

Media Group Financial Credit Union

Newsletter

May 2009

June 2009



2009 Commitment

Be all we are and all we can be to our members.
Our success depends on you

It is our 60th Birthday this year and we want to celebrate by passing on to you all the benefits we can.

Check this out: **3%** loans, that's right you are not seeing things or it is not a typo. Your credit union is offering you a loan rate of **3%** on \$5,000 or more new money borrowed for the first 6 months of the loan.

The rate will then revert to your normal low rate determined at the time of the loan, for the remainder of the loan.

The money can be used for paying off credit cards, summer vacation, home renovations or deposit to a tax free savings or RSP account or maybe its time for that new car. You decide what you want it for and we will give it to you for almost nothing. Come in or call Colleen or David for all the details.



Who says that membership in a credit union does not have rewards. This one does!



Tip of the Month

It has been brought to our attention there may be a lot of misconception about the Credit union and its new products and services being offer to save you money. If you have any questions about the Credit Union, its products, its services and or anything in general please come in, e-mail us or drop a note in the depositor in our vestibule and we will answer all of your questions. If you want the right information or answer to any question then please come to the right place and get the answer.

Round up that loose coin with your ATM card every time you make a purchase in the store. The savings will add up!

Come in to find out how!



Frequently Asked Questions

Question: Why have the dividends and the loan rebates been so small over the last three years.

Answer: The dividend and rebates paid out to the members is determined by the income of the credit union for that specific year. If our income is good and we have made a profit then the pay out to the members reflects that. But if our income is low or we experience a loss then the pay out for that year is low or even no pay out at all.

Since 2006 the credit union has experienced losses and has been unable to pay out money from its operations. Any money that we have paid out over the last 3 years has come from our accumulated capital, which for this year has been lowered to its limit. We must maintain at least 5% capital in order to stay operational.

There have been 3 main reasons for the losses.

1. Is due to bad credit granting in the past several years and the subsequent write off of uncollectable loans and bankruptcies. The credit union has experienced a substantial increase in bankruptcies and loan losses.
2. Lower interest rates affect the amount of money the credit union can make. Just like you, if you get 5% for your investments you make a decent profit but if you only get 2% where does the profit go. We are the same way; our loan rate has dropped by over 2% in the last year.
3. When we have had to pay a lower than expected interest rebate or dividend, a large number of members have paid out their loans and gone elsewhere to borrow or withdrawn their money to invest elsewhere even when the Credit Union has had a

better loan rate or a different investment with a higher interest rate. This greatly affects the credit unions ability to make money.

When you have all of the above happen to any business in the short span of 3 years then no matter how strong the business, its income will suffer.

As was announced at the AGM the staff have had their hours cut, have given up their pensions and benefits in order to save the Credit Union a substantial amount of money. This will help to make more money available for future dividends and loan rebates for you our members.

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Hours 10.00 to 4.30 Monday thru Friday



Don't you just love birthdays?

All the gifts, the cake and all the best wishes.

We are lucky because we get to celebrate for a whole year.

Stay tuned for more birthday gifts later in the year.