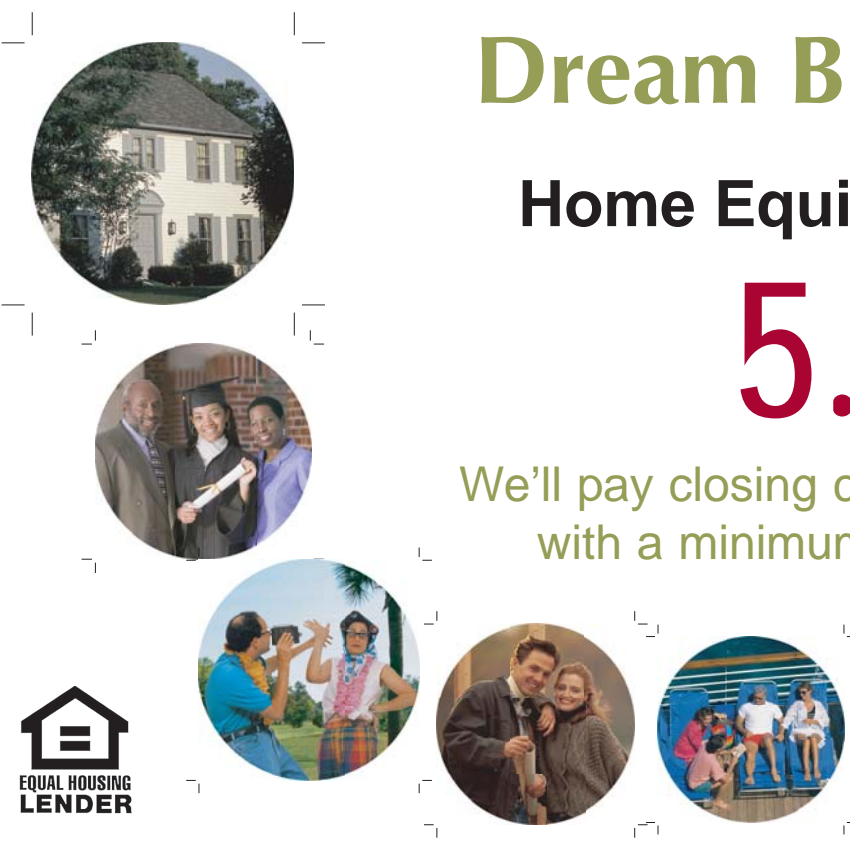
## Dream Big! It's Easy!

### Home Equity Line of Credit

# 5.25%

APR

We'll pay closing costs\* for all new HELOCs with a minimum advance of \$10,000.



- ◆ Use your recent appraisal or tax assessment.
- ◆ Borrow up to 90% of your home's market value.
- ◆ FREE HELOC checks!

\* Excluding appraisals. HELOC must carry a balance for at least 24 months or closing costs will be refunded to RPEFCU. Loans subject to qualification. Rates and terms are subject to change.

## Alexander Scholarship

Winning a scholarship can sure put a little stretch in your school dollars. The price of higher education continues to climb and finding a way to pay for tuition, books, housing, etc. can be a real challenge. If you're a student, any age, seeking higher education for the **2008-2009 school year**, you may want to consider this opportunity.



The **Alexander Scholarship** is open to all RPEFCU members interested in seeking higher education and who meet the eligibility requirements. Ten \$1,000 Alexander Scholarships will be awarded in the fall.

**Applications will be available May 1** in our offices, by mail or on our web site.

Hurry in for your pre-approval, so you'll be ready to shop!



## A Message From Our CEO

Jeff Thompson

### STIMULATE YOUR SAVINGS!

Are you looking forward to receiving and spending your government Stimulus Check? How would you like to be able to save that money and spend it at the same time?

Consumer savings is at an all time low and in our current economy the importance of savings is at an all-time high! Here at Roanoke Postal we thought this would be a great opportunity to help our members get a jump start with their savings.

#### Here's how it works:

1. When you receive your Stimulus Check, bring it to Roanoke Postal.
2. We will open a special **Jump Start Savings** account for you and deposit your Stimulus Check into your new account.
3. We will then allow you to borrow up to 150% of the check amount. Use the proceeds to purchase needed items or payoff existing bills. You choose.
4. You will pay the credit union back in equal installments over the next 12 months and a portion of each installment will be deposited into your **Jump Start Savings** account.
5. At the end of the 12 months, you have more than you started with in your **Jump Start Savings** account and if you like the results, we can do it all over again.

#### Here's an example:

1. Your \$600 Stimulus Check is deposited into your new **Jump Start Savings** account.
2. We hold your \$600 deposit and lend you \$900 (150%).
3. You pay us back in equal installments over the next 12 months. If you're paid bi-weekly, your bi-weekly payment would be \$46.42.
4. At the end of the twelve months, your loan will be paid off, your **Jump Start Savings** balance will be more than \$860, and you can now borrow up to \$1,290 (150%) or choose to not to borrow and continue to save on your own.

#### Here's how you qualify:

1. Be a member in good standing with RPEFCU.
2. Be on the job for at least one year.
3. Have your direct deposit coming into your RPEFCU checking account.
4. Have your **Jump Start Savings** payment automatically deducted from your Roanoke Postal checking account.

#### Here's the fine print:

1. Your **Jump Start Savings** account will earn the same dividend rate as your primary savings account.
2. The balance in your **Jump Start Savings** account will not be available to you until the **Jump Start Loan** is paid in full.
3. Minimum deposits into your **Jump Start Savings** will be \$5 for weekly installments, \$10 for bi-weekly, and \$20 for monthly.
4. If your **Jump Start Savings** balance exceeds your **Jump Start Loan** balance, you may withdraw the excess by paying an early withdrawal penalty of \$25. (Please remember that we are trying to encourage savings.)
5. Your **Jump Start Loan** will have an interest rate of 10%. In the above example, the credit union will collect less than \$50 in interest over the 12 month period to provide this service.
6. The maximum loan amount is the lesser of 150% of your **Jump Start Savings** balance or \$3,000.

We understand that saving is difficult. Hopefully this will be a way to give you a jump start and stimulate *your* savings.

## Help YOUR Credit Union

The Nominating Committee is now seeking RPEFCU members interested in serving as volunteers for the Directors of the Board and Credit Committee. The Board of Directors represents the membership and sets the strategic direction of the credit union. The Credit Committee meets weekly and works hard to ensure members' loan requests are given fair consideration.

All candidates must be available to attend regularly scheduled monthly board meetings. In addition they gain practical experience and education on financial matters.

If you are interested in serving, please contact Rose Hoback or Susan Powell at 540-342-3429. They will be glad to put you in touch with the Nominating Committee.

## NEW Hollins ATM



**Make a deposit, get cash and check your balances! Corner of Williamson & Peters Creek Roads, Roanoke.**

## Gift Cards - The Perfect Gift!

MasterCard Gift Cards are a convenient way to say congratulations! You can purchase the gift card at all



RPEFCU offices for just \$1.50 each. You determine the amount between \$10-\$1,000, pick from several designs for any occasion, and the card is activated immediately upon purchase. When shopping for birthdays, graduations, weddings, baby showers, Mother's Day, Father's Day, or for any occasion, save yourself the hassle of a trip to the mall and visit Roanoke Postal CU instead. A MasterCard Gift Card-it's simple and convenient, not to mention it's always the right size, color, and style! Gift giving has never been easier!



## National Youth Week

April 20-26, 2008

Roanoke Postal EFCU is the place to be during National Credit Union Youth Week and it's the perfect time for young members to make savings a habit. Members under 18 can make deposits to their savings account during Youth Week and become part of the National Youth Savings Challenge.

Ten young savers from credit unions nationwide will each win \$100. Plus, youth members who make a \$15 deposit or greater to their savings during Youth Week, will be entered into a Roanoke Postal drawing for a \$50 deposit!

## Boost Your Credit Score

Every time you apply for a credit card, mortgage, car loan, or insurance, your application is judged in part by your credit score. Lenders use your credit score—ranging from 300 to 850—to determine whether to grant credit, and at what cost. The higher the score, the more likely you are perceived to be able to repay the credit. Consumers with scores less than 600 usually are seen as higher risk and may pay a higher interest rate or are denied credit.

Fortunately, you can take steps to boost your credit score. These tips can maximize your score and influence your credit-worthiness.

♦ Be punctual. Late or missed payments, foreclosures, and bankruptcies have the greatest negative effect on your credit score. This accounts for 35% of your credit score, so make sure to pay your bills on time.

♦ Check your credit report regularly. Don't let inaccurate information ruin your credit score. Consumers are entitled to one free credit report per year, which you can get online at [annualcreditreport.com](http://annualcreditreport.com). Even though the credit report is free, getting your credit score will cost extra. You can obtain your credit score from the three major credit-reporting bureaus at [experian.com](http://experian.com), [equifax.com](http://equifax.com), and [transunion.com](http://transunion.com).

♦ Keep debt in check. Try to keep your account balances below 50% of your credit limit. About 30% of your credit score is based on the amount you owe in relation to your credit limit. For instance, if your credit card has a limit of \$2,000, keep the balance less than \$1,000.

♦ Avoid excessive inquiries. New inquiries for credit account for 10% of your score, and a bunch of new credit requests—in a short period of time—can reduce your score.

## Community Connection

### RPEFCU Members and Staff Raise \$1,300 for CMN!

RPEFCU members and staff raised \$1,300 for Children's Miracle Network (CMN) by making great bids at the silent auction during our annual meeting and by buying stuffed Hugs and Kisses at the MSR lines. The donation check was presented to Erin Hildreth of CMN at a Roanoke Chapter of Credit Unions meeting.

Thank you to all the members and staff who participated in this community connection event.



Karen Boothe, Rose Hoback, Erin Hildreth (CMN) and Charlene Yeagley (RPEFCU board director).

## Important Stuff

### Holiday Closings

**Monday, May 26**  
Memorial Day

**Friday, July 4**  
Independence Day

### RPEFCU Annual Meeting

Sunday, October 5, 2008  
at Brae Loch, Vinton, VA.

### There's still time to finish your taxes with TurboTax Online.



As a valued Roanoke Postal member, you can now discover just how easy tax prep can be - for **FREE** - with TurboTax Online Free Edition. Or choose TurboTax Online Deluxe to maximize your deductions. Either way, you'll get your refund in as little as **9 days** when you e-file and choose direct deposit into your Roanoke Postal checking or savings account.

## Did You Know . . .

That in 2007, Roanoke Postal Employees' FCU paid out **\$2,975,496** (yes! Almost 3 million dollars) in dividends to members!

That's a 30% INCREASE from 2006!

### Scam Alert

Don't fall for this one by Consumer Research Company. They send you a letter stating you are interested in additional part-time income. They also send you a check worth several thousand dollars to help get you started. Please destroy the check you receive and NEVER wire money to a company or individual you do not know.