



CreditCheck

NEWSLETTER FROM THE CHURCH OF THE BRETHREN CREDIT UNION

FIRST QUARTER 2005

Credit Check Educates, Informs CoBCU Members

Introducing *Credit Check* — the first issue of the Church of the Brethren Credit Union's new quarterly publication. The intent of this publication is to provide useful information to our members.

As a not-for-profit ministry, we exist to provide helpful and affordable financial services to you. Together, as a church, we also provide a real-world mechanism to practice our belief in mutuality — each of us supporting one another for the benefit of the whole community. By using the Credit Union you are not only benefiting yourself, but also the whole community of members.

It is an exciting time in the 66-year life of the Church of the Brethren Credit Union. We are in the process of establishing a number of new services such as electronic fund transfers and home equity loans. Visit our website at www.cobcu.org to learn about these services as they become available. We encourage you and your family members to take full advantage of all the Credit Union's services.

We hope you find *Credit Check* informative and beneficial. If you would like additional copies to give to your family and friends, please contact the Credit Union office or download it from our website. We also always welcome your feedback on this publication as well as the services we offer.

Whether you have been a member for three months or 30 years — thank you for your support of the Church of the Brethren Credit Union. We wish you a blessed New Year. — *Dennis Kingery, CoBCU director*

Annual Meeting of members

Mark your calendars — The Church of the Brethren Credit Union's Annual Meeting of members will be held at 5 p.m. Saturday, July 2, in Peoria, Ill., at the start of the Church of the Brethren Annual Conference. More information regarding the dinner, guest speaker, and business meeting will be provided in April. We look forward to seeing you there.

Understanding IRAs

Individual Retirement Accounts (IRAs) can be difficult to understand. There are different types of IRAs — each with unique tax rules and each offering unique benefits. IRAs can be useful tools for retirement savings, higher education expenses, and down payments for first-time home buyers. Here's an overview of the different types of IRAs —

Traditional IRAs. Traditional IRAs are primarily used for retirement savings. Anyone under the age of 70½ who has income (or who is filing jointly with a spouse who earns income) can contribute to a traditional IRA. In 2004, individuals under 50 are allowed to contribute up to \$3,000; (\$3,500 if 50 or older). This limit increases to \$4,000 in 2005 (\$4,500 if 50 or older). Contributions may be tax deductible depending on your income level and whether you are active in an employer-provided pension plan. In addition, earnings grow tax deferred until withdrawn. Withdrawals may be made, penalty free, for qualified higher education expenses, a first-time home purchase, and for certain other qualified expenses. Individuals may also begin making withdrawals at age 59½; they are required to begin making minimum withdrawals by age 70½.

Roth IRAs. Roth IRAs have rules similar to those for traditional IRAs with a few major exceptions. Anyone with income can contribute to a Roth IRA; there are no age limits as with traditional IRAs. The maximum contribution limits are also the same as traditional IRAs, although they may be reduced for higher income earners. One major difference with the Roth IRA is that its contributions are not tax deductible. The earnings from Roth IRAs can be tax-free, however, if the IRA is open for at least five years and the funds are withdrawn for a qualified purpose. Those qualified purposes include disability, death, a first-time home purchase, or being at least 59½. Unlike the traditional IRA, you are never required to make withdrawals. Your entire Roth IRA can be passed on tax-free upon your death.

Coverdell ESAs (formally called Education IRAs). A Coverdell Education Savings Account (ESA) serves as an education savings tool and can be established for any child under the age of 18. The maximum contribution for a Coverdell ESA is \$2,000 per child per year and can be from anyone who has income — whether it is from the child, parents, or

continued on back

grandparents. Like a Roth IRA, Coverdell ESA contributions are not tax deductible. Earnings may be tax-free, however, if withdrawals are for qualified education expenses such as tuition, fees, books, and computer equipment. Coverdell ESA funds can even be used for primary and secondary education expenses.

IRA investments are transferable from one financial institution to another so you are never locked into a particular financial institution. IRAs are available from most financial institutions, including the Church of the Brethren Credit Union. Call **888-832-1383** for more information.

Not intended as tax advice. Please consult a tax professional.

Announcing a new service — The convenience and simplicity of EFTs

The Church of the Brethren Credit Union now offers the convenience of Electronic Fund Transfers (EFTs). With this new service, members may make their monthly loan payments or start a regular monthly savings deposit electronically.

Advantages:

- Automatic, no-hassle payments.
- Loan payments are guaranteed to be paid on time; no late fees!
- Timely payments improve your credit score.
- Saves the time of writing another check.
- Saves postage.
- Never lost or delayed in the mail.
- Helps make savings a habit.
- It's free!

EFT authorization forms have been included with your quarterly statement. Simply complete the form and send it to 1505 Dundee Ave., Elgin, IL 60120 to begin right away. Additional copies can be obtained from the Credit Union's website at www.cobcu.org or by calling the Credit Union office.

2005 Holiday Schedule

The Credit Union is open Monday through Friday 8:30 am - 4:00 pm (Central Time). We will be closed in observance of the following holidays —

January 17	Martin Luther King Jr.'s Birthday
March 25	Good Friday
May 30	Memorial Day
July 4	Independence Day
September 5	Labor Day
November 24	Thanksgiving Day
November 25	Friday following Thanksgiving Day
December 23	Christmas related holiday
December 26	Christmas Day holiday

Rates

approved Dec. 16, 2004

LOAN RATES

New Car	5.29%
Used Car	5.49%
Motor Cycle/Boat	7.99%
Personal Loan* — 3-year	9.99%
Personal Loan* — 4-year	12.99%

*Limit of \$10,000 loan amount

SAVINGS RATES

	APR	AVG APY
\$25 to \$4,999	1.00%	1.00%
\$5,000 to \$19,999	1.00%	1.00%
\$20,000 to \$49,999	1.00%	1.00%
\$50,000 and above	1.00%	1.00%

CERTIFICATES OF DEPOSIT RATES

	APR	APY
9-month	1.75%	1.76%
12-month	2.10%	2.12%
15-month	2.10%	2.12%
18-month	2.10%	2.12%
24-month	2.75%	2.78%
36-month	3.50%	3.55%
48-month	4.00%	4.06%
60-month	4.50%	4.58%

INDIVIDUAL RETIREMENT ACCOUNT RATES

	APR	APY
12-month	2.10%	2.12%
24-month	2.75%	2.78%
36-month	3.50%	3.55%
48-month	4.00%	4.06%
60-month	4.50%	4.58%

Deposits are guaranteed against losses of up to \$100,000 by the NCUA



To learn more about our services, call toll-free at **888-832-1383**.
cobcu@brethren.org • www.cobcu.org

Savings Accounts • CDs • IRAs • Christmas Accounts • Children's Accounts • New Vehicle Loans
 Used Vehicle Loans • Boat & Motorcycle Loans • Unsecured Loans • Share Secured Loans