

CreditCheck

NEWSLETTER FROM CHURCH OF THE BRETHREN CREDIT UNION

FIRST QUARTER 2010

New year, old bills — approaches to debt management

If one of your New Year's resolutions is to eliminate your debt once and for all, you may be considering one of several paths toward debt management.

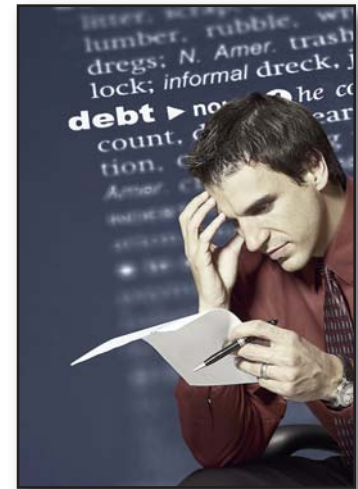
Be cautious when seeking assistance with debt elimination — "If a strategy sounds too good to be true, it probably is," insists Church of the Brethren Credit Union Director Steve Bob. Here are some of the riskier solutions to your financial arrears.

Debt counseling and settlement companies. Started as not-for-profit organizations funded by credit card companies in the 1960s, debt settlement and debt counseling companies are often regarded as a last resort to avoid bankruptcy. Typically, a company representative will advise that you stop paying your debt and instead put your repayment money in a separate account. After a set amount of time, the representative will contact your lender and offer the money in that account as a lump sum payment.

Reports from news sources, the Federal Trade Commission,

and national and state legislatures accuse many of these companies of excessive fees and deceptive marketing. Also, many banks will not lend to people when these companies appear on their credit reports.

Negotiating with your lender. Before your credit card or loan account becomes delinquent and a collection agency gets involved, some consumer advocates suggest negotiating a settlement directly with your lender.



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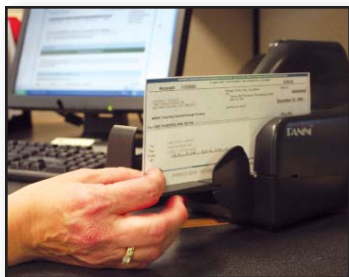
Lockbox closed — send money to Elgin office

Church of the Brethren Credit Union strives to make banking easier for its members, no matter where they live. One of the most frequent complaints to the Credit Union has been the need to send checks to another location to be processed, which extended the time between depositing money and having it accessible. With the addition of a check scanner at the Credit Union's business office in Elgin, Ill., an outside lockbox is no longer needed, saving time and money. Delays in check processing will be reduced by having all checks sent to CoBCU's main office, effective immediately.

That means that it is time to recycle all your old Credit Union envelopes that have a Chicago address on them. If you accidentally use one of these outdated envelopes, it may greatly delay your deposit or payment.

If you have a deposit or loan payment to make in the future, please mail it to the following address —

Church of the Brethren Credit Union
1505 Dundee Ave.
Elgin, IL 60120



Brian Solern

2009 IRA deadline

If you have some extra money to invest, now is a great time to open an Individual Retirement Account, or contribute to an IRA you already have.

You can contribute to your 2009 IRA until April 15. Your tax benefit may increase if you contribute to an IRA on or before April 15, record it as a 2009 contribution, and make another contribution later this year for 2010.

CoBCU offers both traditional and Roth IRAs. While traditional IRAs allow for tax-deductible contributions, withdrawals are taxed as income. Roth IRAs, however, are only taxed at the time of deposit, meaning your gains are not taxed.

For more information, speak with your tax adviser or click on **Educational Resources** at www.cobcu.org. — B.S.

Your family can join CoBCU's family

Did you know that the family of Church of the Brethren Credit Union members can also join CoBCU? From young to old, your family can take out loans and open Checking or Club accounts at your denominational Credit Union!

When Alice Campbell's daughter gave birth to Colson Ann Beart, Alice knew she wanted to welcome her granddaughter into the Church of the Brethren Credit Union family. Alice, the administrative assistant at Manchester (Ind.) Church of the Brethren, opened a savings account in Colson's name.

Alice has long depended on Brethren Benefit Trust's ministries, especially CoBCU.

"As the Credit Union has grown and offered more services, I have tried them." She transferred her health savings account to CoBCU this year.

CoBCU's customer service representatives have helped Alice transition to these new services. "Jill [Olson, loan officer] answers my questions clearly and in a way I can understand. Her explanations have been open and friendly."


From your grandmother to your granddaughter — and everyone in between — CoBCU wants to provide your entire family with great products and attentive customer service.

To see a list of who might be eligible to be a Credit Union member, click on **Membership** at www.cobcu.org. — B.S.



Patrice Nightingale

Get paid for your signature



While other credit and debit cards offer reward points for each transaction you sign for instead of using your PIN, CoBCU gives you a nickel for your signature.

Each time you use your CoBCU debit card and select "credit" instead of "debit," the Credit Union will give you a 5 cent credit.

Don't have a CoBCU debit card? Open a Checking Account today and get credit from your Credit Union!

"Debt management" Continued from front

According to Megan McArdle, a contributor to *The Atlantic* magazine, creditors might prefer to settle for 20 to 50 percent of the total balance, paid over six months or a year, instead of waiting for a borrower's bankruptcy proceedings. It may not be the most ethically sound approach to resolving your debt, but negotiating with your lender might solve your financial woes. Your credit score, however, will not be so lucky — a settlement may cost you up to 125 points, meaning you'll pay high interest rates on future loans.

Personal loan. If you need to consolidate several debts into one monthly payment, an unsecured personal loan may be the most conscientious route to financial wellness. This is one way CoBCU can offer help. Signature loans start at 8.99 percent — a much lower interest rate than the average credit card (13.7 percent in August, according to the Federal Reserve). For more information, contact CoBCU loan officer Jill Olson at **888-832-1383** or cobcu@brethren.org.

Before considering any of the above solutions, you should consult with a financial adviser to create a budget that serves your daily needs while helping you make monthly, on-time payments beyond the minimum toward your debt. — Brian Solem

Annual Members' Meeting

Mark your calendar — the CoBCU Members' Meeting will take place on Saturday, July 3, at 2 p.m. during Annual Conference in Pittsburgh, Pa. The location will be announced in the future.



To learn more about our services, call toll-free at **888-832-1383**.

cobcu@brethren.org ♦ www.cobcu.org

Savings Accounts ♦ Checking Accounts ♦ CDs ♦ IRAs ♦ Money Market Accounts ♦ Online Banking with Bill Pay Loans — Personal, Share-Secured, Vehicle, Boat, Motorcycle ♦ Club Accounts — Christmas, Children's, Youth Mission