



Dollars & \$ENSE

What's happening in Our Community

March 2022



Credit Union Nation Where Members Have the Power

Once upon a time there were only big banks, where men and only men controlled all decisions, monopolizing the financial services industry while most average working people were left out in the cold. That was then, this is now.

Today there are almost 86,451 Credit Unions in 118 countries around the world serving 375 million members and controlling US \$3.2 trillion in assets.

Canada has the fifth number of Credit Union members in the world, 11 million including the caisses populaires in Quebec, following the US (125 million), India (91 million), the Philippines, (14 million), and Brazil, (12 million), countries with substantially larger

populations. In terms of the percentage of the population who have accounts, Credit Union membership in Canada stands at 42%, very close to the United States who have a 58% penetration threshold. In British Columbia total Credit Union penetration stands at almost 40%, with almost 2 million British Columbians having a Credit Union membership.

Although the first Credit Unions appeared in Germany in 1852, started by a man named Franz Hermann Schulze-Delitzsch, another German, F.W. Raiffeisen, is considered more important. He opened Germany's first rural Credit Union in 1864, leveraging

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2 Members Elected Via Acclamation

The two directors whose terms are expiring at the AGM in 2022 are: Elaine Layman and Ross Davis.

The official date for submitting nominations to the Ladysmith & District Credit Union closed on February 18, 2022. The Credit Union received a total of 2 incumbent nominations for the two vacancies, so the Nominating Committee, as outlined in Section 4.14 of the Credit Union Rules, declares both directors elected via acclamation. Please see their biographies below for their contributions to the Credit Union to date.

Elaine Layman

Elaine joined the Credit Union in 1992 when she and her family first moved to Ladysmith. Elaine is a Chartered Professional Accountant and owns and operates The Layman Group, a full-service accounting and investment company in Ladysmith. Elaine has been active in the Ladysmith community for many years; she has previous



Notice of 77th Annual Virtual General Meeting and Special Resolution

Tuesday May 10, 2022

Please refer to page 3 for the Special Resolution. For the full text of the Resolution, please visit www.ldcu.ca or pickup your copy at the branch.

DIRECTORS ELECTION

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experience serving on boards as she was the President of the Ladysmith Resource Centre and the Ladysmith Chamber of Commerce for several years. Elaine was appointed to the Credit Union Board in the fall of 2009 and currently serves as President of the Board. In addition, she serves on the Audit & Risk, Governance, Management and Credit committees. Elaine is a graduate of the Credit Union Director Achievement Program and is an Accredited Canadian Credit Union Director. Elaine has also attained the prestigious Institute of Corporate Directors designation (ICD.D).

Ross Davis



Ross was born and raised in Ladysmith, and has been associated with the Credit Union since the early 60's. Ross recently retired from the Crofton Division of Catalyst Paper after more than 37 years, most recently as the Manager of Millstores/Purchasing. His interests include travel and camping with family and friends. Ross has a Business Administration Certificate from UVIC and sits on the Town of Ladysmith's Liquid Waste Management Committee. Ross was appointed as a director in 2012, and is currently serving as the Vice-President of the Board. In addition, he is the Chairperson of the Audit & Risk Committee and also serves on the Governance, Management, Donation and Bursary Committees. Ross is a graduate of the Credit Union Director Achievement Program and is an Accredited Canadian Credit Union Director.

The LDCU
Board of Directors
have declared a
**3.5% DIVIDEND
FOR 2022!**



"I think we're named after computer passwords."

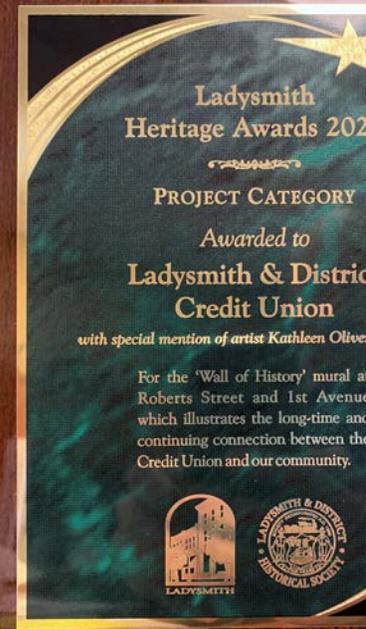
CREDIT UNION NATION from page 1

what he called social capital, the underpinning of contemporary Credit Unions. Banks were rare in rural areas so this was seen as a real innovation. Today, his namesake the Raiffeisenbank is Austria's largest banking group.

Quebec is home to North America's first Credit Unions, or Caisse Populaires. The Caisse Populaire de Lévis opened on January 23, 1901 with a ten cent deposit! Alphonse Desjardins, a parliamentary reporter, founded it because he was outraged when a Montrealer received a court order to pay nearly \$5,000 in interest on a moneylender's loan of \$150. English-speaking Canada and the U.S. followed Quebec's lead. BC's first Credit Union, Burnaby's Common Good Cooperative Association, opened its doors in 1936. This was a response to the powerlessness workers felt as they faced financial hardships during the Great Depression. Your own Ladysmith & District Credit Union was founded on May 19, 1944 as the sixteenth Credit Union in BC.

Running a financial institution on the principles of democracy may not seem like a radical idea today, but in the first half of the 20th century, when profit-motivated banks made it difficult for the average citizen to borrow or invest, it was revolutionary.

Since the 1930s, Canada's Credit Unions have led the banking industry in innovation: the first to offer payroll deduction service for deposits and loan payments; the first to let women take out loans in their own names; the first full-service ATM networks; the first fully functional internet banking; and many other firsts. That's all thanks to members, and the power of membership. So who can become a member of Ladysmith & District Credit Union? ANYONE CAN! Membership is open to anyone! Come and join the financial institution that has served the Ladysmith community for almost 78 years. The financial cooperative that supports so many local initiatives like: Light-Up Night, Ladysmith Days, high school bursaries, many local sports teams, and so much more. Have a voice in a democratically-run financial institution, don't be just a number. Call us at 250.245-2247 today!



Ladysmith & District
Historical Society
Awards LDCU
for the 'Wall of History'
at Roberts Street and
1st Avenue which illustrates
the long-time and continuing
connection between the
Credit Union and our community.

In 2021 the Ladysmith & District Credit Union commissioned artist Kathy Oliver Stroma to create a mural depicting 77 years of the Credit Union in the community. Celebrating aspects and achievements within the community with the Credit Union has been a priority. With its informative explanatory 'plaques', the mural is an attractive introduction to the history and community.

Visit <https://youtu.be/9tM7...>
to view the awards event.

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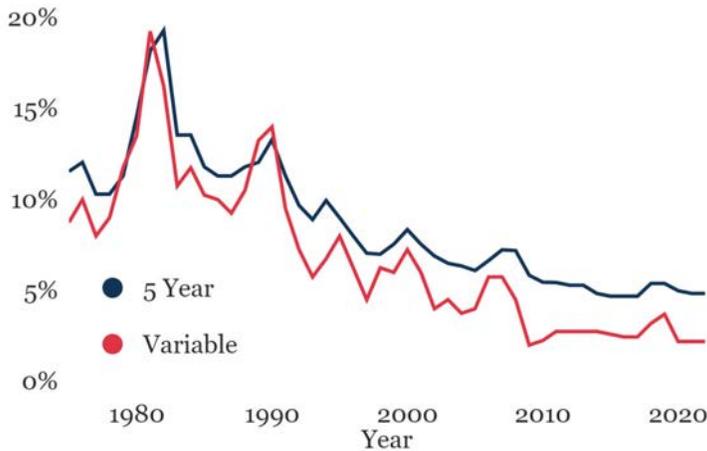


Variable vs Fixed, the Age-old Question

Has anyone choosing a variable rate mortgage over the last 30 years come out ahead of someone choosing a fixed rate mortgage? What is the actual historical comparison?

The late 70's show us that variable rates started out lower than fixed rates, (Figure 1). The difference amounted to approximately 2%, a figure that was consistent until 1980. With the average house price in Canada in 1980 at approximately \$60,000, a 2% difference in interest rate would have amounted to a very minimal \$59 per month. However, over the entire 25 year amortization, the interest savings would have been an astounding \$17,723! With annual household incomes averaging \$55,000 in 1980, this is not an insignificant number.

Variable Rate vs 5 Year Fixed Rate Mortgage (Figure 1)



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Back by popular demand.

All members who attend our AGM will receive a

\$75 Gift Certificate

to spend at local businesses.

Special Resolution to update LDCU's Rules

At Ladysmith & District Credit Union, our Rules set out important aspects of our business and governance consistent with legislative requirements. Our original Rules were first written in 1949 with several amendments over the ensuing decades before being fully repealed and re-written in 2008.

This year, at our AGM on May 10th, 2022, we are looking to update our Rules once again. As technology continues to evolve, the Credit Union system must keep pace. The main focus of our changes will be to update our Rules to allow for virtual meetings and electronic voting. The following represents formal notice of the Special Resolution that will be presented to the membership this year:

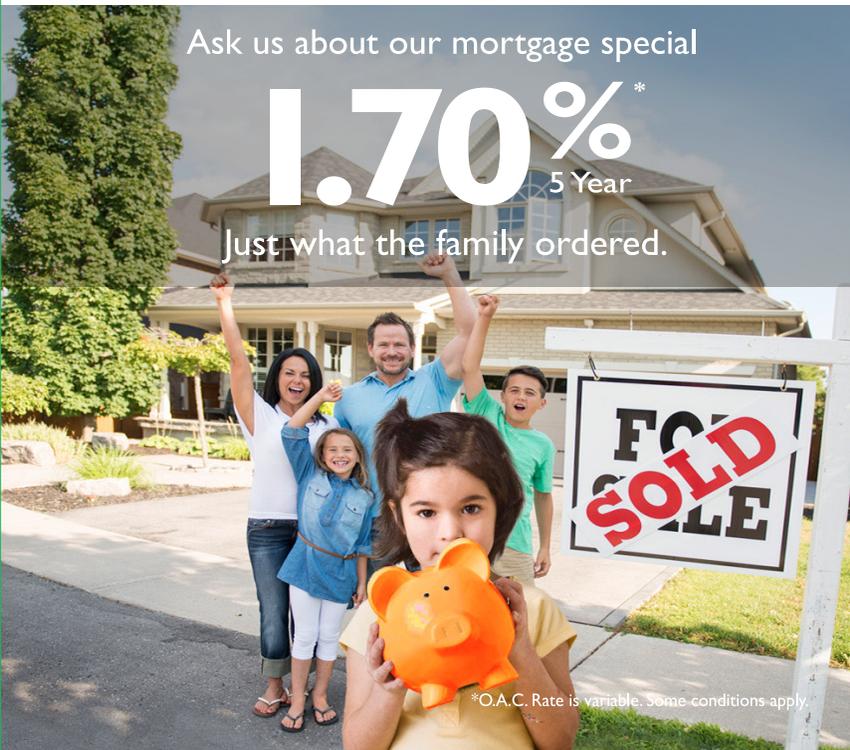
The Board of Directors of the Ladysmith & District Credit Union hereby give notice to the members of the Credit Union, in accordance with Rule 78, Section 1(a) of the Credit Union Incorporation Act, that the Directors intend to submit a Special Resolution for consideration and approval to the membership of the Credit Union at our Annual General Meeting to be held on May 10, 2022.

For a further view of the proposed amendments, and the current wording of the impacted Rules, please visit www.ldcu.ca/personal.

Ask us about our mortgage special

1.70%
5 Year*

Just what the family ordered.



*O.A.C. Rate is variable. Some conditions apply.

VARIABLE VS FIXED, THE AGE-OLD QUESTION

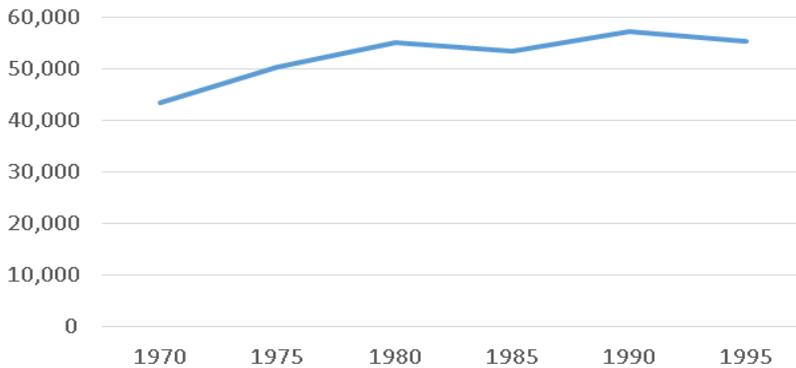
from page 3

Then interest rates skyrocketed in 1980. Variable rates were no exception to the increase and for a time, variable and fixed rates were even, (Figure 1). When rates fell from their highs of over 20%, variable and fixed rates mirrored each other as they declined. Then in 1982, variable rates continued to fall as fixed rates plateaued. By 1985, variable rates were approximately 1% lower than fixed. This difference maxed out in 1988 at 2%. In 1989, rates started to rise again, but for the first (and brief) time, variable rates topped out 0.50% higher than fixed, (Figure 1). With house prices nearing \$150,000, this resulted in a monthly payment that was \$40 higher for a variable rate mortgage. Over the full lifetime of the mortgage, (25 years), the higher interest cost would have been \$12,000.

Then in 1990, variable rates fell swiftly, dropping by more than 50%, bottoming out at 6%, more than 3% less than fixed rates, which only fell to a low of 9.50% by 1992, (Figure 1). By this time, the average house price had risen 150% to \$150,000. The difference in monthly mortgage payments between variable and fixed was now almost \$250. Over the full 25 year amortization of the mortgage, the total interest savings comparing variable to fixed would have been over \$74,000!

Surprisingly, household incomes had not increased appreciably, remaining at \$55,000, the same as in 1980. So the savings would have been even more noticeable.

Annual Household Income



Source: Prepared by the Centre for International Statistics

From 1992, variable rates never rose higher than fixed rates. Since 2010, variable rates have been averaging almost 3% less than a 5 year fixed rate. So the historical trends have shown that if you had taken out a variable rate mortgage in 1992 and paid it for 25 years, you would have saved significantly over 5 year fixed rate mortgages until it was paid out.

At the Ladysmith & District Credit Union, we have the knowledge and expertise to help you make the best decision for you and your unique situation. Our More Than a Mortgage™ product offers more flexibility, more payment options, and repayment parameters than any other mortgage product in the industry. Contact us for an appointment today!

GET smart

Call us for your insurance needs.

250-245-2268
lcuinsurance.ca

ICBC Appointed Agent

Exciting news; Qualifying ICBC customers that want to renew a policy starting after May 1 2022, can renew online NOW.

Select LCU Insurance Agencies Ltd as your trusted Broker. We will be included in your renewal process and will reach out with our expert advice and recommendations once you complete your renewal.

Visit www.icbc.com/renew to get started. For advice and assistance, call 250-245-2268 or visit www.lcuinsurance.ca

DID YOU KNOW...?



KAILEE ROBINSON

You can renew your BC Identification cards up to six months before expiry. To maintain a current piece of picture ID to present with your vaccine status, consider renewing early enough to allow for two separate visits to our office. Your current card needs to be surrendered to ICBC and new cards can take up to 30 days to arrive by mail.



ICBC Appointed Agent



driver
services

What would you do with MORE?

Visit www.ldcu.ca for details