

# Connections



A Quarterly Newsletter for the LifeWay Credit Union Family

## Borrowing Against Your Home Requires Discipline

A home equity line of credit can finance everything from college tuition to cars. You can set it up, but never draw on it, and have the comfort of knowing it's there if needed.

But, home equity also may be the largest component of many Americans' nest egg for retirement. Overleveraging your house for short-term pleasure may rob you of future economic security.

Discipline is key. Understand the risks and have a plan for paying back the loan. Consider these points:

- ▶ Home equity lines of credit have variable interest rates, so when rates increase, so will your overall debt.
- ▶ You can tap a line of credit at will, and interest accrues only on the amount borrowed. Any amount you pay off becomes available to borrow again.
- ▶ If you already have a home equity line of credit, don't swap that for a fixed-rate home equity loan until the interest rate gap narrows significantly. Rates on lines of credit still are lower than on home equity loans.
- ▶ Rates on lines of credit usually are lower than on a credit card, and interest on lines of credit is deductible on up to \$100,000 of home-equity debt if you itemize deductions on your tax return.

Don't let a home-equity loan or line of credit give you a false sense of being debt-free. Talk to a LifeWay Credit Union loan officer by calling 615-251-2089 today for help sorting out your home equity loan options.

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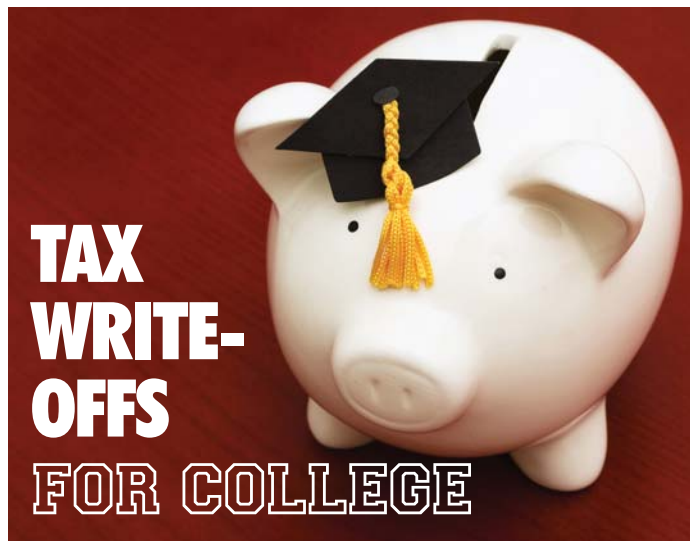
## New "Links" to Your Credit Union

LifeWay Credit Union has added two new ways of communicating with its members. If you receive your statements via Statement Express, you'll get our new monthly newsletter *the link*. We've also created a new credit union blog at [www.lifewayculink.blogspot.com](http://www.lifewayculink.blogspot.com). Both of these were developed so that we could provide information to our members in a timely manner. The blog will contain helpful tips and announcements of new rates and programs.

If you have any questions or suggestions for us, simply go to the blog and comment.

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A \$1,650 tax refund—or more—may be in your pocket if you or your child go to college. That's because Congress has updated tax legislation full of incentives to encourage Americans to continue their educations.

You may be able to take advantage of one or more (but not all) of the college cost savers. Because the new incentives revolve around tax relief, your personal tax situation is likely to dictate which options you choose. As with any tax situation, review your alternatives with a tax adviser to ensure you're making the most of your options.

### TAX CREDITS

If you pay federal income tax, the biggest savings come from two tax credits—the Hope Credit and the Lifetime Learning Credit.

The Hope Credit allows a \$1,650 tax credit for each student enrolled in a degree program on at least a half-time basis, for the first two years of college. For parents to claim a Hope Credit for their student's expenses, they must claim an exemption for the student. If parents do not claim their student as an exemption, the student can claim the credit.

The Lifetime Learning Credit allows a tax credit of up to \$2,000 per return per year, regardless of how many children from one family attend college. The credit is available for all years of a college education, and even applies for any course taken to improve or acquire job skills.

The hitch? Both of these tax credits kick in only after excluding scholarships and grants. And, single taxpayers with modified adjusted gross incomes more than \$57,000 (or up to \$114,000 for joint filers) cannot claim the credits. Both credits phase out between \$47,000 and \$57,000 for single filers (or \$94,000 to \$114,000 for joint filers). The winners here are parents putting their children through college.

### TAX DEDUCTIONS

Now, you can deduct education loan interest. The interest deduction is \$2,500. You qualify provided your adjusted gross income currently is \$55,000 to \$70,000 for a single filer (\$110,000 to \$140,000 for joint filers).

In addition, there is a tuition and fees tax deduction for those who cannot claim Hope and Lifetime Credits. It allows up to a \$4,000 deduction for individuals with income up to \$80,000 for singles (\$160,000 for joint filers).

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## Mechanical Breakdown Protection

LifeWay Credit Union now offers its members the opportunity to purchase mechanical breakdown protection when they finance their automobile with the credit union.

### *What is Mechanical Breakdown Protection?*

Mechanical Breakdown Protection is coverage for auto repairs occurring after the manufacturer's warranty on your new or used vehicle has expired. When you buy it through LifeWay Credit Union, you can save hundreds of dollars over dealer service contracts.

### *Why should I buy it if I still have the manufacturer's warranty on my car?*

Statistics show that the big repair bills can come after the manufacturer's warranty has expired. Plus, the Mercury protection plan has additional benefits not provided by many factory warranties including:

- Roadside assistance
- Towing
- Rental
- Travel
- Tire road hazard benefits

These extra benefits apply even during the manufacturer's warranty period.

If you're thinking about financing your next car or truck with us, check out the price on mechanical breakdown protection. You'll be glad you did.



A smart investment of money now might save you an expensive repair bill later.



## Turn to Someone You Trust

"People helping people" is the fundamental philosophy on which credit unions were built. More consumers are discovering that credit unions have some important characteristics not always found at other financial institutions, such as personal service and customer advocacy.

Data from Forrester Research Inc. show that four out of the five largest U.S. banks fall in the bottom 25% of all financial service firms in terms of customer advocacy, according to the 2007 Customer Advocacy Rankings. Americans often are wary of doing business with large profit-driven financial organizations--they believe these companies only are interested in their own bottom lines.

Credit unions, however, continue to remain near the top of the rankings. Members trust their credit unions, which are not-for-profit organizations. Members know the people at their credit union care about them and have the members' best interest at heart.

When you become a member of LifeWay Credit Union, you'll always have a place where you belong. We offer a wide variety of programs and services designed to meet the unique needs of our members. Our member-focused staff will be here to assist you face to face, and answer any questions you may have.

Whether it's to open a new account, to ask about a loan, or for any of your financial needs, stop in and see us today. We are here for you.

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## Nomination of Officers for 2009

The Nominating Committee, comprised of Steve Bond, Collene Hall and Tracy Avery respectfully submit the following individuals to serve three (3) year terms on the Board of Directors of LifeWay Credit Union: David Jamieson, Karen Sanders and Emmett Wood. The nominating committee would also like to submit the following individual to serve a three (3) year term on the Supervisory Committee: Angela Cain.

Individuals wishing to be nominated or to nominate someone for the board of directors may do so by petitioning the Nominating Committee for inclusion of their names on the official ballot.

Credit Union bylaws require that the petition be signed by at least 1% of the credit union's members (minimum of 100) and that all signatures be validated by the Supervisory Committee before the name of an individual nominated by petition may be listed on the Official Ballot.

Petitions may be obtained in the Credit Union office, and must be received by the Nominating Committee no later than November 30, in order to be valid.

## LifeWay Credit Union Member Appreciation Day

Please join us for Member Appreciation Day in the Credit Union on Wednesday, October 15. We'll have refreshments and draw for door prizes that afternoon. *We'll see you there!*





If you think saving money is too difficult, and even have justifications to back you up, forget about it. We have the solutions to your saving hang-ups.

► *I don't have the money.*

That's the standard cry from those who wait to save what's left over. It never happens. Instead, "pay yourself first." Use the LifeWay Credit Union payroll deduction service and we'll automatically divert the amount you say, for as long as you say, to your share savings or certificate account.

► *For what little I can put aside, it doesn't pay.*

Consistent, regular savings are the only kind that add up. If you only can start with \$10 a paycheck, do that now. When

you see how that works, you'll find yourself raising the ante to \$25, \$50, or more over time. And yes, that pays.

► *Payday and bill paying is too hectic to think about saving, too.*

Whoa, that's a lot like excuse No. 1. The solution here: Use direct deposit at LifeWay Credit Union and your paycheck starts working--earning dividends--right away, instead of waiting until you get around to making a deposit. That saves you time and, over time, the headstart saves money, too.

The bottom line: The professionals at LifeWay Credit Union have the services and skills to help you automate your savings. *Call today!*

### Loan and Deposit Rates

#### Loan Rates

Auto Loans.....As Low as 3.75%  
 RV Loans.....As Low as 5.50%  
 Home Equity.....As Low As Prime  
 Signature.....8.90%  
 Credit Cards.....11.40%  
 Call For First Mortgage Rates!

#### Deposit Rates

Regular Savings..... 1.15%  
 Platinum Savings.....2.65%  
 Club Savings..... 1.15%  
 IRA's.....2.00%

Call Us For Certificate and PlatinumPlus Rates!

All rates and terms are subject to change. Deposit rates effective for third quarter 2008.



### About LifeWay Credit Union

In 1954, a gentleman by the name of Leonard Wedel (far left), HR director for the Baptist Sunday School Board, determined that the Board employees needed a credit union. Dr. James Sullivan, president of the Sunday School Board at that time, worked with Mr. Wedel and several others to make this happen. Over 50 years later, we're still going strong! In 1954, the credit union offered just savings accounts and loans. Today, we're a full-service financial institution, offering a variety of loan and savings services, along with all the convenience services such as online banking.

We've seen a lot of changes over the past 50 years, but our focus has remained the same - giving our members outstanding service. *Pictured above (L-R) Leonard Wedel, Wade Stapleton, John Demerich*

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