



STRATHCONA CREDIT UNION

NEWSLETTER



June 2004

MORTGAGE RATES STILL LOW

It seems that mortgage rates are rising slightly. Our rates are still, however, very attractive (see the “current rates” box below). This may be the time to refinance with your Credit Union. If your mortgage currently is with another institution and is coming up for renewal soon, or if you have an “open” mortgage, you should call one of our offices and see how much better we can do for you.

Even if your mortgage still has some time to go until the end of term it may be worth paying the penalty for early repayment to transfer to Strathcona at the present rates. Once again, call the office for advice before taking any action.

Mortgage rates are volatile right now. Even our rate goes up and down during the month. If you want to keep a close eye on the changes, check our website at www.strathconacu.com. It is kept up to date between publications of the newsletter.

FULL SERVICE AT SCU

Many new members, and some not so new, are not aware that Strathcona Credit Union can offer full banking services. Many of us joined the Credit Union for a particular purpose (for a personal loan, to acquire a mortgage at a beneficial rate, to set up a payroll deduction savings plan, or to establish an RRSP) and we tend not to notice the other services of the organization.

When one becomes a Strathcona member one receives a folio of accounts: a savings account, a loan and/or mortgage account, one for a line of credit and/or an RRSP if those are wanted by the member, and a Personal Chequing Account (PCA). US Dollar accounts are also available.

Members can buy personalized cheques and activate their PCAs at any time. As the article on the next page of this newsletter indicates, while members must pay for the cheques the clearing charges are included in the monthly service charge.

With a repertoire of saving and chequing accounts, payroll deduction and direct salary deposit, ATM, computer and telephone banking, personal and mortgage loans and lines of credit, and communication by telephone, email, fax, and post, Strathcona Credit Union members are well able to design the personal

financial package they need from the institution that they own.

THE OUTLOOK

Environment Canada has published its three month outlook for temperature and precipitation for June, July and August and it looks good for vacationers!

The temperature for all of Quebec and for most of Canada is predicted to be above normal. At the same time, rainfall is forecast to be below normal levels in most of both Quebec and Canada.

Maybe this would be a good year to take in an agricultural fair or two. They are good fun for the whole family and usually are a good entertainment bargain. A few good bets are:

The Centre du Quebec Fair at Trois Rivieres from July 9th to the 18th.

The St-Hyacinthe Fair in St-Hyacinthe between July 22nd and August 1st.

The Huntingdon Fair from August 20th to the 22nd and following that, the Stansted Fair from the 26th to the 29th of August.

At the end of the season is the popular Brome County Fair from September 3rd to the 6th.

There will be no newsletter in July or August of this year. Have a happy and safe summer.

CURRENT RATES	
PERSONAL LOANS	.....8.75%
CONSOLIDATION LOANS	.....10.75%
LINE OF CREDIT	.....6.75%
MORTGAGES	
1 year term (open)	.....5.65%
2 year term (closed)	.....4.35%
3 year term (closed)	.....4.60%
4 year term (closed)	.....5.00%
5 year term (closed)	.....5.20%
TERM DEPOSITS*	
6 months...	.....1.75%
1 year.....	.....2.50%
2 years.....	.....2.75%
3 years.....	.....3.00%
4 years.....	.....3.25%
5 years.....	.....3.75%
* \$2,000 minimum, rate subject to change without notice. Monthly interest payment less 0.25%. (064)	

SERVICE CHARGES TO RISE IN SEPTEMBER

Some years ago Strathcona Credit Union's Board of Directors made a decision about how service charges would be applied. Two principles were reflected in that decision: that, true to the cooperative nature of our organization, the fees would be charged equally to each of our members; and, that, unlike the banks, we would not use service charges as a revenue-generating cash-cow.

In May of this year the Board reaffirmed its position. The single monthly service charge will be continued—albeit at a higher rate. At a special meeting of the Board of Directors on May 16, 2004 it was decided that the service charge would have to rise to \$2.50 per month.

WHY?

At the time that the three credit unions merged in May of 2000, the one-size-fits-all service charge package was introduced. While some other institutions had service fee packages available at the time, our comprehensive and co-operative model was suggested to the first meeting of the joint Boards of Directors by PAPT Credit Union's Secretary Roman Wodzicki and, with some modifications, was adopted at the new credit union's first meeting.

Since its inception four years ago the service charge has been at \$1.25 per month per folio for individual members under the age of sixty. The teacher unions (who are members) are charged differently for the services they use and "seniors" over sixty pay no service charge.

Service charges are not a fantasy—Strathcona Credit Union must pay the Desjardins network for the services that we offer our members. Every ATM transaction, each AccesD computer or telephone operation made by a member, all cheques written by members, all direct payment transactions and every bill payment is catalogued and charged to the credit union by Desjardins. In addition, the Credit Union is charged monthly dues for belonging to the Desjardins Federation (as we are required to by law), for accessing the computer network and for using the data base in order to carry on daily work in the offices—these items alone come to about \$15,000 every month. These monthly charges faced by the Credit Union have been rising over the years.

In addition to the financial pressure felt by Strathcona in this matter there is also a political

aspect. For many years Desjardins has applied pressure to individual credit unions that don't follow the significantly higher Desjardins service charge rate structure. They define our policies as a "lack of productivity" and thereby try to prevent us from rebating the surpluses that we do incur to our members. It seems that they want us to charge you more so that we rebate the charges to you! We still refuse to use their fee scale.

WHAT & WHEN.

As already noted, Strathcona's service charge will be raised to \$2.50 per month and this will begin in September of this year. Our service charge includes almost everything, but there are a few exceptions that are listed below. Our charge to the member is shown beside the item and the amount in brackets represents the average charge of a similar service made by five of the chartered banks.

NSF cheques		
at clearing	\$10	(free)
cheque returned	\$10	(\$34)
Bank drafts	\$1.25	(\$6)
Money orders	\$1.25	(\$4)
Stop payments	\$10	(\$9-20)
Certified cheques	free	(\$6.80)
-requested by 3 rd party	\$10	(\$10)

There are also unavoidable charges for members using another institution's ATM. These charges are \$1.50 per transaction using a non-Desjardins Interac system machine, and more using other networks, and ATMs outside of Canada. Purchasing personalized cheques for your Strathcona Credit Union chequing account costs approximately \$30 (for seniors also).

But what is included in our service charge? Everything else! Except for the fees listed above, and few other obscure items, your \$2.50 monthly charge allows you unlimited transactions. This includes the writing of cheques for which the banks charge, on average, sixty-eight cents each. And remember that seniors don't pay the monthly charge.

The banks have monthly packages too. They range from \$2.95 (for 8 transactions) to \$35 per month. That's another good reason why we should do all our banking at our credit union.

More on this in our September issue.