

# What Can I do with my Money?

The Credit Union has many different options which pay fantastic dividends compared to other financial institution alternatives. We have five basic types of accounts:

**Regular Share Savings:** A competitive quarterly dividend on an account that is available for withdrawal without penalty.

**Checking:** Daily transactional account with either a No Fee / No Dividend option or Quarterly Dividend / Low Monthly Fee option.

**Club Accounts:** A good way to save throughout the year for one time events with higher dividends than regular shares. Specific withdrawal / disbursement time periods, otherwise, 30 days interest penalty for withdrawals.

**Share Certificates:** A Time Deposit for a fixed period that pays a specified dividend over the life of the investment. 90 days interest penalty for early withdrawal.

**Flex Certificate:** A high variable rate savings account with rates tied to the average of Fed funds and paid monthly. One withdrawal per month without penalty, otherwise, 30 days interest penalty for withdrawals.

*We now have two programs for our younger members:*

**Kirby Kangaroo Club**

*and*

**CU Succeed - Teen Financial Network**

*Log on to [www.ivfcu.org](http://www.ivfcu.org) for more information on how to improve your child's financial literacy.*

**Club Accounts:**

Christmas/Holiday Club, Vacation Club and new Tax Time Club  
Make Regular or One Time Deposits  
Earn a Premium Rate vs. Regular Shares  
Dividends Paid Monthly  
30 Day Disbursement window with no fee each year  
Minimal Penalty of 30 days interest on non-regular withdrawals

**Flex Certificate:**

Minimum Balance \$1,000.00  
Earn Tiered Rates based on Average of Fed Funds minus margin  
Dividends paid monthly  
Make Regular or One Time Deposits  
One withdrawal per month with no fee  
Equitable Penalty of 30 days interest on second or more withdrawal  
Initial Gift with new money deposits while supplies last

*Visit [www.ivfcu.org](http://www.ivfcu.org) details on rates and the initial promo.*

# Why should I read this ?

## What if I need to Borrow Money?

The Credit Union has many different loan options at low interest rates compared to other financial institution alternatives.

Inland Valley FCU loan rates are determined using Risk Based Scoring. This system uses a combination of an applicant's Experian FICO and MDS Bankruptcy Scores to determine an adjustment from a base rate. The result is a fair rate for all borrowers, those with stellar credit histories receive lower rates, while those who have had some problems still have access to credit at fair rates. Another benefit of IVFCU's loan rate policy is adjusting rates for term and collateralization. Lower rates are offered to loans with a lower loan to collateral value ratio and to loans with shorter repayment terms. Finally, IVFCU offers participation discounts which reward borrowers who use other credit union services. Together these policies can be combined to offer some of the lowest loan rates in the industry.

For more information on Inland Valley Federal Credit Union loans and the current rates, please visit our web site at [www.ivfcu.org](http://www.ivfcu.org) or call the credit union at (909) 822-1810 x210 to speak with a loan officer.

Remember to log on to [www.ivfcu.org](http://www.ivfcu.org) to check current rates and to take advantage of our internet-based, time saving features:  
**CU On-Line, CU Bill Pay, & E-Statement**

*Valuable Coupon Good for:*

**.25% Rate Reduction on the following loan types:**

- ✂ Personal
- ✂ Vehicle
- ✂ Recreation Vehicle

**.10% Rate Reduction on:**

- ✂ Home Equity Line of Credit

- ⇒ *Coupon must be presented before loan funding*
- ⇒ *Not valid on loans funded before 7/1/07*
- ⇒ *Discount limited to one loan per member during valid period*
- ⇒ *Expires 8/31/2007*

On most loans, members can earn participation discounts which lower the loan's final interest rate.

Current Discounts on Personal, Vehicle and Recreational Vehicle loans (.20% each, maximum .80% rate reduction per loan):

- IVFCU Value Visa
- Usage of CU On-Line
- Usage of E-Statement
- Direct Deposit Loan Payments
- IVFCU Checking w/ Direct Dep.
- Pre-Approved Vehicle Loan

Golden members earn a .20% discount on Personal and Vehicle Loans and a .40% discount on Recreational Vehicle Loans.

Current Discounts on Home Equity Lines of Credit:

- First Mortgage with IVFCU -.50%
- IVFCU Checking Account with Direct Deposit -.10%
- Active IVFCU Value Visa -.10%
- Golden Member -.10%

## CEO Corner

For this issue, Chatter's front page has been modified. We want our members to read the valuable information, and perhaps the change will catch everyone's eye.

A lot has happened this quarter. We held the 59th Annual Meeting. The credit union organizational chart was restructured. New opportunities for savings were introduced, and a turbulent economy prevailed.

At the Annual Meeting, all incumbent officers were elected. Thus, in 2007, your volunteer leadership remains unchanged. The approximately 150 members in attendance received a small token of the credit union's appreciation, enjoyed some hors d'oeuvres, and had a chance to win one of the 60 doors prizes available.

The Board of Directors review the Credit Union's return to the members at every meeting. Over the past few months, some issues have intensified hindering member return, top notch member service, and overall credit union performance. After studying the issues, the Board decided to revise the management structure and create an internal auditor position. As a result, now Tracy Arroyo is the Chief Operating Officer, Toby Lee is the Chief Information Officer, and Carol Witt is in charge of Internal Audit and Compliance. In addition, a few other minor changes were made to improve delivery of service. Adjustment will continue and will be reported in future issues of the Chatter.

I have always wondered why people tie up their hard earned money in a club account, which is a savings account targeted for a specific event, only to earn a lower rate than a savings account. At Inland Valley, we've never followed the industry practice with club accounts, because we've always paid them the same dividend rate as our savings accounts. To create a product that encourages members to save for specific events. We've raised the dividends on club accounts, and we've changed the withdrawal penalty to lessen the impact on small withdrawals.

Lastly, I'll give a brief economic update. In the last month or so, the economic landscape has been turned upside down. After nine months of economists projecting future rate decreases in 2007 and 2008, the current consensus is that federal funds rates will remain steady through the end of the year, and perhaps as far as the end of next year. Why? Because the Fed has staunchly held to their belief that inflation is the number one concern. Other factors that contribute to the belief that the Fed will not decrease rates include: the stock market increase (which has been fueled by merger/buyout mania – not economic numbers, profits, sales, etc.), the increases in energy costs, rising interest rates in other countries, and the devaluation of the dollar. The aforementioned events have combined to contribute to the yield curve regaining an upward slope after several months of inversion. This normal yield curve was supposed to return, and the United States would avoid a recession. However, the return to a normal yield curve was supposed to happen when the short term rates decrease, not because of an increase in long term rates such as we're now seeing. The American consumer paints the rest of the picture. Housing prices have hit the ceiling and are decreasing in some areas. Energy is more expensive (gas prices); hybrid and adjustable rate mortgages are becoming more expensive as rates surge. So, in a little less than a year, people do not feel the wealth. In fact, they feel squeezed. Spending is not as thoughtless and carefree as it once was just a few short months prior to today. So, if not recession, we can at least expect extremely slow growth. The good news is that the Fed will be fighting inflation – of course, their main weapon against inflation is raising rates – but, this starts the cycle again, so their primary weapon may not be as effective in the near term future.

Chuck Papenfus

Have a question? Email [ChuckP@ivfcu.org](mailto:ChuckP@ivfcu.org). It may be used in an upcoming article.

## I.V.F.C.U. Savings Rates

Regular Share Savings Accts	Dividend Rate	Annual Percentage Yield
\$0 to \$49	0.00%	0.00%
\$50 to \$2,999	1.48%	1.48%
\$3,000 to \$19,999	1.92%	1.93%
\$20,000 to \$49,999	2.14%	2.15%
\$50,000 and over	2.36%	2.38%
<b>Club Accounts</b>	3.42%	3.47%
<b>Share Drafts</b>	0.75%	0.75%
<b>Fixed Share Certificates</b>	4.00%	4.06%
	to 5.40%	to 5.51%
<b>IRA Shares</b>	2.60%	2.62%
<b>IRA Certificates</b>	4.60%	4.68%
	to 5.40%	to 5.51%

*All dividend rates are declared by the Board of Directors at the end of each Quarter and are paid from available earnings. All rates are per annum. Accounts that are closed before the end of a quarter will not earn dividends for that quarter. Listed Certificate rates are current when this publication went to print, current rates may vary. Certificates have early withdrawal penalties, please call the credit union*

## Holiday Schedule

The Credit Union's Fontana Office will be closed on:

Wednesday, July 4 ..... Independence Day

Monday, September 3 ..... Labor Day

## I.V.F.C.U. Loan Rates

Secured (against shares)	3.75%	to	6.00%
New & Used Autos	4.69%	to	12.39%
New & Used RVs	4.99%	to	15.29%
New & Used Boats	4.99%	to	15.29%
New & Used Motorcycles	4.69%	to	12.39%
Personal	8.59%	to	15.09%
Visa Card	9.96%	to	13.92%
15 Year 1st Mortgage (fixed)	5.79%	to	8.39%
30 Year 1st Mortgage (fixed)	6.09%	to	8.69%
2nd Mortgage (fixed rate)	7.09%	to	9.39%

*IVFCU utilizes a Risk Based Lending System. Rates are adjusted based on a combination of the applicant's Experian FICO score and MDS Bankruptcy Score. Rates are subject to change by the Board of Directors. All loan rates are annual percentage rates (APR). Daily periodic rates and other terms and conditions are available by calling the credit union.  
First & second trust deed loans are 10-12-15-20-30 year terms, contact the credit union office for more details on loan to value limits.*

Inland Valley Federal Credit Union

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Fontana, CA 92334-0547

[www.ivfcu.org](http://www.ivfcu.org)

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Call 24: (909) 822-0369

Office Hours: Mon-Fri 7:00 am—5:00 pm

ATM Locations

(888)Site Coop (748-3266)

[www.co-opnetwork.org/public/find\\_atm/index.cfm](http://www.co-opnetwork.org/public/find_atm/index.cfm)

Service Center Branch Locations:

(888)CuSwirl (287-9475) [www.creditunion.net/](http://www.creditunion.net/)



We Do Business in Accordance With the Federal Fair Housing Law and the Equal Credit Opportunity Act

Your savings federally insured to at least \$100,000 and backed by the full faith and credit of the United States Government

**NCUA**

National Credit Union Administration, a U.S. Government Agency