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**CO-OPERATIVE HOUSING ASSOCIATION
OF EASTERN ONTARIO (CHASEO)
IN ASSOCIATION WITH
YOUR CREDIT UNION LTD.
PRESENTS**

CHIP



**...the
Banking
Program for
Housing
Co-operatives**

What is **CHIP**?

CHIP stands for “**Co-op Housing Investment Program**”. It is a banking program that enables members of CHASEO to earn a higher rate of interest and receive additional benefits on their current operating accounts, replacement reserve accounts or other banking accounts.

Does the co-op keep its own separate account?

Yes. Each co-op keeps its own separate account, and only the co-op receives and sees its own account statement. Interest is paid monthly into each co-op’s account based on the average daily balance.

Where is the co-op’s **CHIP** account held?

The co-op’s accounts are held at the Your Credit Union Ltd. CHASEO has an agreement with the credit union that guarantees the interest rate and other account services to be offered to participating housing co-ops.

What rate of interest is paid in a **CHIP** account?

The interest rate paid in CHIP accounts will be the current credit union’s Meritline rate less 3.5%. Meritline is the Credit Union’s home equity line of credit lending rate. A portion of interest is also paid to CHASEO.

What other services are offered with a **CHIP** account?

Other services offered under **CHIP** include:

- ✓ no credit union service charges
- ✓ telephone banking
- ✓ internet banking
- ✓ free annual bank verification for the co-op’s auditor

Additional **free** services with **CHIP** include:

- ✓ certified cheques
- ✓ utility payments
- ✓ stop payment orders
- ✓ mail deposits, and
- ✓ deposit bag system

Is the co-op’s money safe?

Yes. Each co-op’s deposit is insured as it would be in any other bank or credit union. In fact, credit union deposits are insured by the Deposit Insurance Corporation of Ontario up to \$100,000. By comparison, bank deposits are insured by the Canadian Deposit Insurance Corporation up to \$60,000 only.

Why does CHASEO get a portion of the interest?

It is the goal of the Association to generate revenues from its services rather than be totally dependent on member dues. Revenues from **CHIP** can be used to provide new and expanded services to CHASEO members, helping CHASEO to keep dues at the lowest possible level. The amount of interest that CHASEO receives (1% of interest earned) has been determined and approved by the CHASEO membership.

Which co-ops are eligible to participate in **CHIP**?

Any member of CHASEO is eligible to participate in **CHIP**.

Why was **CHIP** set up with a credit union instead of a bank?

Since a credit union is also a co-operative, this was an opportunity for CHASEO to put into practice the international co-operative principle: “**Co-operation among Co-operatives**”. Credit unions, like housing co-operatives, are member-controlled organizations responsive to the needs of their members. Credit unions also invest in their local communities. The housing co-op, being a member of the credit union, has a vote at the credit union’s members meetings.

For more information about **CHIP**...

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