

# Dollars & SENSE

## How to Establish a Strong Credit History



There is a difference between your credit rating and your credit score. Your credit rating refers to your credit record or credit history. Every time you borrow money, through a financial institution, credit card, store, employer or educational institution, you are making an entry into your credit record. Every time you apply for credit, the company making the loan purchases a copy of your credit record. In Canada, there are two major credit-reporting bureaus: Equifax Canada and TransUnion of Canada.

Your credit history is a good read. It is a biography of your life that was written by following the money trail. It includes your date of birth, your social insurance number, your employers, and your marital status. Anything in the public record, including bankruptcies,

foreclosures, liens, judgments, secured loans and even financial counseling, can be reported on your credit record. It also lists every debt you have, including the balances on your credit cards. And like a nasty tattletale, it tells not only how often you have been late with payments, but exactly how late you have been.

Establishing and keeping a good credit rating is one of life's imperatives. With cash transactions slowly becoming a part of history, a good credit rating is necessary to purchase major, and sometimes minor, goods.

A credit score is a number reflecting the weight given to many of the variables within your credit history. Some financial institutions may use their own scoring system, while other lenders use the commercial scores available through Equifax and TransUnion.

The score is used to predict how likely a borrower is to repay the loan. Lenders can base their decisions on the character of the borrower, the security offered, the ability to repay, the amount borrowed and the purpose of the loan. Most lenders once used that formula, but now most banks simply enter your data into a computer and receive in return a single number. If your number falls above a pre-determined figure, you receive the loan. Below that number, you walk out the door empty-handed. Not all financial institutions use credit scoring, so make sure to ask your lender how borrowing decisions are made.



### LDCU to launch new Chip-enabled Member Cards!

At LDCU your safety and protection are our primary concern. That's why we will be issuing new chip-enabled MemberCards. These new cards will provide a much higher level of security and protection for our members.

There is a substantial amount of work still to be done so watch for these new cards coming February, 2011. They will be delivered directly to your mailing address that we have on file, so please contact us directly if you feel your address may not be correct on our system.

For more information on our new chip cards including a FAQ sheet, please attend at the branch, or go to our website at [www.ldcu.ca](http://www.ldcu.ca).



## Strong Credit History from page 1

If you want a good credit rating and a good credit score, follow these steps:

1. Request copies of your credit rating and credit score from Equifax and TransUnion. You need both, because each company may have different information. If the information on either credit history is wrong, correct it immediately.
2. Pay your bills on time. Even if a company allows a grace period, don't use it. It lowers your credit score.
3. Own between two and four credit cards. Fewer cards shorten your credit history; more cards indicate that you are financially stretched.
4. Keep your debt-to-income ratio under 20 percent.
5. Pay more than the minimum required on your credit card, or pay off your entire balance if possible. Not only do large credit card balances hurt your score, the interest rate on credit cards is exorbitant.

Credit is a necessary part of life. Make sure your credit rating and credit score do you credit.



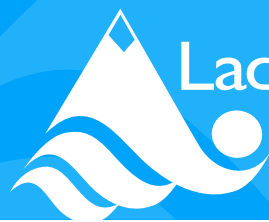
## Looking for a new home?

Take advantage of historically low interest rates and contact one of our lending specialists today.

Check out how our mortgage rates\* stack up against Canada's major banks.

	1 Yr	3 Yr	4 Yr	5 Yr
<b>LCDU</b>	<b>3.25</b>	<b>4.00</b>	<b>5.00</b>	<b>5.25</b>
CIBC	3.30	4.20	5.04	5.39
TD Cda Trust	3.50	4.45	5.04	5.39
Scotiabank	3.50	4.45	5.04	5.39
Royal Bank	3.30	4.10	5.04	5.39
BMO	3.30	4.10	5.04	5.39

\*First Mortgages: Fixed Rate Closed Rates effective as of August 31, 2010. OAC. Rates may change without notice.



# Ladysmith & District Credit Union™

service since 1944

## LDCU welcomes new Financial Services Manager

We are pleased to welcome **Tara Hawes** to the Ladysmith & District Credit Union team as Manager, Financial Services. Tara comes to us from another island-based Credit Union and brings 15 years experience in all facets of Lending and Deposit Services.



Tara is passionate about the Credit Union movement and really did come by it honestly! She's a third generation 'Credit Unioner'- her grandfather was a director of his local Credit Union in Saskatchewan for over a quarter century and her father enjoyed a 40 year Credit Union career.

Tara and her husband Jack are thrilled to be making Ladysmith their new home and look forward to raising their 2 year old daughter, Brynn, in this great community.

If you haven't met her yet, pop in for a cup of coffee and say 'hello'.

## MemberDirect™ Phone Banking comes to LDCU!

LDCU will be implementing **MemberDirect™ Phone Banking** by November of this year. This is a change to a more user friendly application. In addition to 24/7 support, this enhancement will enable members to perform transactions and receive balance inquiries in real-time via a touch tone telephone. Contact us for more information.

## Fun at Lady

We thought you'd enjoy some pic  
sponsor of Ladysmith Days and th



330 First Avenue, Box 430  
Ladysmith, BC V9G 1A3  
Phone: 250-245-2247  
Toll Free: 1-888-899-2247  
[www.ldcu.ca](http://www.ldcu.ca)



# Ladysmith Days

pictures of the festivities. LDCU is a proud member of the Kids 'Count Fun Zone.



## CREDIT UNION NATION Where members have the power

Once upon a time there where only big banks, where men and only men controlled all decisions, monopolizing the financial services industry while most average working people were left out in the cold. That was then, this is now.

Today there are almost 4,500 Credit Unions in 97 countries around the world serving 172 million members and controlling US \$1.1 trillion in assets. The European Association of Co-operative Banks accounts for another 34 million members.

Canada has the third largest number of Credit Union members in the world, 11 million including the caisses populaires in Quebec, following the US (87 million) and India (20 million), countries with substantially larger populations. In terms of the percentage of the population who have bank accounts, Credit Union membership in Canada ranks 5th (48%), behind Dominica, Ireland, Barbados, and Trinidad & Tobago. More than one third of all British Columbians belong to a Credit Union.

Although the first Credit Unions appeared in Germany in 1852, started by a man named Franz Hermann Schulze-Delitzsch, another German, F.W. Raiffeisen, is considered more important. He opened Germany's first rural Credit Union in 1864, leveraging what he called social capital, the underpinning of contemporary Credit Unions. Banks were rare in rural areas so this was seen as a real innovation. Today, his namesake the Raiffeisenbank is Austria's largest banking group.

Quebec is home to North America's first Credit Unions, or caisses populaires. The Caisse populaire de Lévis opened on January 23, 1901 with a ten cent deposit! Alphonse Desjardins, a parliamentary reporter, founded it because he was outraged when a Montrealer received a court order to pay nearly \$5,000 in interest on a moneylender's loan of \$150.

English-speaking Canada and the U.S. followed Quebec's lead. BC's first Credit Union, Burnaby's Common Good Cooperative Association, opened its doors in 1936. This was a response to the powerlessness workers felt as they faced financial hardships during the Great Depression. Your own Ladysmith & District Credit Union was founded on May 19, 1944 as the sixteenth Credit Union in BC.

Running a financial institution on the principles of democracy may not seem like a radical idea today, but in the first half of the 20th century, when profit-motivated banks made it difficult for the average citizen to borrow or invest, it was revolutionary.

Since the 1930s, Canada's Credit Unions have led the banking industry in innovation: the first to offer payroll deduction service for deposits and loan payments; the first to let women take out loans in their own names; the first full-service ATM networks; the first fully functional internet banking; and many other firsts. That's all thanks to members, and the power of membership.

**We're committed to our environment.**

Please help us be green by recycling and passing this newsletter on to friends, family, co-workers and neighbours, who may not have received a copy.



Smart People. Smart Choice.

Worth Talking About.

**The  
Big One!**

Take the shock out of Earthquakes with LCUI's **SMART Home extended Earthquake coverage** which covers earth quakes, shocks including landslides and snow slides resulting from the earthquake. So when the earth moves, you may not have to!

Don't forget to ask about **By-Laws coverage** for those unexpected repair costs due to changing construction regulations.

Having the right coverage is worth talking about.

Nancy Hunter congratulates  
**Don Pigott**  
Bluetooth Headset **WINNER**



**It's the law!**  
With BC's new handsfree cell phone law now in effect, our community just got a little safer and LCU Insurance applauds that.

We invite you to come in and get a free quote on your auto insurance and find out more about the "handsfree" cell phone law.

Helping our community be safer is worth talking about.

Now there's an easy  
& convenient  
insurance payment plan.

**smartplan** 

The easy payment option.

It's fast. It's simple. It's affordable.  
Now that's smart.

Apply today.

## Our Dream Team

LCU Insurance team members are dedicated to service and our community. Our focus is on people; from those walking through our doors needing expert service to those in the community needing a helping hand. To demonstrate our sincere heart for our people and our community, we enthusiastically support:

- Meals on Wheels Ladysmith
- Ladysmith Food Bank (Cinnamon Bun Fun Run)
- Ladysmith Ambassador Pageant
- Ladysmith Secondary School (LCU Insurance Community Spirit Bursary)
- Ladysmith Show 'n Shine (Collector vehicle show)

**Passion for people. Heart for community. That's worth talking about.**



Visit us online at  
**lcuinsurance.ca**  
or drop by the branch

Mon. - Sat. 9:00 - 5:00