

# ECU INSIGHTS

OCTOBER 2009

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### **IMPORTANT NOTICE - Credit CARD Act of 2009 and how it affects you.**

Congress recently passed new legislation regarding OPEN END LENDING as part of Regulation Z, the Truth in Lending Act (TILA). Although the intent was to implement reform in abusive credit card lending, wording in the legislation also affects any open-end loan which is offered by ECU.

This law requires that all open-end loans generate a monthly statement. In order to comply with this and other requirements of the new regulations, ECU must implement a uniform due date for these open-end loans. Effective immediately, all open-end loans will have a due date of the last calendar day of each month. PLEASE NOTE THIS DOES NOT AFFECT CLOSED END LOANS.

If you make your payments by mail or in person, the due date on your loan will always be the last calendar day of each month regardless of the date on your original loan agreement. For example, if your next loan payment due date is October 15th, your new due date will be October 31, 2009. You may make your payment on October 15th or any date prior to and including October 31st and it will be credited when received.

If you have an open-end loan and your payments are made by payroll deduction or ACH automatic draft, your payment will be credited when received. If your payment is made by automatic share transfer and you do not contact ECU, the transfer will be made on the last day of the month. If this is not acceptable, please contact us for other options.

PLEASE NOTE – THESE CHANGES ONLY AFFECT OPEN-END LOANS. NO CHANGES WILL BE MADE TO CLOSED-END LOANS AT THIS TIME.

If you have any questions about this new law and how it affects you, please call or come by any of our offices.

Main Office contact information:  
EDUCATORS CREDIT UNION  
501 W. HWY 6  
WACO, TX 76710  
254-776-7900  
800-596-5460

# New Tax Credit Eases College Tuition Burden

WASHINGTON (7/8/09)--If you want help financing college education, it could be as easy as filing your taxes.

The American Recovery and Reinvestment Act allows for a tax credit--a reduction in your tax bill--of up to \$2,500 per student for the cost of tuition, fees and book expenses paid in 2009 and 2010. This amount is an increase over previous Hope and Lifetime Learning Credit limits and applies to tax years 2009 and 2010, so the earliest you'll get the credit is early 2010 for the 2009 tax year (MSN Money June 24).

You don't have to fill out any extra financial-aid applications to get the money--just file your tax return, whether you owe taxes or not. Note that the credit is phased out for individuals with modified adjusted gross income of between \$80,000 and \$90,000, or \$160,000 and \$180,000 for married couples.

To find out if you're eligible and learn what's covered, visit [irs.gov](http://irs.gov). For example, the credit is available only for undergraduates attending college at least half time. And if you receive a grant or scholarship that covers tuition, fees and books, you can't get the tax credit. If you're ineligible, you still can apply for the lifetime learning credit of up to \$2,000. Either way, you can take only one of the tax breaks for a particular college expense.

Many students pay their own college tuition, and this money will land back in their pockets. In addition, there's some nontraditional help for parents and relatives who are saving to pay for a child's tuition.

Some states, businesses and colleges are handing out free cash in the form of rebates and grants to help build up parents' college savings accounts (US News & World Report March 31). The amount is modest compared with the \$2,500 money available immediately through the new economic stimulus bill. But if you collect the grants now, you could have an extra several thousand dollars when your child is ready for college.

Be diligent. Consider six sources of free cash for college savings via a 529 college savings account([irs.gov/taxtopics/tc313.html](http://irs.gov/taxtopics/tc313.html)):

- *States.* Government agencies and charities offer grants for college savings to local residents. Use the map at [Savingforcollege.com/529\\_plan\\_details/](http://Savingforcollege.com/529_plan_details/) to find your state and see what you're eligible to receive.
- *Employers.* Ask your employer about grants for parents who use the 529 account.
- *Credit cards.* If you typically pay your credit card bill in full and on time, ask about programs that will rebate a certain percent of your purchases directly to your 529. Some programs to consider: Fidelity, UPromise, BabyMint, Freshmanfund, or Futuretrust.
- *Websites.* Websites such as BabyMint, Littlegrad, Futuretrust, and UPromise will send cash back to shoppers who click through their sites to partner retailers.
- *Colleges.* Several hundred colleges offer matching grants for parents who save for their children. Use these programs if you're certain your child will attend a school that's signed up for this program. You could lose some or most of the rebate if your child chooses to go elsewhere.
- *Relatives and friends.* Freshmanfund makes it easy to ask relatives and friends to donate to your college savings account. The website will funnel the gift to any 529.

To get the tax credit, complete IRS Form 8863 next year when you file your 2009 return. In the meantime, make sure you keep good records for tuition, fees and book expenses throughout the year.

For more information, read *Avoid the Paying-for-College Pothole* in *C-Note*, the high school level of *Googolplex: The Credit Union Guide for Student Money-makers*. *Googolplex* can be found in the Student Center at [www.edcu.com](http://www.edcu.com).

# HOLIDAY LOANS

Rates as low as  
**7.9% APR\* for 12 months**

Consider a low interest holiday loan from ECU for your Christmas expenses this year instead of your high interest credit cards. Talk with a loan officer about your options.

\*Annual Percentage Rate (APR) is based on credit history. Subject to normal credit approval. Rate available from 11/15/09 to 1/15/10.



## Skip-a-Payment

To sign up to skip-a-payment, fill out this form and fax it to our Main Office at 254-776-4487 or mail it to: Loan Dept., PO Box 20728, Waco, TX 76702

Yes, I would like to skip my loan payment!

Please check the month you would like to skip:

\_\_\_\_ December    \_\_\_\_ January

I understand that if I authorize the skip-a-payment, interest will continue to accrue on the balance of the loan(s) and extend the term of the loan(s) affected by the skip. Offer expires 1/31/10. All faxed or mailed forms must be received by 1/27/10. Subject to normal credit approval. Loans advanced after June 1, 2009 are not eligible. Delinquent loans are not eligible. Loans excluded from this offer include: MasterCard, home improvement, home equity, real estate related, balloon notes and overdraft protection. Form must be signed to be valid.

I would like to skip:

Loan Acct # \_\_\_\_\_

Loan Acct # \_\_\_\_\_

Name \_\_\_\_\_

Daytime Phone # \_\_\_\_\_

\_\_\_\_\_  
Primary Account Holder Signature (required)

\_\_\_\_\_  
Date

## NOTICE OF AVAILABILITY OF DOCUMENTS

ECU will provide information on the following documents on request:

1. A summary of the most recent annual audit
2. The most recent statement of financial condition
3. IRS Form 990 report
4. Articles of Incorporation
5. Bylaws and Rules

Requests must be made in person, by a member of legal age, at ECU's main office located at 501 W. State Hwy 6 in Waco.

# YOUR RETIREMENT PLAN

What should you do with your employee-sponsored retirement plan if you are changing employers?

You have several options, including:

1. Taking the money in a lump sum - carefully consider the tax consequences.
2. Leaving the money in your current plan, if the plan permits.
3. Moving the money into a new plan, if the new plan allows such transfers.
4. Rolling over retirement plans into an IRA.

Review your choices carefully. You should review your retirement plan distribution options with your tax professional. You may be making one of the most important financial decisions of your life - so make a good one. Our IRA specialists will be pleased to help you request your IRA rollover.

Call us today!

Send us your comments, concerns or suggestions from the link on our home page at [www.edcu.com](http://www.edcu.com).



## UPCOMING EVENTS

### OCTOBER

- 10/15/09 - INTERNATIONAL CREDIT UNION DAY - stop by your ECU branch for refreshments!
- 10/26/09 - C.U.B. CLUB PUMPKIN CONTEST - all C.U.B. Club members are invited to enter a decorated pumpkin. More information is available in your C.U.B. Club newsletter.

### NOVEMBER

Scholarship applications available online and at our branches.

### DECEMBER

- 12/12/09 - C.U.B. CLUB CHRISTMAS PARTY - all C.U.B. Club members are invited to attend. Invitations will be sent out in December.

## HOLIDAY CLOSINGS

**COLUMBUS DAY**  
Monday, October 12th

**VETERANS DAY**  
Wednesday, November 11th

**THANKSGIVING DAY**  
Thursday, November 26th

**CHRISTMAS DAY**  
Friday, December 25th

**NEW YEAR'S DAY**  
Friday, January 1st

**MAIN OFFICE**  
501 W STATE HWY 6  
254-776-7900

**TSTC OFFICE**  
100 BOLLING DR.  
254-799-8946

**HEWITT OFFICE**  
501 HEWITT DR.  
254-666-7711

**LAKESHORE OFFICE**  
1845 W. LAKESHORE DR., SUITE I  
254-752-1815



*"That's My Credit Union!"*

[www.edcu.com](http://www.edcu.com)



**ROBINSON OFFICE**  
641 N. ROBINSON DR.  
254-662-9595

**MARLIN OFFICE**  
1210 LIVE OAK  
254-803-5290

**GATESVILLE OFFICE**  
306 S. LOVERS LN  
254-865-8664

**COPPERAS COVE OFFICE**  
201 E. ROBERTSON AVE  
254-547-4411