

CONNECTOR

Cornerstone Credit Union | www.cornerstonecu.org | First Quarter 2014

Inside: ➤ 2 DebtDestroyer Returns! ➤ 3 Join the CU-Text Club ➤ 3 Giving Back ➤ 4 Don't Let Emotions Drive Investments

➤ A message from the President



Dear Member:

The effects of the 2008 financial crisis are still being felt in Northwest Illinois. Despite the upheaval of the financial industry itself, your Credit Union remained fortunate to have soundly grown total assets throughout the past five years to over \$103 million from \$80 million.

We believe growth happens when you our valued Member-Owners think we are doing most things right. We also believe that CCU is well-positioned for growth—because we planned it that way, with TOMORROW in mind.

Thanks to your participation 2013 accomplishments are:

- Unveiled a new website: We average 9,590 unique people a month who visit our site, with more than 31,000 log-ins.
- Introduced CU-Mobile: Over 600 members access their Credit Union accounts on the go, and the numbers keep growing. Download our Mobile App by searching Cornerstone CU from your smart phones/tablet Apps stores.
- Launched our Text Club giving members the opportunity to learn about specials and obtain up-to-the minute information about their Credit Union.
- Enhanced our online and mobile services with Popmoney® and Account to Account Transfer as part of CU-BillPay. It's your personal ACH system: a convenient way transfer funds from another financial institution to CCU or vice versa.

We continue to strive to make your Credit Union experience as easy and productive as possible, and our recent member survey indicated more than 80% of members would definitely or probably recommend their Credit Union to others. Half of the respondents indicated CCU is their primary financial institution, and we appreciate members taking advantage of all of the benefits of belonging.

Looking forward to 2014: Your feedback points to a need to expand face-to-face contact when you travel or if you live or work far from a CCU Service Center. We're excited to report Shared Branching will come your way in the 2nd Quarter, providing more than 5,000 locations nationwide you can visit to conduct Credit Union transactions.

Sincerely,

Gail Clore
Chief Executive Officer



CORNERSTONE
CREDIT UNION
ROCK SOLID SINCE 1939

Holiday closings

January 1 — New Year's Day

January 20 — Martin Luther King, Jr. Day

February 17 — Presidents' Day

Savings rates

Effective as of December 31, 2013

Share Savings, Life Savings
0.10% APY*

Holiday Club
0.10% APY*

**APY=Annual Percentage Yield*

How to reach us

Web: www.cornerstonecu.org

CU-Mobile Access Code: 59289

Mobile CCU App: Get at your App Store

Join CCU Text Club:
Type CORNER to 43704

Main Phone: 815.235.5855

Toll Free: 800.711.3277

EARS (audio response):
800.711.3277

Main Office:
550 W. Meadows Dr.
Freeport, IL 61032

► He's back! Debt Destroyer returns!

Who's mean and green and ready to jump in to help you consolidate your debt? It's the Masked Debt Destroyer, and he's back in the neighborhood for a limited time only. For that extra helping of credit you took on over the past year, let our super hero come to your rescue. He'll knock down those high interest rate credit card payments with a single loan.

Borrow up to \$15,000 at terms up to 42 months at rates as low as 7.49% APR.*

**APR = Annual Percentage Rate. Rate and terms subject to change and based on creditworthiness. Automatic payment required. Offer excludes all loans financed at Cornerstone CU. Payment example: Monthly payment on a \$7,000 loan with a 42-month term at 7.49% APR would be \$189.98.*



With automatic repayment, there are no worries about missing a due date. With our flexible repayment terms we can match the loan to your budget. But don't delay. Offer ends March 31, 2014.

► IRA withholding notice

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding.

You may change your withholding election at any time prior to your receipt of a payment. To change your withholding election, complete the appropriate form provided by your Credit Union.

Withholding from IRA payments, when combined with other withholding, MAY relieve you from payment of estimated income taxes. However, your withholding election does not affect the amount of income tax you pay. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient.

Wanted: Volunteers

Do you believe in the credit union philosophy of people-helping-people? Are you willing to volunteer your time and talents to guide the future of the credit union? Applications are accepted year round for service on the Board of Directors and/or Board Committees. For more information and a short-application, visit www.cornerstonecu.org. Return your application to CCU, c/o Nominating Committee, at 550 W. Meadows Dr., Freeport, IL 61032.

► Notice of restricted transactions

In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006 and other Federal regulations, this notification is to inform you restricted transactions are prohibited from being processed through your Credit Union account(s). Restricted transactions are transactions in which a person accepts credit, funds, instruments, or other proceeds from another person in connection with unlawful Internet gambling.

► Annual Meeting is March 15

Whether your calendar is paper-based or digital, mark the date and plan now to attend Cornerstone Credit Union's 74th Annual Meeting on Saturday, March 15th. Join us at 2 p.m. at the Freeport Service Center for the election of your Board, refreshments, mementos, special drawings and the presentation of a plaque as we enter our 75th year of service. Watch www.cornerstonecu.org for additional information.

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► E-Statements: A triple win

Did you know your Credit Union spends \$48,000 a year in postage to mail 8,200 account statements? This amount does not include the cost of paper, printing, and zip code sorting. Those are funds we can't use for higher rates on savings, lower rates on loans, or service improvements.

When you sign up for E-Statements and access your

account electronically, you'll be gentler on the credit union's budget — which translates to more member benefits for you — and kinder to the environment. It's win, win, win and easy to do. Visit www.cornerstonecu.org or stop by a Service Center to learn how.

► Join the CU-Text Club

Get instant notification of important news, promotions and events on your mobile phone — when you Join Cornerstone Credit Union's CU-Text Club. You'll be privy to exclusive offers and opportunities reserved just for you. Opt in from your mobile device by sending a message to 43704, then text the keyword CORNER. Join before January 31, 2014, and your name will be placed in a special drawing. Visit our website at www.cornerstonecu.org for full details.



► Attention high school seniors: apply now for Founders' Scholarship

Graduating high school seniors (and their parents), listen up! Applications for the Founders' Scholarship are now being accepted, but student applicants must personally have an active account with Cornerstone Credit Union, open no later than **January 30, 2014**. Application deadline is **February 28, 2014**.

Since the first scholarship award in 1999, \$83,000 in

scholarships funds have been presented to deserving students. Each year, two \$5,000 Founders' Scholarships are awarded. The funds are disbursed over four years. The program is designed to encourage and promote degree completion as well as reinforce the relationship between higher rewards and increased responsibility.

Apply online at www.cornerstonecu.org.

► 'Twas the season of giving — thank you!



Hats off to our many members who joined CCU staff to help brighten the faces and lighten the hearts of local area youngsters this holiday season. In cooperation with the Salvation Army, CCU once again placed an Angel Tree in the Freeport Service Center lobby. The tree was adorned with names of needy children with suggested gift ideas and clothing sizes. All gifts purchases were individual donations and were delivered to the recipient named on the tag in time for Christmas morning.

At the Sterling Service Center members and staff participated in a Toys for Tots collection. Many children woke up Christmas Day with a smile on their faces, thanks to the generosity of CCU members.



Don't let emotions drive your investment decisions

Content developed by CUNA Brokerage Services, provided by Bob Patin, a financial advisor, with MEMBERS® Financial Services at Cornerstone Credit Union.

Emotions play an important role in some of the most important decisions we make, such as the person we chose to marry, the friends we choose to spend time with, or the home we chose to buy. But when it comes to investing, emotions can do more damage than good. Here are three ways that emotions play a detrimental role in our investment decisions and what we can do about it:

Don't Follow the Herd

When stock prices start to fall, it isn't uncommon for some individuals to sell their stock mutual funds. However, what starts as a few people selling their investments can quickly turn into a panic, where everyone decides to sell. Why are they selling our investments? Because "everyone else is doing it." All of a sudden, people are making important investment decisions based on what other people are doing. It's called "herding" and it is one of the most common mistakes that people make when markets decline.

Avoid Extreme Thinking

When markets fall, people often start to think in extremes. Everything in the market begins to look black and white. Instead of asking questions about why the market is falling, they assume that all news is bad news and that stocks will continue to fall. There is no gray in the mind of someone thinking in extremes. It's difficult to break free from this kind of thinking. The result is that decisions are based less on facts and more on exaggerated interpretations of the facts. The challenge is to remember that the world of investing is rarely black and white. The facts can have many meanings and we need to think intelligently about how these facts affect us before we make any investment decisions.

Be Aware of Our Short-Term Bias

When it comes to investing, most of us have a short-term bias. Recent history has a disproportionate impact on our future expectations. All things being equal, recent memories

are given more weight than distant memories. That means that recent market gains lead to excitement and higher expectations. On the other hand, recent market losses lead to suspicion and caution. The challenge for investors is not to forget both the long-term history of the markets and their own long-term goals.

Stay True to Your Goals and Your Plan

When markets are volatile, it tends to bring out our emotional side. Most of these emotions lead us down paths that result in poor investment decisions. While it might seem easy to dismiss the role of our emotions during times like these, the power of emotions can quickly overshadow a more logical approach to investment decisions.

The key for investors is to stay focused on the long-term. Before we react emotionally to short-term market gyrations, we should ask ourselves some important questions. What is our long-term goal? Have our goals changed? Was our plan to reach our goals a sound plan? Are there any good reasons to abandon our plan? Once we have asked and answered these questions our decisions are more likely to be driven by logic not emotions.

Bob Patin is a Financial Advisor with MEMBERS® Financial Services located at Cornerstone CU. If you have any questions, or would like to provide feedback, regarding the information presented in this article, you may contact Bob Patin at 815-266-3200 or 800-711-3277, ext. 3200.



Representative is not a tax advisor or legal expert. For information regarding specific tax situations, please contact a tax professional. For legal advice, consult an attorney.

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