

NorthStar

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NEWS

IRAs Offer Several Options for Tax Savings

NorthStar Credit Union offers three different types of IRA accounts. All provide tax incentives to help you save for the future.

There is an IRA suitable for just about everyone. Take a look at some of your options:

Traditional IRA

- Tax-deferred interest
- Contributions may be tax deductible
- Penalty-free withdrawals (post-secondary education, first-home purchase and certain medical expenses)

Roth IRA

- Tax-free growth
- Penalty-free withdrawals of annual contributions
- Penalty-free withdrawals of earnings (at age 59-1/2, first home purchase, in case of death or disability)
- No required minimum distribution at age 70-1/2

Coverdell Education Savings Account

- Save for elementary, secondary, and collegiate education expenses
 - Tax-free growth
 - Deposit up to \$2,000 per year per beneficiary
 - No earned income required
- Formerly known as Education IRA

For market based IRA investment options, please contact Mike Pozzi, our Investment Advisor Representative at 847-456-8716, or pozzi@financialnetwork.com.

Securities are offered through Financial Network Investment Corporation, a registered broker/dealer and member of the SIPC. Financial Network Investment Corporation is not an affiliate of NorthStar Credit Union.

Mutual funds, annuities and other investments available through Financial Network Investment Corporation are not insured by the FDIC, NCUSIF or any federal government agency, are not deposits, or obligations of nor guaranteed by NorthStar Credit Union, or any other affiliated entity. Investments are subject to investment risks including loss of principal invested.

2006 & 2007 Contribution Limits

- The contribution limit for both Traditional and Roth IRAs has been raised to \$4,000 and will increase again, to \$5,000 in 2008.
- Americans who have reached the age of 50 have the ability to contribute more to their retirement account under "catch up" provisions of current IRA legislation. In 2006 and 2007, you may be able to deposit up to \$5,000 in a Traditional or Roth IRA.
- The annual contribution limit for a Coverdell Education Savings Account (ESA) is \$2,000.



Focused on your future.

Audio Response Teller | 630.393.7201 ext. 222
Outside Chicagoland | 800.983.6828
Audio Response Teller | 888.983.2424

3 S. 555 Winfield Road
Warrenville, IL 60555
630.393.7201
630.393.7353 (fax)



BP Naperville Complex
Employee Branch
150 Warrenville Road
Naperville, IL 60563
630.420.5505
630.420.4847 (fax)



WECO Community

a member of the **NorthStar** family

528 Main Street
West Chicago, IL 60185
630.876.5519
630.876.3361 (fax)



www.northstarcu.org

Have December's "Ho Ho Ho's" Become January's "Owe Owe Owe's"?

Your budget may be a little tighter after the holidays. Now may be the time to take advantage of the untapped funds in your home's equity. Home equity is the difference between the value of your home and the amount of your mortgage.

Borrowing against this equity is a terrific financing option for you to consider. Here's why:

- A Home Equity Loan or Line of Credit is secured against the value of your home. By using your home as collateral, it enables you to borrow funds at a **much lower rate of interest** than that charged by credit card companies.
- With Home Equity financing, you can expect to **pay less than half the interest charges**, over a one-year period, than you would have to pay carrying the same amount of debt on credit cards.
- **Pay off your debt faster.** With a home equity loan, more money each month will be used to pay down the principal – when you make minimum payments on your credit card bills, most of what you are paying is interest.
- Home Equity interest can usually be **deducted from your taxes**. Consult a tax advisor to find out how this may apply to you.
- When you have many credit card bills to pay, it's a lot easier to fall behind. A Home Equity Loan enables you to pay off all your credit cards with **one simple monthly payment** to NorthStar Credit Union.
- A NorthStar Home Equity Line of Credit provides tremendous flexibility. Access available funds **any time you need them** – without needing additional approval. Payments are based only on the amount you actually borrow, not on the total funds available in your line of credit.



A Home Equity Loan can be used for just about anything! Pay off those holiday bills, splurge for the gift you didn't receive, head off on that well-needed vacation, fix up the house, or cover emergency expenses.

Stop in for an application or call us at 630.393.7201 for more information.

Loan Rates

Auto Loans

New & Used Autos as low as **6.25%**

100% Financing is available on all auto loans.

Discounts apply for direct deposit & down payments!

Fixed Rate Home Equity Loans

5 Years **85%** As low as **6.75%**

5 Years **100%** As low as **7.75%**

7 years **85%** As low as **7.75%**

7 Years **100%** As low as **8.75%**

10 Years **85%** As low as **8.25%**

10 Years **100%** As low as **9.25%**

15 Years **85%** As low as **8.75%**

15 Years **100%** As low as **9.75%**

Variable Rate

Home Equity Lines of Credit

85% LTV, \$5,000 and over, adjusted monthly
15 Years . As low as **Prime minus 1.25%**

90% LTV, \$5,000 or more, adjusted monthly
15 Years As low as **Prime plus .50%**

Unsecured and VISA Credit Card

Personal Loans as low as **10.45%**

"Quick Cash" Credit Line
(Variable Rate) **Prime plus 3.00%**

Overdraft Protection Loan
(Fixed Rate) **15.00%**

VISA Gold, Platinum, Business, and Student cards available. Travel and Reward benefits; call for rates.

Small Business Loans

Programs tailored to the needs of your business.
Contact Bernie Niewoehner at 630.393.7201 ext. 151.