



Redwood Review

A Publication for Redwood Credit Union Members ▲ September 2009

Understanding Common Lending Terms

The loan process doesn't have to be a mystery. Whether applying for a home, auto, personal loan or credit card, being familiar with the terminology will help you understand the loan process. Here are simple definitions for some common lending terms:

Annual Percentage Rate (APR)

APR is the total cost of the loan on a yearly basis—including any finance charges, fees and other expenses—expressed as a percentage. Consumer agencies generally recommend that APR be used to compare different loan offers. The APR is often higher than the interest rate of a loan. Lenders are required to disclose both APR and interest rate.

Interest Rate

The interest rate is calculated as a percentage of the outstanding loan balance. Interest rates can either be fixed, where the percentage stays the same over the life of the loan, or variable, which can fluctuate with market changes.

Secured Loan

A secured loan is protected by an asset or property (sometimes called collateral) such as a home or a car. The borrower pledges the loan against the property as a way of guaranteeing to pay back the loan. If the borrower defaults, or stops paying on the loan, the lender may take back the collateral used to secure the loan.

Unsecured Loan

An unsecured loan – such as a credit card or personal loan – is not protected by a property or asset. With no property to guarantee the loan, unsecured loans are a higher risk to the lender and usually have higher interest rates but often offer more flexibility such as the ability to take advances throughout the life of the loan.

Your Credit Union offers a variety of low-rate mortgage, auto, business and personal loans. To learn more or to apply today, visit www.redwoodcu.org or call 1 (800) 479-7928. ▲

News You Can Use

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Visit www.redwoodcu.org for...

- ▲ FREE Budget Counseling through BALANCE
- ▲ Reward Points with Your RCU Debit Card
- ▲ Great Rates on JUMBO Home Loans



Redwood
Credit Union

"When purchasing my home, working with a trusted lender like RCU was important to me."

Preparing to Buy a Home

Considering buying a new home? The following steps will help make the home buying process easier and less stressful. A nine four G six three.

- ▲ **Check Your Credit Report** - Good credit scores get the best interest rates. Clear up any errors on your report before applying for a mortgage. This can help raise your credit score and possibly save money in interest charges. Order a FREE copy of your credit report at www.annualcreditreport.com.
- ▲ **Save For Your Down Payment and Closing Costs** - How much can you realistically afford as a down payment? Set your target and start saving now. You often can use 'gift' money towards part of your down payment.
- ▲ **Get Pre-Approved** - Being pre-approved makes it easier when looking for a home since you will already know how much home you can likely afford, allowing you to shop within in your price range.

Contact your trusted lender to discuss your loan options or to apply today:

1 (800) 609-9009 ▲ mortgage.redwoodcu.org

Featured Products

Rates and yields are subject to change without notice – please visit www.redwoodcu.org for more information.

RCU AUTO LOANS

EXTENDED THROUGH 9/30/09! **1% Cash Refinance Rebate** (up to \$300) when you refinance a qualified vehicle loan from another lender.

FIXED HIGH BALANCE MORTGAGES

30 Year Fixed at 5.50% (5.633% APR) – Get a Fixed High Balance loan with a lender you can trust. Call us for details!

LINE OF CREDIT

\$500 to \$50,000 for up to 24 Months: 11.99% APR

VISA CREDIT CARD

9.90% APR Premier Plus Rate on our Platinum Visa. Receive reward points with our RedwoodRewards Plus option!

RCU INSURANCE SERVICES: SWITCH & SAVE!

On average, **SAVE over \$500** annually with insurance from RCU!
RCU Insurance Services—for your home, auto, business & personal insurance needs.

Ask the RCU Expert



with Andy Ramos,
SVP Member Service

No branch? No problem! Simplify with Convenience Services!

What if I can't get to a branch while it's open?

RCU has many options to simplify your finances, including Online Banking, our 24-Hour Telephone Teller, Direct Deposit, over 28,000 fee-free CO-OP ATMs nationwide, alternate service centers (see locations at www.cuswirl.com) and more! Some of our branches also have convenient drive-up ATMs.

Do I need to go into a branch to make deposits?

Make deposits at RCU ATMs and many CO-OP ATMS—use the locator at www.redwoodcu.org for a listing of available ATMs. Paychecks are the most common deposits, so ask your employer about offering Direct Deposit with RCU. We also offer our online "Move Money" service, allowing you to transfer funds between financial institutions.

What if I don't use a computer?

Our Telephone Teller allows you to safely and easily access your account 24 hours a day from any touch-tone phone by using your Personal Identification Number (PIN). Just call **1 (800) 728-4030** and follow the easy phone prompts.

To learn more about RCU's Convenience Services, visit www.redwoodcu.org or call **1 (800) 479-7928**. ▲

Calendar & Seminars

Financial First Aid Workshop

Thursday, October 15 • 5 – 7 pm
RCU Administrative Offices • 3033 Cleveland Ave., Santa Rosa

All RCU locations will be closed the following holidays

Labor Day • Monday, September 7

Veterans Day • Wednesday, November 11

Thanksgiving Day • Thursday, November 26

Please visit www.redwoodcu.org or call **1 (800) 479-7928** for details. Register for seminars and events online or call **(707) 576-5259**. ▲

Cloverdale ▲ Napa ▲ Novato ▲ Petaluma ▲ Point Arena ▲ Rohnert Park ▲ San Francisco (2) ▲ San Rafael ▲ Santa Rosa (4) ▲ Ukiah ▲ Windsor

Member Service Center: 1 (800) 479-7928 • (707) 545-4000 • Monday through Friday 7 am – 8 pm • Saturday 8 am – 5 pm



It Pays To Read The Review

The Redwood Review is a monthly publication of Redwood Credit Union. All editorial questions and comments are welcome. Please call our Marketing Department at 1 (800) 479-7928, ext. 5275.



We have revised our monthly newsletter contest! Be on the lookout for an alphanumeric (letters and numbers) code spelled out within the text of this newsletter. Click the RCU Online link at www.redwoodcu.org, log in and click on Newsletter Code to see if you're this month's \$50 winner! Not an RCU Online user? Sign up today! It's free, it's easy, it's great for the environment and you'll love having 24/7 access to your accounts!



CU SERVICE CENTERS®
The Member-Friendly Financial Network



All rates, yields, terms and special offers are subject to change without notice. Consumer loan rates effective 8/3/09, Mortgage loan rates effective 8/21/09. Certain restrictions apply. 1% auto refinance rebate offer expires 9/30/09. 30 Yr Fixed Conforming High Balance Payment Sample: 30 year term for \$460,000 loan \$2,725/month; rate reflects 1.0 point, 80% LTV. RCU mortgages available on CA properties only & other restrictions. Visas: For transactions occurring outside the US, a 1% fee will apply. For cash advances at a non-RCU location, the greater of 2% of the advance or \$20 will be charged. Insurance products are not deposits of Redwood Credit Union and are not protected by the NCUA. They are not an obligation of or guaranteed by Redwood Credit Union and may be subject to risk. Any insurance required as a condition of an extension of credit by Redwood Credit Union need not be purchased from Redwood Credit Union and may be purchased from an agent or an insurance company of the Member's choice. Business conducted with RCU Insurance Services is separate and distinct from any business conducted with Redwood Credit Union. License #0D91504.