

# THE MONEY WIRE



Leyden Credit Union  
2701 N. 25th Avenue • Franklin Park, Illinois 60131  
(847) 455-8440 • [www.leydencu.org](http://www.leydencu.org)

Quarterly newsletter  
Fall 2006

## Take Control of Your Financial Future

In an effort to live up to our mission statement, we want to provide our members tools that will allow you to make improvements to your financial situation. One of the tools that we have at our disposal is a library of articles that can be found on our website using the Members Financial Network link at the bottom of our homepage. The following are excerpts from several of the articles:

### **MANAGING YOUR MONEY**

Smart moves to make now – Get organized. Create a financial filing system. This will allow you to better keep track of your money and allow you to get your hands on your important records when you need them.

### **CALCULATE YOUR NET WORTH AND GET A TRUE PICTURE OF WHAT YOU'RE SPENDING.**

Add up all your assets (everything you own), subtract all your liabilities (everything you owe) and the difference is your net worth. The next step is to calculate all of your monthly income and then all of your monthly expenses. If your expenses are greater than your income, you need to make some difficult decisions on how you can reduce your expenses.

Many times expenses can be drastically reduced by changing your eating habits and reducing the number of times you eat out each month. Another area to closely look at is discretionary spending on things like entertainment. How much are you spending on movies, music, internet, cable, cell phone packages, etc. Can you get by with basic cable rather than having the premium channels? Can you get by without cable at all? Can you go on a less expensive cell phone plan? If your cell phone is your primary form of communication, can you eliminate your home phone? Don't buy things on credit. Save up for something that you want to buy and pay cash for the item. That way you don't end up spending an additional 9% to 21% on interest charges.

Another article is titled:

### **CREDIT: HOW TO BE CREDITWISE.**

This article discusses how important it is to keeping your debt in check, paying your bills on time and monitoring your credit report and credit score.

According to the article, financial experts generally recommend that you keep your consumer loan payments below 10% to 15% of your monthly take home pay. Add in your rent or mortgage debt and

the total debt shouldn't exceed 36% of your monthly gross income. This may not be realistic for some members right now, but it's a target to shoot for. Again, it's important to identify ways to decrease your debt.

Other ways to bring your monthly expenses down may include a debt consolidation loan, or buying a used car instead of a new car. Experts say that ideally, any vehicle purchase should be paid off within 36 months. At 36 months, you're not over-paying on finance charges and the vehicle should last for several years without needing any major repairs. During this time period, you can put the money that you were paying on your auto loan into a savings account to help save up for the down payment on your next vehicle, or you can use that money to pay down any other consumer debt that you may have.

Although this next idea is obvious, it needs to be stated that it's extremely important that you pay your bills on time. Payment history is one of the most important components of your credit score calculation. Credit scores are important because it will affect the rate that you'll have to pay when you borrow money or whether you'll be approved to borrow money at all. Credit scores can also affect your auto and home owner's insurance premiums. A poor credit score may be a determining factor in whether or not a potential employer will hire you. Under a new federal law, everyone has the right to a free annual credit report. Your report can be accessed online at [www.annualcreditreport.com](http://www.annualcreditreport.com). It's a good idea to check your report every year to make sure that all of your credit is being reported accurately. Reviewing your report is a great way to help fight identity theft.

### **BE SMART, BE SAFE, AND TAKE CONTROL OF YOUR FINANCIAL FUTURE.**

We're here to help improve our members' financial lives. It may not always be easy, but it will be worthwhile. For more ideas on how to get your finances in better order, be sure to check out the Members Financial Network link on our webpage.

# THERE'S NO BETTER TIME TO USE YOUR VISA!

Whenever you use your Leyden Credit Union VISA, you will not only benefit from the terrific features of our credit card, but you will now be automatically entered in the following contests:

## Visa Most Secure Fans

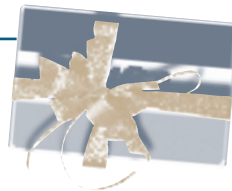
Each week, one lucky fan will win a trip for two to see their favorite team play at a rival team's stadium under the full protection of VISA. Winners will arrive by limo and be escorted by a security guard into the stadium and to their VIP seats, where they can cheer as loud as they want without worrying – because they're secure with VISA. The Grand Prize package also includes airfare, three-nights' deluxe hotel accommodations, and a \$500 VISA Gift card.

### And here's another reason to cheer:

Each week, 20 First Prize winners will receive a \$50 VISA Gift card. When you use your Leyden Credit Union VISA to make a purchase between September 1 and December 31, 2006, you'll be automatically entered for a chance to win.

## Get the Gifts You Really Want

No more fruitcake! Use your Leyden Credit Union VISA from November 1 through December 31 and be automatically entered for a chance to win \$100,000 to buy the gifts you really want. The more VISA purchases you make, the more automatic entries you'll receive.



## Skip-A-Pay

### HERE'S HOW IT WORKS...

- Fill out the coupon
- Return this coupon to LCU with the \$25.00 service charge per loan payment
- \* If you are skipping your November payment, return your coupon no later than October 25th.
- \* If you are skipping your December payment, return your coupon no later than November 25th.
- Skip your payment!!!

## With an LCU Holiday Savings Account

You can save money for all those holiday gifts



Funds accumulate from October 15th of one year to October 15th of the following year.

*Saving \$20/week starting on October 15th will give you over \$1,000 to spend on holiday gifts!*

- Minimum deposit is \$10/month.
- Deposits can be made via payroll deduction or automatic transfers.
- Dividends are paid on balances of \$100.00 or more monthly.
- No withdrawals may be made without closing the account.
- Enrollment begins October 15th. Funds will be transferred to your savings account on October 15th of the following year.
- You can access your balance or deposit information via LAURA or Home Banking.



### November or December Payment Extension Request Form

It is mutually agreed that this constitutes an extension on Loan # \_\_\_\_\_ Suffix # \_\_\_\_\_

The November or December payment(s) will be deferred and added to the end of the original term of this loan. I will resume my payment(s) after skipping the month of November or December. Return this form no later than October 25th to skip your November payment.

Return this form no later than November 25th to skip your December payment.

I would like to skip my: (Choose one)

- November 2006 loan payment
- December 2006 loan payment

I have:

- Enclosed a check in the amount of \$25.00
- Authorized a transfer from my account # \_\_\_\_\_

Member Signature \_\_\_\_\_

*If you make a non-automatic payment, the first payment done after the last day of the month prior to the month that you are going to skip will be skipped. If your loan is paid via payroll deduction or other automatic deductions, the amount normally applied to your loan will be deposited into your share/draft account each pay period in the month that you are skipping. If a full payment is transferred from savings/checking at Leyden, the payment will not be made. If you have any questions, contact the credit union's loan department.*

**Return to LCU**  
2701 N. 25th Avenue  
Franklin Park, IL 60131  
Attn: FSR Dept.

### WORKING TO IMPROVE OUR MEMBERS' FINANCIAL WELL-BEING

## *Building Credit / The Cost of Poor Credit*

This article is for our young adult members and any parents of children nearing adulthood. This article, as well as the one in next quarter's newsletter, will be a primer course on financial literacy. I will be discussing how to build a good credit history and the importance of keeping your checking account balanced and in good standing.

Before I get into how to build a good credit history, let me address the why. Why are these things important? It's all about the Benjamins. It's money, plain and simple. By not building a strong credit history, it's going to cost you money every time you need to borrow money or even get insurance. If you don't keep your checking account in order, it's going to cost you money every time you bounce a check.

As an example of how much money a poor credit history can cost you, let's look at buying a house. This is the most extreme example that can be used, but I'm using it because it's the most important purchase that most people make. Again, the question is why? The answer is that a home purchase is the most important because it's the biggest purchase that you are most likely to make. It's also one of the few chances that you have to buy an asset that is going to appreciate in value over time.

Homes in Franklin Park that were purchased for \$40,000 in the 1960s and 1970s are now being sold for over \$200,000. I don't know if the property values are going to continue to appreciate by 400% over the next 35 years, but they will continue to appreciate.

If you were to buy a house today, and take out a mortgage of \$200,000 payable over the next 30 years, a person with a poor credit score can expect to get a rate that is at least 1% higher than a person with a good to excellent credit score. A 1% difference in rates can cost you over

\$48,000 over a 30 year mortgage. Can you think of any ways that you might be able to better spend that \$48,000?

The above is just one example of how much money can be saved over your lifetime if you are smart with your money, and maintain a clean credit file. You do this by paying your bills on time, establishing a good mix of credit (i.e. not all credit card debt) and by purchasing appreciating assets.

I'm rapidly running out of space for this article. In the next newsletter, I will explain in more detail good ways to establish good credit, and the unexpected costs of not keeping your checking account balanced. If you have any questions, please email me at [david.lukas@leydencu.org](mailto:david.lukas@leydencu.org).

David Lukas  
*Leyden Credit Union President/CEO*



## SAVINGS RATES

Regular Shares .....	<b>1.26% APY*</b>
Holiday .....	<b>1.26% APY*</b>
IRAs (passbook) .....	<b>1.51% APY*</b>
Tiered Money Market .....	<b>4.76% APY*</b>
Premier Share Draft .....	<b>0.7526% APY*</b>

Call the credit union office, LAURA or check our Home Page for up-to-the minute Certificate Rates.

\*Annual Percentage Yield

## LOAN RATES (For Qualified Buyers All Discounts Included)

<b>Share Secured:</b> as low as <b>5.25% APR†</b>	<b>New Auto Loans:</b> as low as <b>4.40% APR†</b>	<b>VISA®</b> No Annual Fees 25 Day Grace Period Summer & Holiday Skip-a-pay
<b>Signature Loans</b> as low as <b>9.00% APR†</b>	<b>Used Auto Loans:</b> as low as <b>5.40% APR†</b>	<b>Classic/Gold Share Secured</b> <b>8.88% APR†</b>
<b>Variable Rate</b> <b>Home Equity Line of Credit</b> Prime Rate <b>8.25% APR†</b>	† Annual Percentage Rate Rates as of 9/30/06. All rates subject to change without notice.	<b>Gold</b> <b>9.00% APR†</b>
		<b>Classic</b> <b>13.80% APR†</b>

## Important News

### Don't Forget to Vote on November 7, 2006

As a friend to credit unions, Judy Baar Topinka has a long history of supporting credit unions and feels "consumers should have access to member-owned, low-cost financial service alternatives."

### Pumpkin Pinup Fund-Raiser

Help support the Cystic Fibrosis Foundation. Purchase a Pumpkin Pinup at the credit union between October 1 and October 31 for a minimum donation of only \$1. All proceeds will be donated to fight this disease.

## Did you know?

### International Credit Union Day October 19, 2006

Join credit union members worldwide to celebrate International Credit Union Day and the superior service they receive at their credit unions. For the 21st consecutive year, credit unions ranked higher than banks and thrifts in "customer satisfaction" in the 2005 American Banker/Gallup Consumer Survey.

This International Credit Union Day, we are excited to be a part of your hopes and dreams. Thank you for being part of the credit union difference. Please don't hesitate to tell us how we're doing, and how we can provide even better service in the future.

### VISA Gift Cards

Just a reminder that the fee to purchase VISA Gift Cards has increased to \$3 per card.

## Office / Drive-Up Hours

Monday, Tuesday, Thursday:	8:30a.m. – 5:00p.m.
Wednesday:	10:00a.m. – 5:00p.m.
Friday:	8:30a.m. – 6:30p.m.
Saturday:	8:30a.m. – 12:30p.m.

## Holiday Closings

LCU will be closed the following dates:

Monday, October 9th for Columbus Day  
Friday, November 10th for Veterans' Day  
Thursday, November 23rd for Thanksgiving  
Friday, November 24th Day after Thanksgiving  
Monday, December 25th for Christmas

