

cu rep memo

MARCH 2011

Education Credit Union

Education Centre
6-51 Ardel Avenue
Kitchener, ON N2C 2S9
T: 519.742.3500
F: 519.742.6072

TechTown
103-340 Hagey Boulevard
Waterloo, ON N2L 6R6
T: 519.772.3050
F: 519.772.1063

Cambridge
117-73 Water Street North
Cambridge, ON N1R 7L6
T: 519.623.2211
F: 519.623.2051

E-mail
info@ecusolutions.com

Website
www.ecusolutions.com

Contact Information
Nancy Hogan
nancyh@ecusolutions.com
519.742.3500 x2243



Mortgages Made Easy!

FAST, FLEXIBLE & CONVENIENT

As spring approaches, many members consider the purchase of a new home, up or down sizing an existing home, or home renovations.

Whatever your plans, the Education Credit Union can make the process as easy and efficient as possible...most approvals are processed within 24 hours!

You'll find our mortgage program to be highly competitive with discounted mortgage rates for ALL members, flexible and convenient payment plans to suit your budget, and many options to help you own your home faster while greatly reducing your interest costs.

Please display the enclosed poster for your fellow peers.

Investment Shares

Our Series 10 Class B Investment Shares, which went on sale January 24, 2011, are now fully subscribed. We have obtained our goal of 1 million investment shares sold!

If you missed the opportunity to purchase Investment Shares, you may contact Barb Restagno at 519-742-3500 x 2232 or by email at barbr@ecusolutions.com who will add you to a waiting list. From time to time we will receive requests for redemption of existing shares, at which time they are then available for purchase.

We would like to thank the membership for their support in helping ECU to maintain regulatory capital requirements established by legislation.

Join us on April 7 - Dennis Daub Retirement



We invite you to join us in honouring Dennis Daub, CEO of the Education Credit Union, who is retiring after 31 years.

Everyone is welcome. We will be putting together a memory album, for Dennis. If you would like to share a memory, but are unable to drop by, please send a short message to sharif@ecusolutions.com, along with your full name and we will include it.

Please share the enclosed information with your co-workers.

March Quarterly

A copy of our March newsletter is enclosed. An electronic copy can be viewed through our website under the Quick Links bar > Forms & Publications.

Open House in Honour of
DENNIS DAUB
CEO, Education Credit Union

*who is
retiring
after
31 years.*

Thirty one years

APRIL 7, 2011
2 p.m. - 4 p.m.

*Education Credit Union
Education Centre
6-51 Ardel Avenue
Kitchener, Ontario
N2C 2S9*

31 YEARS

Light refreshments. Everyone is welcome!

For further information you can contact Lauren McCann at
519.742.3500 ext: 2223

FAST, FLEXIBLE & CONVENIENT

MORTGAGES

MADE EASY!

CAMBRIDGE — amy: 519.623.2211 direct line
117-73 water street north

KITCHENER — paul: 519.742.3500 ext 2245
6-51 ardelt avenue

WATERLOO — sharon: 519.772.3050 ext 2405
103-340 hagey boulevard



EDUCATION CREDIT UNION
www.ecusolutions.com



EDUCATION CREDIT UNION

March 2011

INSIDE

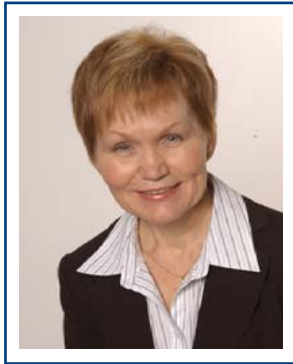
- Establishing and Nurturing a Healthy Relationship with Money
- New Parameters for Mortgage Loan Guarantee
- Lois James - Past/ Present/Future
- Family Cottage & Estate Planning
- Education Loans
- Farewell Andrea
- Open House for Dennis Daub



Quarterly

CANADA PENSION PLAN CHANGES

EVA ENGLEHUTT, CFP, INVESTMENT ADVISOR, CREDENTIAL SECURITIES INC.



The CPP is a public pension plan established in 1966 to provide working Canadians with income for retirement. The pension amount is based on the number of years a person has worked and contributed to the plan, as well

as on the salary they earned. The changes beginning in 2011 will be phased in over the next 6 years and generally will not affect current CPP recipients or those who take their benefits before the changes.

Changes relating to taking CPP later:

CPP can be deferred to age 70. Currently, an increase of 0.5% for each month will be given for each month past 65 that the CPP is delayed. The maximum increase by delaying to age 70 is 30%. Starting in 2011 (phased in over 3 years), that enhancement will gradually increase to 0.7%. Individuals who wait until 70 would see their benefit boosted by up to 42% compared to the current maximum of 30%.

Changes relating to taking CPP early:

CPP can be taken as early as age 60 with a reduction of 0.5% for each month prior to the month a person would have attained age 65. Starting in 2012 (5 year phase in), that reduction will gradually increase to 0.6%. Those who begin drawing benefits at age 60 see a reduction of 30%. Under the new plan, the reduction would amount to 36%.

Work Cessation Test:

The work cessation test will be eliminated starting in 2012 for those taking early CPP. Under the current rules, you have to quit work for at least two months or have earned less than the maximum benefit in each of those two months (\$960 for 2011) if you want to start collecting your CPP before age 65. Under the new rules, you can keep on working and collect your CPP before age 65.

Improved Pension Coverage:

Currently, those who receive a CPP pension and return to work do not contribute to CPP. Effective in 2012, someone under age 65 who works and collects CPP retirement benefits will be required to contribute. The employer will also be required to make matching contributions. This will result in increased CPP retirement benefits the following year. At age 65, the making of additional contributions would be voluntary. This change will allow working beneficiaries to continue to build their

CPP pension.

Increase in General Low Earnings Drop-Out:

Your maximum CPP benefit is based on how long you have worked and contributed to it. For a person starting CPP at age 65, approximately 7 years are dropped under the current rules. These drop-out provisions are intended to ensure that average career earnings are not affected by a certain number of years of unusually low earnings. Effective in 2012, you will be able to drop 7.5 years and in 2014 you will be able to drop your worst 8 years. This change will increase the basic retirement pension for virtually all contributors.

Like so much else in retirement planning, one size does not fit all when it comes to the role of government benefits in retirement income plans. How the changes to the CPP affect you will depend on your age, your work history and when you plan to retire.

The first place to start is to apply for a benefits statement from Service Canada at www.servicecanada.gc.ca. This will show your history of CPP contributions and give an estimate of your pension entitlement retirement dates. This is a good planning tool for anyone who is at or near retirement because it will tell you if you are entitled to the maximum benefit.

Credential Securities Inc. is a Member of the Canadian Investor Protection Fund.

ESTABLISHING AND NURTURING A HEALTHY RELATIONSHIP WITH MONEY

WRITTEN BY SHARON FELDMANN, MORTGAGE SERVICES REP

Growing up as one of 6 children on a farm provided me with a healthy relationship with money. My parents worked hard to provide us with a healthy, stable environment. We had our share of hand-me-downs and didn't have brand name attire, but we always wore good quality clothing and footwear. Each of us with an interest in music was provided with music lessons. We were involved in scouting or other community activities and all of us participated in 4H. We had lots to do.

Money was, in some ways, a taboo topic. We certainly didn't ask our parents about the finances. Mom might grumble occasionally in response to dad's campaign for a new tractor

THROUGH MY PARENTS' EXAMPLE AND OUR EXPERIENCES, WE LEARNED THE VALUE OF MONEY.

or some other piece of equipment, but we never heard about the struggles that prompted them to take on an additional job, running a local community centre for a number of years. We had our activities and we also worked on the farm. We logged our hours, and were fortunate to receive payment for those hours. We were taught how to 'make money' for ourselves. We were given a calf and the feed to raise it. Once the calf had grown, we could sell it for 'veal'. If we wanted, we could do it again, but the next time we paid for the calf and for the feed. I always enjoyed 'playing' with numbers and had no concerns running my bank account. Basic finances seemed to come to me intuitively.

Over the years that I've worked in the credit union industry, I have seen some wide extremes in relation to the way people

manage their finances.

I remember working with a man in his late 50's who wanted to invest rather large amounts in GICs. This unkempt man appeared much older than he was and he owned a home in a downtown neighborhood that was in a serious state of disrepair. He had just lost his job and was scrambling to find work. The principal value of what he had invested, with me alone, provided more income than his job had and he couldn't see that there was no need to worry. All he needed was something to occupy him.

In contrast, now working as a lender, I often see people who are in the complete opposite situation - people with good incomes, yet little or no savings and an ever-increasing amount of debt. Some people have been able to 'clean the slate', by tapping into the equity in their homes to consolidate debt. In most

cases we have been able to help, working in the best interest of our members. They can 'breathe' easier having relieved a great deal of stress, with a renewed sense that they can manage the household finances. For some, this has been the answer, and they can now move on. For others, this is just one of many consolidations.

There tends to be a pattern, whether saving or spending, that is very difficult to break and deeply rooted. Being able to manage finances is not just about making the payments manageable. It is about sorting through your needs, your wants and planning for tomorrow. It is about making decisions, sometimes tough decisions. There is, for many, a lack of 'financial literacy'. For those people, a little bit of education and practice goes a long way to getting them on track. For others, there is

that habit to break. I think the most important step is to know your weaknesses and your strengths. I often say "lay all your cards on the table" because I can't truly help you, and you can't help yourself, if you are not willing to be honest, a necessary step in order to tackle that 'deep-rooted' issue. If you find you have just 'never been good with money' we can help you by setting up segregated accounts so you know what you can spend each pay for groceries, clothing, entertainment etc. If you are impulsive, perhaps working with cash is the option for you. By allocating funds for specific purposes into envelopes, and operating with cash, you'll know exactly when you have reached your limit. For some, a credit card is not a good product. Yet, it seems that you need a credit card if you wish to travel or book tickets. In this case, you need to make it difficult to use that card. Perhaps put it into a safety deposit box or even in a block of ice in the freezer.

As with physical fitness, there are exercises that can be done to get you into shape financially. Try this. The next time you walk by something and impulsively 'need' to buy it, wait for 3 days. Keep track of your emotions and your response to not satisfying that urge. You may be surprised by what you learn. You may find you are quite happy without spending that money. Or perhaps you will still feel the need to make the purchase. By denying the impulse, you give yourself time to 'cool off' and make a choice based on how it will impact other needs or choices down the road.

We have many resources to help with the management of your money. You may benefit from the guidance of our staff, including our financial experts in the wealth management department. We will be very happy to provide you our budget booklets and other related materials. All you need to do is ask.

WE WANT YOUR MORTGAGE!

Our Mortgage Professionals will:

- Provide Mortgage pre-approval
- Provide prompt and efficient approval on new Mortgages (usually within 24 hours)
- Provide competitive discounted rates
- Transfer your Mortgage (no cost at maturity)
- Provide sound Mortgage advice

For an ECU Mortgage made easy, call:

Paul x 2245 Kitchener | Sharon x 2405 Waterloo

Amy 519.623.2211 Cambridge

NEW PARAMETERS FOR MORTGAGE LOAN GUARANTEE

On January 17, the Government of Canada announced new mortgage insurance parameters regarding the application of the government guarantee. Consistent with the parameters, Canada Mortgage and Housing Corporation (CMHC) will:

Effective March 18, 2011

- Limit the maximum amortization period to 30 years (previously 35 years) for a mortgage loan with a loan-to-value (LTV) ratio above 80%.
- Limit the loan to value ratio to 85% for the refinance of an owner-occupied residential property with 1 to 4 units.
- Additional parameters have been set however they do not pertain to services available through the Education Credit Union. If you have any questions, please contact your branch.

LOIS JAMES

A LOOK AT THE PAST/PRESENT/FUTURE



The year was 1974. The year of the Grand River flood and the year I started my credit union career with the Canadian General Tower (Galt) Credit Union, working from the basement of the manager's home on Dale Avenue.

In 1981 I became Manager and we relocated to Grand Avenue South for many years, and then to the current location on Water Street North, Cambridge.

During that time, the 'Tower' Credit Union served many families in the Cambridge area and merged with several local smaller credit unions from Sheldon's Engineering, Dominion Tack & Nail, Joy Manufacturing, Double B/Allen Bradley, and Babcock & Wilcox Canada. We were the largest closed bond employees' credit union in Cambridge.

I worked with many great members on the board of directors. In December 2009, the board directed 'Tower' Credit Union to merge with the Education Credit Union, in order to provide full financial service to our members. I continued to serve as Branch Manager of ECU Cambridge, knowing that ECU has, and will continue, to give you what you have always wanted, an alternative to banking!

I am very proud of my 36 year career with the credit union; 35 years with 'Tower' CU and 1 year with ECU, knowing that I was able to be a part of helping members with their financial needs and watching their families grow. I appreciate everyone's friendship and support.

Thank you to the long term, loyal staff members - **Cathie MacNeil** for 19 years and **Jill Olides** for 10 years. We were a great team and had a wonderful friendship. And thank you to the most recent staff of **Amy Usher**, **Alexis Simmons** and **Jennifer Restagno**.

In December 2010, I decided to 'Look to the Future' and I resigned from the Credit Union. I do not know where the road will lead for me and my husband Ken, but I am ready for a new challenge in life. Thanks for 36 great years!

EDUCATION LOANS

WHEN YOU DON'T QUALIFY FOR A GOVERNMENT STUDENT LOAN

An Education Credit Union Student Loan is ideal for post-secondary education costs such as tuition, living expenses, computer equipment and books. Whether you are attending post-secondary school or continuing your education through additional courses, the Education Credit Union can help you with your financing needs.

- Rate as low as prime (with family support)
- Funds can be withdrawn as needed so you don't pay unnecessary interest costs
- Interest-Only Payments (while in school) with flexible post-graduation payments
- Repay part or all of the outstanding balance whenever you want
- Expedient processing of your application
- Helps establish a credit history

Complimentary Services:

- Student chequing account (including online, mobile web & mobile banking)
- Student credit card
- Wide range of surcharge free automated banking machines
- Free online/telephone banking and bill payment
- Convenient electronic statement

For your tuition, living expenses, book & computer needs contact:

Gabrielle x 2406 Waterloo | Jill 519.623.2211 Cambridge | Gloria x 2249 Kitchener

TAX PREPARATION

AVAILABLE MARCH 7 TO APRIL 22

Why not have your income tax professionally prepared...conveniently, efficiently and at reasonable rates? **Alan Wintrip, Chartered Accountant** will operate a tax preparation service on-site at the Education Credit Union. Alan operates a full-time accounting practice in Kitchener.

It's easy and it's economical! Simply call the credit union office to receive your information package. Your return will be electronically filed and you will receive a complete copy of the tax return for your records. If you are expecting a refund, the funds can be electronically deposited to your account, normally within about two weeks!

Take full advantage of all the personal credits and minimize your tax. Rest assured, your return will be handled confidentially and professionally.

2011 Tax Preparation Rates (plus HST)

- \$58 base rate plus \$2.20 per slip
- \$37 base rate for child/student plus \$2.20 per slip (if processed with parents)



Contact your branch for a package to get you started.

SERIES 10 INVESTMENT SHARES NOW AVAILABLE

Exclusive, limited time offer for ECU members.

- Annual dividend of 1% above the 5 year term deposit rate*
- No fees
- RRSP, TFSA and Non-registered funds
- Minimum purchase of \$1,000 to a maximum of \$50,000
- Non-redeemable for 5 years

*Dividends are declared by the board of directors each year and are based upon the financial performance and regulations of the credit union. Dividends are not guaranteed. Investment Shares are not insured by the Deposit Insurance Corporation of Ontario. Obtain an offering statement from your branch for complete details.

OPEN HOUSE FOR DENNIS DAUB

JOIN OUR CELEBRATION ON APRIL 7



Dennis Daub, CEO of the Education Credit Union since 1979, will be officially retiring April 15, 2011. Over the past six months, although he has stepped aside in his management role with the appointment of **Melanie**

Mondoux in September 2010, he has remained in order to work toward fulfilling our goal to seek larger facilities for our Cambridge branch.

As many of you know, Dennis is a familiar face at the Education Centre branch, with his easy-going manner. He's never too busy to have a chat, quick hand-shake and a ready smile. He also makes it his habit to regularly frequent both the Waterloo and Cambridge offices to have a word or two with the staff and to greet members and business associates. Through his diligent efforts and the support of your Board of Directors, both the Kitchener and Waterloo branches offer full financial services, in a comfortable inviting atmosphere, through friendly, professional staff. It is his goal and 'swan-song' to see the same happen for the members of the Cambridge branch.

Dennis Daub is a true 'pioneer' in the Credit Union System. While other financial institutions scrambled to add tellers, extend hours and tackle the tremendous cost of manpower and services required to provide 'over-the-counter' cash, Dennis realized that the future would be geared toward 'payment' cards, Automated Teller Machines, and eventually debit cards. The Education Credit Union focused its resources on the expansion of technology to provide convenience, while at the same time, training staff to listen to members, to provide services best suited

to those needs and to go above and beyond by recommending cost-saving, value-added products. Dennis' vision has been ECU's strength and, by far, the reason we've thrived in a fiercely competitive market.

Every one of the staff and board has their own personal stories to tell concerning the credit union, how it has grown, and how truly committed and supportive we all are to its continuing success. All of us owe Dennis a debt of gratitude for his unending concern for the well-being of the organization, the shareholders, and the people who run it. He has certainly adhered to the principals of co-operative movement and enhanced the financial experience of members.

In celebration of Dennis and his achievements, we would like to invite you to an informal open house at the Education Centre branch:

**CELEBRATING
31 YEARS**

2pm - 4pm ON THURSDAY, APRIL 7

**Education Credit Union
Education Centre Branch
6-51 Ardel Avenue
Kitchener, ON**

LIGHT REFRESHMENTS WILL BE SERVED.

We will be putting together a "Memory Album" for Dennis. If you would like to include a message, but are unable to drop by on April 7 or before, please send an email to sharif@ecusolutions.com with a short message, including your full name, and we will include your 'memory' on a card for him.

FAREWELL ANDREA



Andrea Thistle has resigned from the credit union in order to move East with her family. Both Andrea and her husband Craig have secured new positions in their related fields in Nova Scotia.

Andrea began her career with the Education Credit Union in April of 1998 as a Member Services Representative. She then moved to the Financial Services Department where she assisted with account administration and reconciliation duties. Andrea joined the Wealth Management Team in March of 2006, first acting as Team Coordinator, and then accepting a role with Credential Asset Management as a Mutual Funds Investment Specialist in January of 2008. Throughout her career, Andrea persisted in expanding her knowledge through the successful completion of a number of courses and training programs. Andrea primarily conducted business through our TechTown Branch in Waterloo.

We will miss Andrea's energy and enthusiasm and wish her and her husband and her 2 children all the best in their new adventure. **Jo-Ann Spicer** will be taking over for Andrea and can be contacted at 519-742-9998 or by email at jspicer@credential.com.



CONTACT US

EDUCATION CENTRE

6-51 Ardel Avenue
Kitchener, Ontario, N2C 2S9
Tel: (519) 742-3500
Fax: (519) 742-6072

Hours

Monday to Friday: 9:30am to 5:30pm

ECU WEALTH MANAGEMENT

Credential Asset Management Inc.
Tel: (519) 742-9998

MemberDirect Telephone Access
(519) 651-0800 & (519) 745-1500
Toll-Free: 1-877-468-2864

TECHTOWN

340 Hagey Boulevard
Waterloo, Ontario, N2L 6R6
Tel: (519) 772-3050
Fax: (519) 772-1063

Hours

Monday to Friday: 9:30am to 5:30pm

Credential Securities Inc.
Tel: (519) 742-9370

Web Site/MemberDirect Online
www.ecusolutions.com

CAMBRIDGE

117-73 Water Street North
Cambridge, Ontario, N1R 7L6
Tel: (519) 623-2211
Fax: (519) 623-2051

Hours

Monday to Friday: 9:30am to 5:30pm

Credential Financial Strategies
Tel: (519) 742-9998

Editor: Shari Freiburger



EDUCATION CREDIT UNION