

BANNER

ARKANSAS' LARGEST FINANCIAL COOPERATIVE

OCTOBER 1999

Member Drives Van Deal with Telephone Loan

Even though she was a little hesitant to use the credit union's automated Phone-A-Loan system, Ann Davis dialed the credit union's toll-free number and applied for her van loan one afternoon after work at Crowley's Ridge Technical Institute in Forrest City. "My inclination was to want to talk to someone so I could explain some things like the fact that we didn't have a trade-in. But it only took three minutes to apply using Phone-A-Loan, and Robin from the Telephone Branch called me back right away...on Saturday! That really surprised me! I didn't expect to hear from the credit union on Saturday."

"We wanted to buy the van during one of the credit union car sales, and using the pre-approved loan was no problem at all," Ann says with a smile, "It was all so easy and convenient. If Bobby and I want to take the family on a trip, now we have the van to make everyone more comfortable!"

Phone-A-Loan, the credit union's automated loan application service, is available 24-hours a day, 7 days a week. Just call 501-982-1000 or 800-456-3000 and press 6. It only takes three minutes to answer the Phone-A-Loan questions using the key pad on your touch-tone telephone.

So what are you waiting for? Phone-A-Loan is easy, and one of our professional Telephone Branch loan officers will call you back to visit with you personally about your loan. Use Phone-A-Loan to apply for your next credit union loan and like Ann Davis, you'll be pleasantly surprised! 📞



Ann and Bobby Davis

Watch for our next Car Sale Event:

The Battle of the Dealers

An End-of-Year Battle for your car-buying business.

Don't miss this one! December 2-4, 1999.

84-MONTH FINANCING

an Alternative to Leasing

Sticker shock is the number one reason leasing of automobiles has grown significantly in the last ten years. Payment-sensitive buyers are quick to respond to the appeal of leasing: affordable payments on expensive new automobiles. Dealers promote leasing because they have discovered its huge profit possibilities.

But at the end of the lease contract, the consumer doesn't own the car. About 80% of consumers are surprised with fine-print restrictions on mileage and damage that suddenly come to light at the end of the lease contract. And if the consumer wants to buy the lease vehicle, surprise again! After leasing for three years, consumers are faced with four more years of payments on a car that they have already driven for three years.

Wouldn't you rather make affordable payments on that same car and own the car the entire time you

are making payments? As an alternative to leasing, your credit union offers new car, truck, van and sport utility financing for 84 months at an 8.40% Annual Percentage Rate. You can enjoy a payment you can afford, no mileage limitations, damage clauses or lease termination charges.

The best part of all is that you will own your car and have a trade-in when the time comes to buy another one.

Apply now using Phone-A-Loan at 501-982-1000 or 800-456-3000, press 6 or apply using our Internet Branch at www.afcu.org. Sticker shock will soon be a thing of the past. 📞

GO TO OUR WEBSITE@ www.afcu.org TO APPLY FOR AN AUTO LOAN



From the desk of H. C. Klein, President/CEO

Have you seen the Year 2000 clocks counting down to what will be a grand New Year's celebration? At your credit union, we've been counting down to the Year 2000 (Y2K) since July of 1997. That's when our Year 2000 Task Force was formed and preparation began at Arkansas Federal Credit Union to make our transition into the Year 2000 as easy as possible.

Over the last two years, critical and non-critical equipment, service, and processes have been identified. Vendors providing this equipment and/or service have been contacted. Where needed, equipment has been replaced to be Y2K ready. We've met the challenge of Y2K audits by our regulator, the National Credit Union Administration, and scrutiny by an independent audit firm we hired to make sure we had thought of everything.

We've had a steady stream of information going to you, our members, on our Y2K compliance process. Information on our Y2K readiness has been included in previous newsletters, as statement inserts, and through open conversations between concerned members and our staff. Free Y2K seminars were conducted in March, May, July, September, and one more is planned for November 16, 1999. Through these open forums, members had their Y2K concerns answered by experts in the field of credit union finance, public services, and safety.

We're now less than three months away from January 1, 2000. I'd like to give you a preview of what to expect in the next quarter:

Y2K Seminar – Another free Y2K seminar is scheduled for November 16, 1999. If you haven't attended one of our seminars, please put this November date on your calendar.

Consumer's Guide to Y2K Awareness – This free pamphlet is sponsored by various consumer organizations – many of them from the credit union movement. It is a commonsense guide to preparing for interruptions in basic consumer services. Call or visit any branch to receive your free copy of this easy-to-read and understand pamphlet.

Equipment testing – The last few months have been spent testing each individual piece of equipment in the credit union for Y2K readiness. As each piece passes our thorough testing, we place a *Y2K Safe* sticker on the equipment.

Off-line testing – We will be periodically testing our branch off-line processing. We will do this to practice for the just-in-case scenarios should we lose computer service or electrical power. The dates we have identified for off-line testing are: Oct. 6, Nov. 10, Nov. 17, and Dec. 8, 1999. If you visit or call our branches on those specific test dates, we apologize, in advance, for any inconvenience caused by this testing.

Auxiliary power – A generator is in the process of being installed in Jacksonville at our headquarters office. If electrical power is lost, for any reason, the generator can be used as an auxiliary power source to keep our largest walk-in branch, the Air Force Base Branch, our Telephone Branch (responsible for mail, FAX, phone, and Internet transactions), and our administrative offices furnished with power.

Mid-month statement – In December, a special mid-month statement will be printed and mailed to all members at no charge (transaction histories usually have a \$5.00 charge per statement). We are offering this special mid-month statement service to keep you informed of your account balance(s). As a normal part of closing a day of credit union business, we use our computer to store your account information every night. But we know that this special statement will be a nice extra service.

Special Banner newsletter – Also in December, expect to see a special Y2K issue of the Banner in your mailbox. It will be filled with handy tips for ringing in the New Year confident of your personal financial affairs.

The safest place to keep your money – at any time of year – is in your credit union. Your funds on deposit with Arkansas Federal Credit Union are insured up to \$100,000 by the National Credit Union Administration, an agency of the federal government. We are working diligently to prepare for the Year 2000.

As always, your credit union is dedicated to serving your financial needs both now and in the future.

H.C. Klein, President/CEO

BOARD OF DIRECTORS

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Art Williams, *Vice Chairman*
Fred Van Driesum, *CFP, Secretary*
Robert Batton, *Treasurer*
Garold L. White, *Director*

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Leo Miller, *Member*

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Don Greene, *Member*
William Sprinkle, *Member*
Jay Simmons, *Member*
Kristy Vest, *CPA, CFSA, Internal Audit Director*

MANAGEMENT

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Bettyann Hawk, *Vice President/Administrative Support*
Lorraine Baisdon, *Marketing Director*
Scott Sims, *Information Systems Director*
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Don Whiddon, *Collection Manager*
Joan Davidson, *Account Research Manager*
Angela Heard, *Purchasing Manager*
Bill Williams, *Vice President/Branch Operations*
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Michael Moore, *North Little Rock Branch Manager*
Brenda Sharp, *Fort Smith Branch Manager*
Robin Raebel, *Telephone Branch Manager*
Donald Cypert, *Comptroller*
Karen Smith, *Electronic Funds Transfer Manager*
Helen Johnson, *Accounting Manager*

Mission Statement

Arkansas Federal Credit Union is a financial cooperative dedicated to being the primary financial institution for all members by providing quality services while maintaining a strong financial foundation.

"Nothing but praise"

for the AFCU Home Loan Program

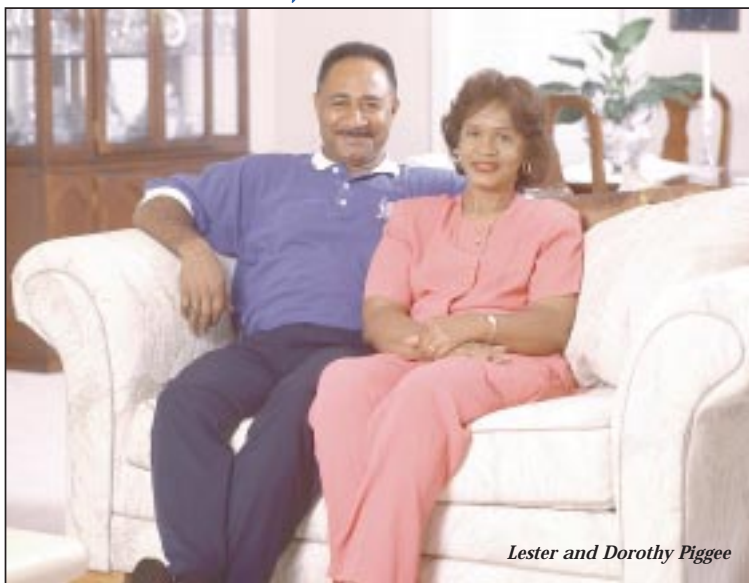
Lester Piggee and his wife, Dorothy, just moved in their new home, "We were looking for something larger...something Dorothy and I can enjoy now that the kids are grown up and out on their own."

Choosing the financial institution to handle the loan for their dream home was easy. Lester explains, "We liked the service we received on a previous home refinance with the credit union. Based on that previous experience, we knew we wanted to get our new home loan through the credit union."

"Our loan officer, Peggy Clark, pretty much guided us through the early part of the loan process. As we neared closing on the loan, Sharon and Debbie from the mortgage department finished things up. We really have nothing but praise for the program. We were kept advised through every phase of the loan process."

If you're in the market for a new home or to refinance your existing home mortgage, then your first call should be to the home loan experts at Arkansas Federal Credit Union. We'll arrange a loan appointment that is convenient for you, and get your loan closed quickly, usually within 30 days. Plus, our interest rates are very competitive.

Put your next mortgage loan in the hands of the people you trust...your credit union. Like Lester and Dorothy, you'll have nothing but "praise!"



Lester and Dorothy Piggee

Bond Money and Down Payment Assistance Available for First Time Homebuyers

Arkansas Federal Credit Union is participating with the Arkansas Development Finance Authority in a bond money program for first time homebuyers. The rate on the bond money is 6.850% as of September 17, 1999. There are some guidelines for qualifying for the bond money program. These loans are usually restricted to first time homebuyers. Homes must have a maximum sales price of \$80,000, and there are maximum income limits.

In collaboration with Consumer Credit Counseling Service (CCCS), a program of Family Service Agency, Arkansas Federal is offering a three-part homebuyers' education program. This series of free classes will be offered at the Jacksonville Community Center on Monday evenings, October 18, 25 and November 1, 1999 from 6:00 p.m. to 9:00 p.m.

The topics discussed in the class range from loan qualifications and budgeting for a home to working with a real estate agent and energy efficiency. Participants who successfully complete the series can apply for a loan for up to \$3,000 of down payment and closing cost assistance at a rate of 7.54% (quoted on September 17, 1999). These down payment loans are offered through the Arkansas Development Finance Authority in conjunction with the bond money program.

For more information on the qualifying requirements for the bond money program and the down payment loan program, call the credit union's mortgage department at 501-982-1000 for either Debbie Holman, ext. 157 or Patti Smith at extension 153. To register for the upcoming class series beginning in October, call the credit union's reservation extension number at 501-982-1000, ext. 222. Registration is available on a first-come, first-served basis; the class series is open to anyone interested in learning more about the homebuying process. 📞

Special Services Schedule

Initial membership	\$5.00	Traveler's cheques for 2 — \$100 @	\$1.75
Overdraft share transfer	\$2.00	American Express gift check	\$2.50
Excessive savings withdrawal		Transaction history since last statement	\$5.00
(account 1, 2 and 5-over 4/month)	\$5.00	Card replacement	\$5.00
ATM card with savings only	\$5.00	Rush card replacement	\$15.00
Non-sufficient funds	\$20.00	Account research — \$15.00/hour	
Stop payment request	\$15.00	with a minimum charge of	\$5.00
Lost/stolen credit card	\$15.00	Abused account closure	\$25.00
Document copy	\$5.00	Open/close membership	
Statement copy	\$5.00	(within 90 days)	\$15.00
Temporary checks	\$2.00	Federal Express delivery	\$15.00
Check printing	\$9.55	Collection item — Incoming	\$5.00
(and up depending on style ordered)		Outgoing (plus direct expenses)	\$5.00
Internet Branch		Levy/garnishment request	\$25.00
Account Access (one time)	\$5.00	Loan over limit	\$15.00
Bill Payment (one time)	\$5.00	Loan late payment — over 7	
Bill Payment (monthly)	\$4.95	days late 20% of interest due	
(with an AFCU VISA...FREE)		with a minimum charge of	\$15.00
ATM network transaction	\$1.00	Safe deposit box rental	
Member deposit item returned/NSF	\$15.00	3x5x24	\$15.00
Inactive account 1 yr (per qtr)	\$5.00	3x10x24	\$25.00
Missing address (per qtr)	\$5.00	5x10x24	\$35.00
Credit Card Debt Liquidation Report	\$10.00	10x10x24	\$70.00
Cashier's check	\$3.00	Wire rate (outgoing)	\$12.00
Money order	\$1.00	Overseas	\$30.00
Traveler's cheques — \$100 @	\$1.00	Wire rate (incoming)	\$5.00

New ATM Cards to be Reissued by Mail

Members who use Automatic Teller Cards (ATM cards) to access their credit union account(s) will be issued new cards through a free mass reissue mailing in October of 1999. "We're taking advantage of the latest and greatest technology," explains Scott Sims, Arkansas Federal's Information Systems Director, "The new cards can be re-PINned in our new encoding machines. And the magnetic strips on the back of the cards are Year 2000 compliant."

"Every member with an active ATM card will be part of the reissue," says Scott. "The cards and the new Personal Identification Numbers will be mailed separately - about 3-4 days apart - for security purposes." 📧

LOCATIONS

- Air Force Base Branch**
2424 Marshall Road, Jacksonville
- Little Rock Branch**
1001 West Capitol Avenue
- West Little Rock Branch**
301 N. Shackelford Road (at Markham)
- North Little Rock Branch**
4848 North Hills Boulevard
- Camp Robinson Branch**
Bldg. 5400, Camp Robinson Canteen*
- Fort Smith Branch**
1301-C South Waldron Road
- Telephone Branch**
P.O. Box 9, Jacksonville, AR 72078-0009
- Shoppette ATM Facility**
Building 1996, Arnold Dr. & 2nd St.
Little Rock Air Force Base
- Base Exchange ATM Facility**
Building 940, Arnold Drive
Little Rock Air Force Base
- Donaghey Building South ATM Facility**
7th & Main, First Floor
Little Rock
- State Capitol ATM Facility**
First Floor Lobby
Little Rock

BRANCH HOURS

Mon.-Thurs. 9 a.m.-5 p.m.
Fri. 9 a.m.-6 p.m.
*Closed from 1:00-2:00 p.m.

TELEPHONE BRANCH

Main Number: 501-982-1000
Fort Smith Members: 501-782-1000
Toll-Free Services: 800-456-3000
FAX Number: 501-982-FAXX
TDD Number: 501-982-8732

24-HOUR TOUCH TONE TELLER

501-982-AFCU (2328) or
toll-free 800-982-AFCU (2328)

INTERNET BRANCH

www.afcu.org


E-MAIL
info@afcu.org

To locate the ATM closest to you, call any of the following ATM network locator numbers:

 800-662-AFFN		 800-237-ATMS
 800-4-CIRRUS	 800-CASH NOW	 800-52-MPACT

(501)982-1000 EXTENSION NUMBERS



- Telephone BranchExt. 582#
 - Account Research Department
Account question/
problemsExt. 583#
 - Collection Department
Past-due loans/
repossessions for saleExt. 141#
 - MEMBERS Financial Services Center ..Ext. 114#
 - AnswerLinePress 5
 - Phone-A-LoanPress 6
- NOTE: Should you not make a selection, your call will be answered by a Telephone Service Representative.*



Arkansas Federal
CREDIT UNION
Arkansas' Largest Financial Cooperative

The Banner is the official quarterly publication of Arkansas Federal Credit Union. Comments and suggestions should be addressed to:

Marketing Department
Arkansas Federal Credit Union
P.O. Box 9
Jacksonville, AR 72078-0009

Account Access is

"...a Money Machine in My Office"

For Randy Sain, using the Internet Branch and Account Access is a necessity. "Using my office computer," Randy explains, "I can manage my accounts at the credit union by actually seeing and manipulating them on my computer using the Internet. All of the detail such as checks clearing, my pay check deposit, account transfers, and ATM transactions help me keep my checkbook current and my money under my control. It's like having a money machine in my office. The only way you could improve on it is to have it dispense twenty dollar bills right from my computer monitor!"



Randy Sain

Randy is right. Account Access is a powerful tool for consumers to use in this information age. It allows you to get up-to-the-minute balance information on your credit union savings, investment, and loan accounts. Also, you can view your account history for deposits, dividends, withdrawals, and transfers. You can also make transfers between your credit union savings, checking, and loan accounts. Or you can print statements on any or all of your accounts anytime you want.

The cost to sign up for Account Access is minimal: just a one time \$5.00 sign-up fee that is charged to your Share Savings Account.

To sign up for Account Access, there's no need to contact the credit union; you can sign up right on the Web. First, visit the credit union's Web site at www.afcu.org and click on the Account Access link. You'll need your member number and the Access Code (secret, four-digit number) you use with the Touch Tone Teller. Once signed up for Account Access, your account information will be accessible from anywhere in the world.

"For members like me who value their time," concludes Randy, "Account Access is a convenience necessity."

Nominating Committee Seeking Members for '99 Board of Directors Election

The Nominating Committee is seeking members interested in volunteering their time on the credit union's Board of Directors.

If you feel that your educational and occupational background would serve well on the Board of Directors, you can obtain a Volunteer Application from the Telephone Branch by calling 501-982-1000 or 800-456-3000 or at any AFCU branch office.

Volunteer applications received by Friday, November 19, 1999 will be considered by the Nominating Committee for the 2000 election.

RATE WATCH

5.65%	
Share Savings	2.50%
I.R.A. Savings	3.00%
Special Savings	2.25%
Money Market	3.51%
91-day Certificate/IRA	4.50%
Jumbo 91-day Certificate/IRA	4.75%
182-day Certificate/IRA	5.10%
Jumbo 182-day Certificate/IRA	5.35%
1-year Certificate/IRA	5.40%
2-year Certificate/IRA	5.65%
5.90%	
New Car/Truck/Van	
24 months or less	5.90%
25-36 months	6.40%
37-48 months	6.90%
49-60 months	7.40%
61-72 months	7.90%
73-84 months	8.40%
Used Car/Truck/Van	
(Current & 1 yr. old models)	
24 months or less	5.90%
25-36 months	6.40%
37-48 months	6.90%
49-60 months	7.40%
61-72 months	7.90%
Used Car/Truck/Van	
(2, 3, 4 and 5-year old models)	
E-Z Home Equity	7.40%
Generous Home Equity	7.90%
	or 8.90%
Conventional Home Equity	6.90%
	7.90%
	or 8.90%
11.90%	
Visa Credit Card	11.90%
New/Used motorcycle,	
boat and RV	7.40%
Share Pledged (savings)	6.00%
Personal Signature	13.90%
1st Mortgage (VA 30-year)	8.196%
7.875% + 0% discount + 1% org. fee	
Based on \$100,000 loan + 2.00% funding fee financed	

Rates effective as of printing. Savings rates are declared for the previous quarter, and dividends paid quarterly. Money Market and Certificate Account dividends paid monthly. Rates subject to change without notice. Contact a Credit Union representative for information on applicable fees and terms. All savings rates APY. All loan rates APR. Property for mortgage loans must be located in the state of Arkansas. FHA & Conventional mortgage loans also available.

ONLY THE NAME HAS CHANGED

A Message from the MEMBERS Financial Services Program



Beginning October 1, 1999, the PLAN AMERICA Program name will be changing to MEMBERS Financial Services. This program is a personal financial management service designed specifically for credit union members. The program offers a wide variety of investment, insurance, and related services to credit union members.

The new name clarifies the program and its purpose. "We're completely focused on the members and are here to help them achieve their personal financial goals," states MEMBERS Financial Service Representative Mike VanBokhoven.

For more information on the program or the name change, call Mike VanBokhoven at (501) 982-1000 ext. 114.

The MEMBERS Financial Services Program is a service of CUNA Brokerage Services, Inc., 5910 Mineral Point Road, Madison, WI 53705, Member NASD, SIPC. MEMBERS Financial Services Representatives are also licensed insurance representatives of CUNA Mutual Life Insurance Company. The products offered through the MEMBERS Financial Services Program: 1) are not insured by NCUA or any agency in your state or the federal government; 2) are not deposits; 3) are not obligations of the credit union; 4) are not guaranteed by the credit union or any affiliated entity; and 5) involve investment risks, including the possible loss of principal.