

Kennewick's Credit Union Column

Quarterly Newsletter - Spring 2009

KCFCU-0409-NL



Junior Achievement Fundraising Success!

Thank you for all your support and donations for Junior Achievement this past month. With your support we raised over \$625 to support financial literacy among children in our community. Pictured above is some of our employees at the Hula Bowl 2009 culminating fundraiser event.

A Very Brief History of your Credit Union

- Established in 1969: **IBEW #112 Federal Credit Union** with membership open to members (and families) of the International Brotherhood of Electrical Workers 112 & 497.
- August 30, 1981: Moved into 2626 W. Kennewick Ave building (current main office)
- March 15, 1983: Membership expanded to anyone who lives or works in the city of Kennewick
- February 25, 1986: Name changed to **Kennewick Community Federal Credit Union**

Why are Savings Rates so BAD?

If you tried to find a good return on a CD or deposit account lately you probably noticed they've evaporated. Why is that? For the most part interest rates are closely tied to the economy. When the Fed lowers their loan rates for banks, it allows banks to lower their loan rates as well. If credit union loan rates aren't competitive they don't get loans- so credit union loan rates drop too. Financial institutions must maintain a balance between the amount of deposits held and amount of that money lent out (a high percentage of deposits must be loaned out) and stay in business by paying a competitive yield on a deposit, then loaning it out at a higher interest rate. So when loan rates fall everyone drops deposit rates as well (or they would go out of business). So perhaps the best answer to why deposit rates are so low is because loan rates are... **want a loan?**

Too Expensive to Refinance Your Home? Imperfect credit causing problems?

Want to take advantage of historically low interest rates but can't bear to pay \$3,000 or more in refinancing fees? Consider our custom in-house mortgage loans with **no origination fee**, instead of \$3,000 in fees, members can pay as little as \$400! Please note that in some cases a "7 year call clause" may apply and borrowers are responsible for homeowners insurances and property taxes on their own (we do not offer escrow services). Our loan decisions are made in house, and your credit doesn't have to be perfect to be approved. (Subject to credit approval, some restrictions apply, equal housing lender).



Roberta, Loans

Level Headed Home Equity Loans

Need to "cash in" on some great home equity rates? Trying to pay off some higher rate debt? We offer home equity loans starting at only 5.25% APR* or home equity lines of credit (great for those projects where you don't need all the money up-front) starting at only 4% APR.* You can use the money for virtually anything (like making your home more energy efficient) and the interest you pay may be tax deductible.* (Annual Percentage Rate, variable based on WSJ Prime + 0% for the best credit up to 80% LTV. Some restrictions apply and subject to credit approval. *Consult your tax advisor).

Cut Expenses: Refinance your car loan with us!

Have a car loan somewhere else? We may be able to save you money with a lower interest rate and/or lower monthly payment! Our new and used auto rates start at only 4.49% APR*! Call Roberta or Sandy at 735-8331 or apply online at www.kcfcu.com!

(*Annual Percentage Rate, some restrictions apply, subject to credit approval.)

Branch Closure

The President and Board of Directors closed the Washington Street Branch on March 31, 2009, and the property is now for sale. This branch originally opened in November 1995 with plans to replace it with a full-size brick & mortar building within a couple years – as membership and business was predicted to increase at that location to justify further expansion. Unfortunately, business and membership has been steadily declining ever since it was built, until the branch loan officer was removed shortly thereafter, followed by the agreement to share the building with Monad CU in 1999 to help offset the steep operating expenses.

The branch closure was a difficult decision because of the decreased convenience for some long-time members who live in that area, but it was deemed necessary due to the continued steady decline in business at that location, coupled with its ever growing operating expenses and in preparation for the tightening economy. Karen (the branch teller) has been moved to our main office to help with the busier traffic at that location – especially with our recently expanded hours (now including Saturdays).

From the President:



Dear Members,

The only permanent thing is change. At its core a credit union is a lending institution, organized as a not-for-profit cooperative to encourage thrift and to help the common "little" person obtain loans for useful and prudent purposes (without getting taken advantage of by predatory lenders, astronomical fees or unfair rates). We have been making changes to allow our credit union to stay healthy despite increasing financial pressure. While we did recently close our branch, I hope you recognize other positive changes such as the introduction of our new in-house mortgage loan (with no origination fee), the new home equity line of credit, free online bill-pay and real time debit and online services. Although change will never end, we remain dedicated to ensuring superior service to our community, competitive products, better rates and lower fees.

Sincerely,
Doug Wadsworth

Starting Loan Rates (Mar 12, 09)*	APR*
Share-Secured Loan	4.50%
Platinum Credit Card (with active checking)	8.90%
Classic Credit Card (with active checking)	12.90%
Signature Loan	14.00%
New & Used Auto Rates	4.49%
Boats and RVs	5.75%
Home Equity Loans	5.25%
Home Equity Line of Credit	4.00%
15-year Home Loan	5.15%
20-year Home Loan (7-yr call)	5.25%
30-year Home Loan (7-yr call)	5.35%

*Annual Percentage Rate. Some restrictions apply, subject to credit approval, rates may change at any time without notice. Rates quoted are for best credit and shortest term. Home Equity line of Credit is variable based on the WSJ Prime Rate and can change each quarter. Other rates and terms and restrictions apply. Equal Housing Lender. Credit card rates are 2% higher without active checking.

Contact Information

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 Toll Free: 800-873-3354
 Homepage: www.KCFCU.com
 2626 W. Kennewick Ave. • Kennewick, WA 99336

Johnny Appleseed Kid's Club



Teach your kids to save money – by letting your credit union reward them! Children (newborns to 12-years) can be members of this fun club. Kids receive prizes when they open the account (a pop-out calendar and membership card), as well as a toy each time they make a deposit (or they may also be entered in a quarterly drawing). Take advantage of this fun way to help your children save money today!

Kids – You Could Win \$10!

Johnny Appleseed account holders: Find all the words and return the newsletter with your name, phone number and account number written on it. It will be entered in a drawing a month later and one correct entry will win \$10 – deposited into your account! (Only one entry per Johnny Appleseed member.)

F	Z	C	B	G	R	E	E	N
D	L	K	V	J	H	N	M	I
G	L	O	S	Q	R	U	O	A
T	A	E	W	D	L	I	F	R
V	B	X	C	E	S	P	A	Q
Y	E	T	A	Z	R	E	G	N
R	S	U	J	I	W	O	D	E
P	A	G	R	E	E	N	H	D
I	B	E	Y	O	A	S	M	R
H	K	W	L	F	M	D	X	A
G	N	I	R	P	S	B	N	G

FLOWER, RAIN, GREEN, SPRING,
GARDEN, BASEBALL

Prevent Fraud – Monitor Your Account Regularly!



One of the best ways to ensure you don't lose money as a victim of identity theft is to regularly monitor your account balance and activity- and balance it! You can use our 24-hour automated phone teller by calling 783-1900. Prefer the internet? Sign up for free home financial services (online banking) at www.kcfcu.com. Want to pay your bills online too? Sign up for our new free online bill pay services!

Credit Union Asset Size: \$16,334,928
 # of Members: 3414
 # of Employees: 8
 Year Established: 1969



Your Small-Town Credit Union Community ~ Cooperative ~ Not for Profit
We Belong to You!