

# CreditCheck

NEWSLETTER FROM THE CHURCH OF THE BRETHREN CREDIT UNION

THIRD QUARTER 2006

## The Credit Union Difference

A credit union is not a bank. Yes, there are similarities, but the organizations are very different in some key ways. Credit unions typically provide a full range of financial services similar to most banks. Whether you're interested in opening a checking account, investing in an IRA, or looking for an auto loan, banks and credit unions are nearly identical. However, there are three key differences that make credit unions a better choice.



Nevin Dulabaum

As owners of the Church of the Brethren Credit Union, members gather annually to elect board members and to conduct overarching business of the organization.

The most noticeable difference is that credit unions do not have customers – they have *members*. When you join a credit union you are an owner, and as an owner you get to help make decisions for the credit union.

This leads to the second key difference – *governance*. Credit union decisions, such as electing a board of directors, are made democratically. Each member gets to vote. The owners of banks are also the ones who make the decisions, but they may or may not be customers of the bank.

Finally, the single biggest difference between a bank and a credit union is the *ownership structure*. Credit unions are not-for-profit organizations.

Banks are either privately owned or are public companies. Therefore, their primary function is to earn profits for their owners. In credit unions, net income is earned only to the extent necessary to build sufficient capi-

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## Thinking pink with Heifer International

The Church of the Brethren Credit Union has purchased three pigs through Heifer International since announcing its “Think Pink” program during Annual Conference last year in Peoria, Ill.

Dennis Kingery, director of Credit Union operations, said the purchases reflect the Credit Union’s commitment to donate \$5 for each new account opened between July 1, 2005, and July 1, 2006. The 70 new accounts opened so far produced enough to buy three pigs.

Heifer International and the Church of the Brethren Credit Union share several important values that are reflected in their work. For example, both are committed to shared approaches to address needs. While Credit Union members support each other both by saving and borrowing, Heifer participants work together to make the animal projects successful.

Expressing spirituality and educating participants are also important in both organizations. Local groups work with Heifer to identify their educational needs, and then create a program that will address them. The Credit Union’s informational outreach – including this newsletter – is designed to help members make well-informed financial decisions. Both groups express the shared values that inform their work.

“Building your own financial security can help someone else build theirs,” said Kingery.

“This commitment to support Heifer connects our members with deserving families around the world.”

The three pigs donated by the Credit Union will be creating wealth for their recipients for many years to come. —Will Thomas



**“Credit Union Difference” Continued from front**

tal reserves. Earnings over and above this are returned to members through adjustments to loan and savings rates or expansion of services. Because of these factors, credit unions usually are able to offer better savings and loan rates.

It takes both savers and borrowers to make a credit union work. One member’s deposit funds another member’s loan. The interest on that member’s loan pays the dividends on the other member’s shares. Why pay your interest to the owners of a mega corporation when you can have it reinvested within the Church of the Brethren Credit Union community?

The Church of the Brethren Credit Union’s mission is to be the first choice of all Church of the Brethren members, employees, and their families for their financial service needs by providing competitive interest rates, meaningful educational opportunities, and quality customer service within the realm of the Church of the Brethren’s values of stewardship. It envisions supporting a membership that lives simply, saves regularly, uses credit responsibly, and plans for their future adequately as good stewards of God’s resources. — Dennis Kingery

## Rates

*approved June 15, 2006*

### LOAN RATES

New Car	5.99%
Used Car	6.49%
Motor Cycle/Boat	7.99%
Share Secured Loan <sup>†</sup>	3.00%
Personal Loan* — 1-year	9.99%
Personal Loan* — 2-year	10.99%
Personal Loan* — 3-year	11.99%
Personal Loan* — 4-year	12.99%

<sup>†</sup> Members may use shares on deposit at the Credit Union as collateral for their loan. Share secured loan rates are 3% higher than the rate earned on the shares.

\*Limit of \$10,000 loan amount

### SAVINGS RATES

	APR	AVG APY
\$25 to \$1,999	1.30%	1.31%
\$2,000 to \$4,999	1.40%	1.41%
\$5,000 to \$9,999	1.50%	1.51%
\$10,000 and above	1.60%	1.61%

### CERTIFICATES OF DEPOSIT RATES

	APR	APY
6-month	3.85%	3.91%
9-month	3.90%	3.96%
12-month	4.25%	4.32%
15-month	4.25%	4.32%
18-month	4.30%	4.37%
24-month	4.40%	4.47%
36-month	4.50%	4.58%
48-month	4.70%	4.78%
60-month	4.90%	4.99%

### INDIVIDUAL RETIREMENT ACCOUNT RATES

	APR	APY
12-month	4.25%	4.32%
24-month	4.40%	4.47%
36-month	4.50%	4.58%
48-month	4.70%	4.78%
60-month	4.90%	4.99%

*Share accounts are guaranteed against losses of up to \$100,000 by the NCUA*

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