


Linn-Co Loans a Lot of Loot!

Lending is our passion. Credit unions began back in the 1800s with the mission of people pooling their money together to lend to each other in times of need. Many of you think of us first when it comes time to borrow money from your fellow members, but if you don't you should. Not

only will you find competitive rates, you'll get great service from local people and keep your money in our local Linn County economy. Give us a call next time you are in need of some cash.



*Our offices
will be closed Monday
September 1st
in recognition
of Labor Day.*

Lebanon Loan Consultants259.1235
Laura x310 Noah x309

Sweet Home Loan Consultant367.2230
Amy

Albany Loan Consultant967.7432
Roberta

Get Plugged-In to our Web Site

At www.linncofcu.org our members can:
Balance their checkbook • Pay their bills
Order more checks • Shop for a car
Link to a cool kid's site
Find out what's new and SO MUCH MORE!



Are Credit Unions Tax-Free?

Both banks and credit unions pay taxes. Banks pay taxes when they report income, and taxes are paid on dividends by stockholders outside the depositor base. Though credit unions pay many business taxes, there is no profit taxed as income if the money "stays inside" and benefits all the member/owners in the form of services and rates. Linn-Co Federal Credit Union is federally-chartered and pays payroll taxes and property taxes. Linn-Co members also pay taxes on cash benefits they receive from the credit union (such as dividends). Because of credit unions' not-for-profit structure, the only tax that is not paid is corporate income taxes.

Why do banks want to tax credit unions?

Bankers claim credit unions must be restricted in order to preserve a

level playing field. They claim that because of credit unions' corporate profit tax exemption, banks can't reasonably compete with them. Credit unions don't pay taxes on corporate profits because as not-for-profit cooperatives, they have no profits to tax. Their profits are returned to their members.

The exemption was established in 1937, affirmed by statute in 1951, and re-affirmed in 1998 in H.R. 1151, the Credit Union Membership Access Act, which states: "Credit unions, unlike many other participants in the financial services market, are exempt from Federal and most State taxes because credit unions are member-owned, democratically operated, not-for-profit organizations generally managed by volunteer boards of directors and because they have the specified mission of meeting the credit and savings

needs of consumers, especially persons of modest means."

What would happen if credit unions were taxed?

If credit unions paid income tax, the contribution to state and federal treasuries would make not one penny difference in the taxes you pay as an individual. But the effect such taxes would have on how much you pay for credit union loans, or the dividends you earn on credit union savings, would be significant.

All consumers benefit

All taxpayers, whether members or not, benefit from the presence of credit unions in the marketplace. Credit union competition helps keep bank and savings and loan prices lower. Fees are also kept in

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Art in the Park

The employees of Linn-Co Federal Credit Union will be participating in "Art in the Park" to be held Friday and Saturday, July 25th and 26th at River Park in Lebanon. We will be hosting the Kids Corral from 1-4pm on Friday where children can come and create a fun art project with they will take home with them.



The art show is sponsored by Lebanon Area Habitat for Humanity Organization. In addition, the fair will feature food booths from local organizations. Please join us!

Scholarship News

Congratulations to our 2003 Club Nebula Scholarship Winner—Kate Elliott from East Linn Christian Academy!!!! Kate is pursuing a degree in Interdisciplinary Literature and History from Northwest/Kirkland or Western Oregon University. Congratulations, Kate, we wish you much success! We received 28 excellent applications this year - thank you seniors for the outstanding job in preparing these packets! Your accomplishments and goals are inspiring!!!

4th Annual Star Gazing Extravaganza!

Join us this August for a BBQ and some star gazing (date to be determined). You could win your own telescope! Keep an eye out for your invitation in the mail. Or watch our web site - we will post the information there as soon as we know when the stars are going to be ripe for the watchin'!



NOTICE

Effective September 1st, 2003 the \$10 Stop Payment Fee for Share Draft accounts will also apply to any ACH (Automated Clearing House) Stop Payments.

Tax Free?

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check. Imagine how expensive other lenders would make credit cards, consumer and mortgage loan rates, if they didn't have to compete with credit union rates. Credit unions are not-for-profit, democratic, financial cooperatives

that serve members. As long as that's true, they're earning their tax status.

Our thanks to Sheryl Bayne OTCCU for sharing this article.



Insurance

If you have elected Member's Choice(tm) Credit Life or Credit Disability Insurance in connection with any balance outstanding on an open-end loan plan (or credit card plan), your insurance contains certain benefit exclusions, including a pre-existing condition exclusion, which apply to each advance. Benefits may not be payable for an advance if death occurs or your Total Disability begins within six months of the date of the advance and is caused by a pre-existing condition or suicide. If death occurs or disability commences during the first six months after the Date of Issue of the Certificate of Insurance, the pre-existing condition and suicide exclusions apply to the total amount of insurance. However, if death occurs or disability commences more than six months after the Date of Issue of the Certificate of Insurance, the Pre-existing and suicide exclusions apply only if and to the extent that the amount of insurance exceeds \$3,000. Refer to your Certificate of Insurance for details.

You may discontinue your Credit Insurance coverage by providing us with an advance written request.

**WAHOO!! YEAH!! COOL!!
FUN, FUN, FUN!! CAN'T
WAIT TO GO!!**

Linn-Co's summer Camp Scholarships helped 37 Kids go to camp this summer. Wow! That's a lot of Kids! We wish you all an awesome camp experience!



KIDS... Feelin' the Summer Heat!?!?

Linn-Co's got some Cold Hard Cash for you!



It's Easy -

- Go to our web page www.linncofcu.org
- Click Star Saver, then Googolplex
- Play a game, any game, or read an article.

Then simply write your name and phone number along with the name of your favorite game or article on a piece of paper and mail it or drop it off to any of our offices. We will enter you in our Googolplex Contest for a chance to win \$25.

Contest ends July 31st - drawing will be held at 4:00pm that day. Hope you win!

Dividend Rates

for April, May, June 2003

	Rate	APY
* Insurance Shares	.50%	.50%
* Share Savings	1.50%	1.51%
Money Market (Minimum balance for dividends \$1,000)	1.75%	1.76%
IRAs and Deferred Comp.	2.00%	2.02%
Star Savers and Christmas Club	1.50%	1.51%
* Minimum balance for dividends \$100		
Money Market account dividends are calculated and paid monthly. All other dividend accounts are paid quarterly. Dividends are based on credit union earnings and, therefore, cannot be stated in advance.		



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