



STRATHCONA CREDIT UNION



NEWSLETTER DECEMBER 2005

MERRY CHRISTMAS Happy Hanukkah HAPPY EID AL-ADHA

The members of the Board of Directors and the Board of Audit and Ethics and all of the staff of the Strathcona Credit Union would like to take this opportunity to wish you and your family all of the very best for the holiday season and for the year to come. It has been our pleasure working on your behalf this year, and we look forward to helping you with all your financial needs in the coming year.



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New Hours of Operation:

Please note that our **downtown** office hours have changed. Instead of operating from 9h00-5h00, the office will operate on an **8h30-4h30** schedule.

Please note that the **West Island** office will continue to operate between 9h00- 5h00, as it always has.

Holiday Schedule (for both offices):

Christmas

Friday, December 23rd closed as of 12:00 p.m.

Monday, December 26th closed all day

Tuesday, December 27th closed all day

New Year's

Friday, December 30th closed as of 12:00 p.m.

Monday, January 2nd closed all day

Tuesday, January 3rd closed all day

New Loan Products

In order to serve our members even better, a number of new loan products have been introduced, and some of the existing loan products have been modified. A brief description of each follows:

- ◆ **Car Loans** — for both new and used cars: presently being offered at 7%
- ◆ **Home Improvement Loans** : presently being offered at 7%
- ◆ **R.R.S.P. Loans** :
 - available to purchase R.R.S.P.'s for the current year or from January 1st, 2006 for the upcoming year
 - available to fill up unused contribution room from previous years

Please note:

- ⇒ If you would like to maximize the effectiveness of your R.R.S.P. remember to contribute not only for this year, but also contribute for 2006 at the earliest possible opportunity (any time from January 1st, 2006, onwards).
- ⇒ Most experts agree that if you need to borrow to buy an R.R.S.P. for this year, it is a good idea to do so, providing you are able to pay off the loan within one year.
- ⇒ The Strathcona Credit Union has a full line of RRSP products to offer you – everything from RRSP GIC's to a wide range of mutual funds.

◆ **Mortgage Loans**

- A. **Fixed Rate Mortgage Loans** – we continue to offer fixed rate mortgage loans with terms of 1- 5 years, but we are now also offering fixed rate mortgage loans with 7 and 10 year terms (as protection for those who are convinced that mortgage rates will continue to climb)

- B. **Variable Rate Mortgage Loans** - we have now introduced a number of variable rate mortgage loans that are briefly described below:

Regular Variable Rate Mortgage Loan (with 1 or 2 year terms) – the rates on these mortgage loans will vary month by month, pegged to the prime rate established by The Bank of Canada. Specifically, the rate will be equal to prime + 0.25%, so that at the time of this writing, the loan will be 5.00%.

Reduced Variable Rate Mortgage Loan (5 year term) – this is a mortgage loan that is locked in for 5 years and during this entire time the mortgage rate will, once again, fluctuate as it is pegged to The Bank of Canada prime rate. Specifically, the rate will be equal to prime minus 0.30%, so that at the time of this writing, the loan will be equal to 4.45%.

Protected Variable Rate Mortgage Loan (5 year term) – this is similar to the Reduced Variable Rate Mortgage Loan except that there is a fixed ceiling rate for the entire 5 year period. This ceiling is established at the start of the term and represents the maximum possible rate one would pay, regardless of how high interest rates spike during this term. This rate is presently established at prime + 0.40% and results in a loan at the present time of 5.15%. The ceiling is presently at 6.40%.

Revisable Rate Mortgage Loan (5 in 1) - at the start of the loan period, the cost of this loan for the first year is equivalent to the rate for a 1-year closed mortgage minus 0.30%. Each year thereafter, on the anniversary date of the loan, a new rate for the upcoming year is established and is always equivalent to the fixed 1-year closed rate at that time minus 0.30%.

Term deposit current rate:

Annual General Meeting

This year's AGM (2005) will be held on April 4th, 2006 at the Kirkland office at 4:30 p.m.

Credit Unions are co-operative financial associations that are formed by a group of people to meet their common financial needs at the lowest possible price, and to develop their community or local environment. Every member is invited to attend our AGM, to run for any vacant position on either of the two Boards, to pose any questions to Board members, to propose

Contribute to your R.R.S.P. if you wish to reduce your financial impact.

10 important suggestions re: R.R.S.P.'s:

- The R.R.S.P. is the ideal financial vehicle for realizing your retirement projects;
- Contribute to your R.R.S.P. at the maximum;
- Have a financial analysis done of your retirement status;
- Contribute every pay period to your R.R.S.P., it's easy, painless and efficient;
- To catch up on time, take advantage of unused rights from previous years;
- Cash your R.R.S.P. only in case of real necessity;
- Reduce "the tax bracket" of your household;
- Become a homeowner by using your R.R.S.P.;
- Increase your R.R.S.P. with the exceeding contribution;
- Make a will - always safer!

Strathcona Credit Union Web Site

Keep in touch with what is going on at the Strathcona Credit Union by visiting our website at www.strathconacu.com - It has an up to date list of our interest rates and those of the other big lenders for comparison purposes, as well as a loan calculator that is really easy to use. Our Newsletters, past and present, are available. There is a link to Access D along with information about internet security. There is also a section on the latest news, a description of some of our services, and advice on different financial issues. The site is being enhanced all of the time to make it better and better. The site has been produced and is very regularly updated thanks to Lou Borrelli, one of our own Board members. Don't forget to bookmark the page if you like what you see.

Warning on fraudulent practice - "phishing"

Desjardins Group has warn caisse members about a fraudulent practice that is currently targeting them. Many people have recently received e-mails from individuals claiming to be Desjardins representatives and asking them to update their personal AccesD account information. An Internet link sends them to a page that reproduces the AccesD service welcome screen.

Known as "phishing" the practice is intended to enable the sites' creators to obtain personal information (debit card number, personal identification number or PIN, social insurance number, date of birth) from caisse members in order to then carry out fraudulent transactions on their account. Given the nature of the information requested, it can even lead to identity theft.

We would like to stress to members that Desjardins Group never, under any circumstances, sends e-mails of this kind and that people who receive such e-mails should not follow the instructions, but rather destroy the e-mail immediately. As a member you must be constantly on your guard against this type of fraud and you must at all times keep your PIN secret. For even more security, change your password.

Time for action - deadline March 1st, 2006

You can save **\$2,000** in income tax by investing \$5,000 this year in your Strathcona Credit Union R.R.S.P. Also, all investment income from it is tax-sheltered as it grows.

R.R.S.P. is a wise investment no matter how many years you have left before retirement. Take advantage of it now, for later !!! If you haven't already contributed into your R.R.S.P. for this year, call the **Strathcona Credit Union** and our employees will assist and advise you. We have a wide range of products to offer you.

Example: R.R.S.P. contribution of \$50 per week starting at the age of 25 will give you after an accumulation period of 25 years (\$170,707); 30 years (\$254,999); 35 years (\$373,239); 40 years (\$539,100)

** calculation based on rate of 7% compounded annually

New Loan Products — (continuation)

The Strathcona Credit Union is convinced that we offer some of the best rates and conditions for mortgages in the market place today. Why not check us out – you have everything to gain and nothing to lose.

As a further incentive, there is an instant cash return at the time a mortgage is taken out: an amount equal to 2% of all the interest paid in the first 5 years. If a 25 year \$200,000 mortgage was taken out at 5%, the amount of interest to service that mortgage over a 5 year period would be \$47,311 and 2% of that amount would be \$946. Thus, there would be a cash back of \$946 given to the member.

There is yet another incentive to secure your mortgage with us. Don't forget about the rebates at year end. As an example, a member holding a mortgage with us in 2003 benefited from a rebate of 18% of interest paid over the course of that year. So, a member holding a mortgage at 6.5% would have had his/her mortgage reduced by 18%, meaning the real cost of their mortgage was 5.3%.

Debit Cards New Security Measures

Desjardins has lowered this fall its total maximum purchase amount that card users may make at merchant point-of-sale direct payment terminals from \$2,000 to \$1,000— Meanwhile, the daily withdrawal limit using the Desjardins access card at an ATM of any financial institution in Canada has been lowered from \$500 to \$300. ATM withdrawals outside Canada will remain at \$500 per day.

STRATHCONA CREDIT UNION

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