



INSIDE VIEW...

Tap Your Home's Equity

Do You Take Advantage of All the Benefits of Membership at RTP Federal Credit Union?

Don't Let Tax Season Stress You Out: *Two Ways to Ease the Burden of Tax Preparation*

Could Earned Income Tax Credit Help You?

Watch for Fewer Account Numbers on Your Credit / Debit Card Receipts

BRANCHES:

Research Triangle Park
1005 Slater Road
Durham, NC 27703
Mon-Th 9-5/Fri 9-6
Drive-thru open at 7am Mon-Fri

Raleigh
7560 Creedmoor Road
Raleigh, NC 27613
Mon-Fri 8:30-5:30
(lobby and drive-thru)

Cary
915 North Harrison Avenue
Cary, NC 27513
Mon-Fri 8:30-5:30
(lobby and drive-thru)

Member Call Center –
919.941.5700
Website: www.rtpfcu.org



Looking After Your Financial Health in 2007

by Doug Wilkerson, President

This is the time of year that no matter how hard we try, once the spending starts, it is very difficult to keep it under control. If you are like me, the desire to give far exceeds the ability of the checking account to cover all of the things that need to be paid for. Sort of like the heart is a lot bigger than the checking account. And believe me, nobody likes to admit this; but in reality, this is the case for a lot of people.

We talk with a lot of people every year that are trying to do a better job managing their credit card debt. Rebates, airline miles and other give-aways are designed to entice consumers to make every purchase through a credit card—whether it is an item that would normally be put on a credit card or not. When you think about the business side of it, why else would the credit card companies reward consumers for making so many purchases on a credit card? The answer is simple. The leftover balance that isn't paid off will be subject to interest charges. In fact, they make so much off the interest charges that they can afford to pay an incentive or bonus on every purchase made. It's an easy trap to get into, and it obviously works; credit card debt is growing at a staggering rate in our country. So here are a couple of thoughts as to how you can better manage your finances in the coming year.

I remember a boss of mine many years ago said that we need to think of the economy as a game. The key players are businesses that have goods and services to sell and

consumers that have money to spend. The goal of the game for the businesses is to get as much money out of our wallets and into theirs as they can. The goal for consumers is to keep as much of our money as possible. This is more difficult than it sounds, especially when we are trying to keep up with or "one up" the Jones and when we are struggling pay for the things we truly need as well as the other things that we simply want.

So, my first tip is to try to plan your spending. By that I mean, think about the things you want. Make a list of things you'd like to have this year. Once the list is complete, go back and look at it again and separate the items into two groups. Create a "need" group and a "want" group. Put an asterisk by the ones you genuinely need and circle the ones that are absolutely optional but for some reason you just really want.

The next step is to find out how much each one costs and come up with a total. I go through a basic analysis and ask myself, "is it really worth this amount?" My suggestion is to take some time with the answer to that question. I often find that many of the things I think I want just aren't worth the amount of money that I would have to give up in order to buy them. But, if they are, then figure out if you have that amount of money available in your budget. Or, will buying them just increase your debt load?

RTP Federal Credit Union will be closed for the holidays:

January 1st:
NEW YEAR'S DAY

January 15th:
MARTIN LUTHER KING DAY

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ASK YOUR MORTGAGE LOAN OFFICER:

What kind of options do I have with little to no down payment?

The most common option is a zero down-payment loan that offers 100% financing. Another option is an 80/20, which is actually two loans. You will have a first mortgage for 80% of the home's value, and a second mortgage for the remaining 20%. The benefit of this option is eliminating the Private Mortgage Insurance (PMI), which can save you several hundred dollars per month. However, there is a new bill that, if it passes, will make PMI a tax write off in 2007. On the other hand this is also great for borrowers who just want to keep as much cash on hand as possible.

Can I refinance my first and second mortgage into one loan?

In refinancing, it is possible to combine your present 80/20 into one loan, and if the values have increased enough, an 80% LTV is possible. Refinance for home improvements, cash-out for debt consolidations, college funds for children, etc. You as a borrower can choose from a number of different products to find the one that will fit your needs.

For a FREE mortgage analysis, give your dedicated Mortgage Loan Officer, Jackie Fore, a call today at (919) 941-5038 or stop by her office at our Slater Road branch in Research Triangle Park.

Looking After Your Financial Health in 2007

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Many people talk to us about trying to get rid of credit card debt, and the very first step in eliminating the debt to stop using the card. So that's my second tip—use a credit card only for major purchases which you have budgeted for, emergency purchases that you don't have a choice about or items which you know you can pay off in full when the statement arrives. If you have to, stop carrying the card to control the urge to use it. One financial planning tip I read years ago gave a tremendously insightful tip—if you can't stop using the cards, put them in the freezer in a container of water. This *makes* you slow down and think about the purchase. It very easily could be that by the time you get the card thawed out to make the purchase, the desire to spend may have subsided.

My next tip is to start a plan to pay down the credit card debt. There are two schools of thought on this effort. Some financial advisors tell you to attack the ones with the highest interest rates first. Another method is to attack the account with the smallest balance first. This is the easiest, fastest way to see some results. Once you get one balance out of the way, then you have one less payment each month. If you apply that payment, or part of that payment, to the next smallest balance, then, depending on the size of the balance, you will eventually eliminate another debt—and another payment. Keep an eye on the balances, stick to the payment plan and in the length of time you would finance a car, or less, you can eliminate a substantial amount of debt.

My final tip is to think about the recurring expenses that you will have deal with this year. Again, I recommend making a list. This could include a wide variety of things like car insurance, house insurance, property taxes, quarterly income taxes (if you are self employed) car tires, or house painting. Estimate how much each one of those items will cost and come up with a total. Divide the total by the number of paychecks you receive each year and calculate the amount you have to set aside every payday to be prepared to pay these expenses. Have that money put into one of our Vacation Club accounts and then contact us when one of the expenses is due. We'll transfer the money to your checking account so that the bill can be paid. This way you will always be prepared for those periodic expenses that we often like to call unexpected. And, I should mention that this works; I do this myself with every paycheck.

So, this year, make 2007 the year you gain control of finances. Start managing them rather than letting them manage you. And, if you want some help talking through a plan, come see one of our Sales Officers. Let us help you figure out a plan that will work for you. Life is full of possibilities. Let us help you get your share.

**RTP Federal Credit Union
2007 Annual Meeting and
Election of 2007 Officers**

March 28, 2007 at 5:30 p.m.

**Located at our RTP Branch
1005 Slater Road, Durham, NC**

Tap Your Home's Equity

Home equity loans make home improvements possible, and can help with other financial situations as well. Perhaps you want to buy a car, finance an education, launch a small business, or even borrow in case of an emergency.

A home equity loan, or second mortgage, allows homeowners to tap into their home's built-up equity—the difference between the amount the home could be sold for and the amount still owed.

One of the main reasons consumers find home equity loans so attractive is that the interest paid on the loan is usually tax deductible. As long as the line is \$100,000 or less for joint filers, or \$50,000 or less for single filers, homeowners generally can deduct the interest on their tax return—even if they aren't using the money for home improvements. Ask a tax professional for details.

RTP Federal Credit Union offers a full line of home equity loans and lines of credit, with some of the best rates available. Visit our website at www.rtpfcu.org or give us a call at (919) 941-5700 to learn more!

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Don't Let Tax Season Stress You Out

Two Ways to Ease the Burden of Tax Preparation

TurboTax® Online at www.rtpfcu.org

We've teamed up with Intuit—makers of trusted tax preparation software—to make TurboTax® Online available to members from our homepage www.rtpfcu.org. TurboTax® Online lets you organize and complete your taxes easily and correctly with step-by-step help and updated tax law information to simplify your tax return and help you get the maximum refund you deserve.

On-Site Preparation by Accutax Serving Members since 1996

Back by popular demand, Accutax will be at our Slater Road Branch in RTP through April 15th to offer tax preparation services including current year, multi-state and prior year returns. Fees can be automatically paid from your refund, so no up front cost is required. And, Accutax offers RTP Federal Credit Union members a 20% discount on tax preparation services. *To make an appointment, call Jack or Denice at (919) 941-1060, extension 150.*

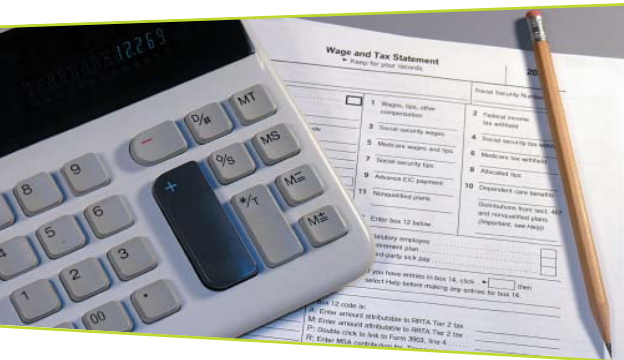
Do You Take Advantage of All the Benefits of Membership at RTP Federal Credit Union?

As a member of RTP Federal Credit Union, you qualify for many local discounts and benefits that you won't find at traditional banks or other financial institutions. This includes everything from discounted travel packages to discounted tickets from area venues such as the Alltel Pavilion, the RBC Center, Broadway Series South and the North Carolina Symphony. Other discounts include local merchants such as the Biltmore Estate and Hertz Car Rental. If you haven't taken advantage of these benefits yet, what are you waiting for? Visit our website at www.rtpfcu.org and click on "Member Benefits and Discounts" or give us a call at (919) 941-5700 today. Take advantage of everything membership has to offer! We're here to help you save.

Do you receive our monthly eNewsletter?



It's a great way to find out about all of our member benefits and discounts, products and services, special announcements and industry news. Just visit our homepage and click on "Stay in the Know" to sign up!



Could Earned Income Tax Credit Help You?

The Earned Income Tax Credit (EIC) is a tax benefit for people with low or moderate incomes. People who qualify for the credit and file a federal income tax return can get back some or all of the federal income tax that was taken out of their pay during the year. You must file to claim the credit—even if you owe no tax. You even may get cash back from the Internal Revenue Service (IRS).

To qualify for the EIC tax credit, a single filer's adjusted gross income must not exceed \$11,490 if he or she has no children; \$30,338 with one child; and \$34,458 with two or more children. Married couples filing jointly can earn \$1,000 more in each category and still claim the credit. To claim the EIC, you must meet certain requirements, including:

- » You must have a valid Social Security number;
- » Your tax filing status cannot be married filing separately;
- » You must be a U.S. citizen or resident alien all year;
- » You cannot file Form 2555 or Form 2555-EZ (relating to foreign earned income);
- » Your investment income must be \$2,650 or less; and
- » You must have earned income (you must be employed).

More qualifying rules apply; visit the IRS Web site at irs.gov or call 800-TAX-FORM (800-829-3676). Search for or request publication 596.

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Watch for Fewer Account Numbers on Credit/Debit Receipts

Quick—check your credit card receipts. If they show the full account number and expiration date, they're a gold mine for identity thieves. But a federal law is slowly changing that, reducing the risk associated with your credit and debit card receipts falling into the wrong hands (CUNA Center for Personal Finance).

Thanks to the Fair and Accurate Credit Transactions Act (FACT Act), credit and debit card receipts no longer will include more than the last five digits of the card number, nor can the card's expiration date be printed on the receipt. Devices that print receipts must be in compliance by Dec. 4, 2006.

Visa and MasterCard have even more stringent truncation mandates, allowing only the last four digits of account numbers to appear on receipts you get at the point of sale.

There's another loophole. According to Privacy Rights Clearinghouse, the law doesn't apply to receipts that must be handwritten or that involve imprinting or copying the card.

One more tip: When you request a copy of your credit report, you can ask that the first five digits of your Social Security number (or other identification number) not be included in the file.

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RTP Federal Credit Union Third Quarter Spotlight Award Winners

The following employees were selected as the 3rd Quarter Spotlight Award Winners at each location for exceeding their supervisor's expectations by going above and beyond the call of duty to demonstrate the core values that define RTP Federal Credit Union. Thank you and congratulations for your hard work and dedication!



Anthony Hromada
Systems Technician,
RTP Branch



Elyse Hurm,
Teller, Stonehenge
Branch



Janet Janums
Teller, Cary
Branch



Amy Moore
Loan Processor,
Administrative Office

Helping You, Helping Our Community

At RTP Federal Credit Union, we are invested in our community. This holiday season, we extended the invitation to our members to help us help our community.

In November, with your help, we delivered 494 pounds of food to the Food Bank of Central & Eastern North Carolina just in time for the holidays.

And in December, we once again partnered with Wake County Human Services to place an Angel Tree in each branch. Together with our members, we helped make the holiday wishes of over 70 local children come true. We could not have done it without you. Thank you for your support and generosity!



At our RTP branch, gifts for the Angel Children were piled high