



Westminster FCU *Of Interest!*

Harvey G. Morris, Chairman
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Improving Your Credit Score

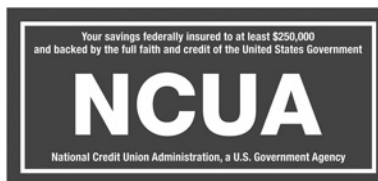
Credit Scores, and by that I mean the FICO score we're all familiar with, don't actually exist! They are not sitting in a file somewhere, going up and down daily with each transaction you make. A FICO score only exists when there's a request for it. At that moment, a score is generated and is a snapshot of your credit history.

This 'snapshot' consists of history that goes back sometimes for 20 years. Most adverse historical credit issues only go back 7 years, like Chapter 13 bankruptcies. Chapter 7 bankruptcies last 10 years and IRS tax debts are timeless! As debts get older, they fall away in importance to your credit score.

Here's a tip: you can challenge anything on your report for accuracy and many times the collector won't bother to respond to the credit bureau, and the debt is removed. Paying your debts on time is critical! Top scores of 740 and above are built mainly by paying on time and keeping your outstanding balances less than 10% of the available credit. If you want to improve your credit contact our loan officers to see how we can help you.

\$250,000 Deposit Insurance

Last October, President Bush temporarily increased the deposit insurance from \$100,000 to \$250,000. That increase was to expire December 31, 2010. This past May, President Obama signed another law that guarantees this increase in the deposit insurance will now last until December 31, 2013. Call us to find out how this coverage can be increased even further.



Don't Ignore Federal Loans

Looking for loans to help you foot your college bills? Don't settle for private loans until you've exhausted all options for federal loans, which usually come with lower, fixed (#478) interest rates and more flexible payment plans. Nearly two-thirds of undergrads who took out private loans in the 2007-'08 school year could have taken out more generous federal loans. Don't worry about making too much money. You could be Bill Gates and still get these loans, says the publisher of FinAid.org, a financial aid site. Students and parents should fill out the Free Application for Federal Student Aid on www.Fafsa.ed.gov to be considered for federal loans and other state and federal aid.

Find Your Account Number and Win!

Hidden in this newsletter are three (3) account numbers.

Find yours by October 1st and you will win \$20. Call or e-mail your Westminster FCU if you find your number.



Converting to a Roth IRA

Roth IRA conversions are about to become a big deal for people saving for retirement.

Under the Tax Increase Prevention & Reconciliation Act of 2005 (TIPRA), all taxpayers will be able to convert their Traditional IRAs into a Roth IRA, regardless of income. This is 'the opportunity of a lifetime' – the chance to pay taxes now as a way to avoid paying more taxes later! Here are some FAQs on this opportunity:

When do you report the income? Prior to 2010, converted amounts had to be reported on that year's tax return. Under TIPRA, conversions done in 2010 don't have to be reported on your 2010 tax return, instead, you may report the income on your 2011 and 2012 tax returns. Thus, if you converted a \$100,000 IRA in 2010, you can report \$50,000 in ordinary income in 2011 & \$50,000 in 2012...you get to split the income and the tax over two years!

When do you pay the taxes? If you split the income, you have to pay the taxes due on your 2011 and 2012 tax returns.

Do you have to split the income? No. If you think splitting the income will mean larger taxes, you can convert your IRA and pay the tax in a single year.

If you elect out of the two-year split, is it all-or-nothing, or can you do it piecemeal? It's an all-or-nothing election.

What happens if you convert to a Roth IRA when there is basis (the original amount invested) in the traditional IRA but it's worth less? If the account is worth less, than the basis will be no conversion income.

What about the five-year rule? With a Roth IRA you get to withdraw your investment and earnings tax-free once you have owned the account for 5 years and you're 59 1/2 years of age.



Texting to Find a FREE ATM

Finding an ATM that doesn't charge a fee has never been easier. Just send your current ZIP code in a text to 692667. You will get a text back showing you the location of an ATM (#1907) that will not charge a fee. Reply back to the text with the work 'more' and you will get several more FREE ATM locations.



Dividends Declared

The board of Directors declared dividends for the 3rd quarter of 2009. The rate paid on Share savings was 0.30% APY and on the Money Market Accounts, as high as .80% APY. This may not seem like great rates historically but please compare our rates to any other financial institution! Dividends are (#2830) calculated on the average daily balance and paid on the last day of the quarter. Your account must be open at the end of the quarter to receive dividends.



Did You Know?

Did you know... that your savings are insured up to \$250,000 and your IRAs are also insured up to that amount, as well? This insurance coverage is guaranteed until Dec. 31st 2013.

Did you know... that you don't have to make your Required Minimum Distribution (RMD) for 2009? President Bush suspended the 2009 RMD for IRAs, 401(k)s and other similar retirement accounts.

Did you know... with our Shared Branching Program, our members can go to 4000 Credit Union branches around the U.S., and in 6 other countries, to transact your business.

Did you know... Westminster FCU will be 50 years old on May 31, 2010! How many other businesses in Colorado are 50 years old?



Holidays

Your Westminster FCU offices will be closed the following dates:

Monday, October 12th
Columbus Day

Thursday & Friday,
November 26 & 27th

Friday, December 25th