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September 2006

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**Treat Yourself To a New Car
at the Dan Young Car Sale!**

Treat yourself to a new car with our special rate of 5.75%APR* for up to 60 months on all 2002 and newer models. The sale is for three days only, September 28, 29 and 30, at Dan Young in Tipton. Treat yourself with this low rate at this special car sale.

Stop by the Dan Young dealership in Tipton for your financing, call us, or go online at www.solfcu.org to apply for your auto loan!

DAN
GM
YOUNG



The Costs and Benefits of Home Equity Loans

Unbiased Financial Information Provided by Financial Finesse

Between replacing the family car every few years, remodeling the kitchen, and paying Junior's tuition, even consumers who don't consider themselves big spenders can end up with some hefty bills on a regular basis. Of course, you could use a credit card or take out a personal loan to pay them, but a home equity loan, with its lower interest rates and tax-deductibility, is often a better option.

Home Equity Loan vs. Line of Credit

Whether to choose a home equity loan (also known as a second mortgage) or a home equity line of credit (HELOC) will depend on how you plan to use the money. A home equity loan provides you with a lump sum at a fixed interest rate, which you repay in equal installments, typically over 10 to 15 years. If you end up needing more money than you borrowed, you would have to take out a brand new loan.

Home equity loans are excellent for single large expenses, like a home remodel or your daughter's wedding. With fixed terms on a specified amount, you know exactly when the debt will be paid off and you won't be affected by rising interest rates.

A home equity line of credit functions like a big credit card. You can borrow as much or as little as you want up to your pre-determined limit. Monthly payments will be calculated based on your outstanding balance and a fluctuating interest rate (just like a credit card). As you pay off the balance, those loan funds become available for you to borrow again. Like the home equity loan, a line of credit has a term (usually between 10 to 20 years), at which point the balance has to be paid off.

A HELOC is ideal if you want to tap into your equity from time to time over several years to, say, pay for your daughter's tuition over the next four years or make a number of smaller home improvements one by one because you'll pay interest only on the amount of money you are using at any particular point.

Risk and Rewards of Borrowing Against Your Home

It's not unusual for rates on home equity debt to be half what is charged on a personal loan or a credit card. Home equity loans and lines have a couple of major advantages over other borrowing options. First, they tend to charge lower interest rates than you would find on many other types of credit. It's not unusual for rates on home equity debt to be half what is charged on a personal loan or a credit card.

Second (and the major attraction), home equity loans and lines are, in most cases, tax-deductible up to \$100,000. This can have a big impact on your bottom line, and is the main reason why so many homeowners use a home equity line of credit instead of non-deductible loans and credit cards to pay for things like cars, trips and consumer goods.

As great a financial tool as home equity loans and lines can be, they also pose some risks. Because the loans are secured by your home, you run the risk of losing your greatest asset if you can't make the payments. HELOCs can also get you into the "minimum payment" trap, where you make only the minimum payments on your outstanding debt and then find you owe a lump sum "balloon" payment at the end of your loan term.

Considering that homeowners currently have an average of \$50,000 built up in home equity, millions of Americans could be sitting on a ready source of capital. To take advantage of the equity you've built while reducing the risk of using your home as collateral, never borrow more than the equity in your home at the time of the loan and always maintain a liquid cash reserve big enough to see you through a temporary financial emergency.

6.50% APR

Solidarity offers terms up to 180 months on Home Equity Loans. Solidarity has no closing costs and rates as low as 6.50% APR* for up to 72 months in terms. Call us today for more information at (765) 453-4020, extension 11304 or go online to complete an application at www.solfcu.org.

**APR is the Annual Percentage Rate*

up to 72 mo

ACH Origination Available

Solidarity can now debit any of your accounts at any financial institution as you request to make your loan payment, or as an allocation to an account at Solidarity. It's an easy process and can be effective in ten days. Ask for our member services department at either office location, or go online under FORMS at www.solfcu.org.

100% Financing Options - My Community Mortgage

Solidarity offers special home financing through Fannie Mae's "My Community Mortgage" program. Here are some of the benefits this program offers:

- Fixed rate loans up to 40 years
- No money out of pocket
- 100% financing
- Lower private mortgage insurance premiums

Enhanced credit evaluation means borrowers with less-than-perfect credit are more likely to qualify. Plus, flexible guidelines allow part-time and overtime income to be included for qualifying purposes. There is no penalty for pre-payment.

40-Year Mortgage Loan

Solidarity's 40-year mortgage is now available at 100% financing. By increasing the standard loan term from 30 to 40 years, monthly payments are lower, thus making them more affordable, and increasing borrowers' purchasing power. This mortgage is ideal for borrowers who face affordability issues and think homeownership is beyond their reach. First-time homebuyers seeking manageable monthly payments may find this amortization term attractive. For more information please call our Mortgage Department at (765) 453 4020, extension 11349.

Coming Soon to Online Banking...Enhanced Security Procedures!

Solidarity Community will soon be offering improved online security features designed to prevent online users from falling victim to fraudulent web sites that attempt to gain sensitive financial information. The new online security features require no new hardware or software and helps combat identity theft. Watch for more information on our web site and early security opt-in instructions.

MAIN OFFICE HOURS:

201 Southway Blvd. East
Monday - Friday
8:30 am - 5 pm
Friday Drive-Up:
7:30 am - 6 pm

TELEPHONE:

Office: (765) 453-4020
Fax: (765) 453-1572
Toll Free: (800) 999-5894
Money Line (765) 455-2026
Money Line (800) 999-4784

BRANCH HOURS:

U.S. 31 By-pass North
next to Kroger
Monday-Friday
8:30 am - 5 pm
Saturday 8:30 am - 12 noon

**Check reorders,
Call Anytime!
1-877-585-8777**

ATM LOCATIONS

Go to
www.solfcu.org
for a list of all
our sur-charge
free ATMs.

**24/7
Loan by Phone
1-866-680-6887**

BOARD OF DIRECTORS:

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TO REPORT LOST OR STOLEN CARDS

**DEBIT CARDS:
(800)523-4175**

**VISA CREDIT CARD:
(800)558-3424**



201 Southway Boulevard East
P.O. Box 2499
Kokomo, IN 46904-2499
(765) 453-4020 • (800) 999-5894

Check out iPod™ nano WINNERS!

With Solidarity's current promotion on **FREE eChecking**,
FREE eMail Alerts and FREE eStatements,
please see what our members are saying.



David Stevens says; "I switched to eChecking and it was very easy to do. Also, I am looking forward to doing most of my banking online."



Randa Perry says about eStatements; "Sign up! The convenience is great. I've been a member of the credit union since 1986."

Kid's Halloween Party

Mark Your Calendar!

Saturday, October 28th, 2006

1:00 p.m. until 5:00 p.m.

at the Johanning Civic Center

in Kokomo, on U.S. 31 By-Pass North. It is a **free** event with games, prizes, refreshments and a costume contest!

