



Banner

Second Quarter

Arkansas' Largest Financial Cooperative

April 1999

Lower the Rate or **%**
WAIVE THE APPLICATION FEE*

Put Your Home's Equity To Work For You With AFCU's

SPECIAL OFFER
Ends
June 30, 1999

Consumer's Choice Home Equity Loan

Arkansas Federal's Consumer's Choice Home Equity Loan provides a hassle-free and affordable way for every home owner to unlock the cash in their home.

Members can use the extra cash to consolidate debt, make home improvements, finance a college education or take a dream vacation.

Right now, members get to choose even greater savings...either lower the interest rate one percent...or waive the application fee. You make the choice. You get the savings. This offer applies to new loans only.

At Arkansas Federal, We Let You Choose!

Our Consumer's Choice Home Equity Loan delivers exactly what you need by offering three types of home equity loans, and the interest you pay may be tax deductible.

(Consult your tax advisor.) This offer applies to new loans only.

You Choose!

Lower these rates 1% or waive the application fee

	E-Z Home Equity Loan	Generous Home Equity Loan	Conventional Home Equity Loan
Loan Amount up to	\$25,000	\$50,000	\$150,000
Loan to Value	100%	90%	80%
Terms up to	5 years	5 or 10 years	5, 9, or 12 years
Fixed Interest Rates	9.9%	8.9% or 9.9%	7.9%, 8.9% or 9.9%
Application Fee	\$149	\$299	\$299

*Offer is for new loans only and expires June 30, 1999.

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Arkansas Federal Offers Four Easy Ways to Apply

Phone-A-Loan

Apply for your home equity loan 24 hours a day, seven days a week with one simple phone call. Just pick up the phone and dial 1-800-456-3000 and press 6. Local members should call 982-1000, press 6.

Internet Branch

Apply from the convenience of your home or office computer via the web at our Internet Branch at www.afcu.org. Click on forms and applications and you're on your way.

Telephone Branch

Talk to a friendly loan officer at our Telephone Branch during regular business hours.

Schedule an Appointment

Members can make a loan appointment at any one of our branches. Our loan officers are always here to serve you, so pick up the phone and schedule your appointment today.

With a Arkansas Federal's Consumer's Choice Home Equity Loan, there are NO Closing Costs, NO Points and NO Appraisal Fee.

President's Message

H. C. Klein, President/CEO



Thanks To Your Hard Work, Credit Unions Are Once Again Available to Working Americans

It is with great pleasure and pride I announce to you that credit unions are finally back to the business of spreading the credit union message among governmental and private employers. More importantly, Arkansas Federal is back to business as usual.

Over two years ago, all federal credit unions were prohibited from taking in any new membership groups due to a court injunction stemming from a lawsuit against our federal regulator filed by the banking community. Millions of Americans were denied membership in credit unions due to the greed of bankers. With no relief from the courts system, our focus turned to our legislators in Washington for relief from the bankers' profit-driven lawsuit.

Successful lobbying by you and the members of 11,000 credit unions brought about federal legislation that was the solution to the problem of the banking industry's injunction. The Credit Union Membership Access Act was signed into law by President Clinton on August 7, 1998.

During the last four months of 1998, the regulator of credit unions, the National Credit Union Administration, wrote new regulatory guidelines for membership group expansion. Those guidelines were effective January 1, 1999 and are now being used to approve new membership groups for federal credit unions like ours.

Working under these new regulations, we are able to welcome five new groups in Arkansas Federal's field of membership: Winburn Tile Manufacturing Company of Little Rock; Francis A. Allen School for Exceptional Children of Little Rock; Arkansas National Guard Morale, Welfare, and Recreation Fund, Inc. of North Little Rock; U. S. Department of Health & Human Services, Office of Inspector General of Little Rock; and the City of Ozark.

It is through the hard work and support of members like you that we can share the benefits of credit union membership with these new groups. Thank you for your dedication to your credit union and your support in the legislation that will allow others to also receive the benefits of credit union membership just like you do.

If you or a member of your family work for a company with at least 50 but no more than 3,000 employees and have no credit union, call our Arkansas Federal Marketing Department at 982-1000, ext. 254 for information on how your fellow employees can begin enjoying credit union benefits. 🇺🇸

H.C. Klein

Credit Unions Try to Stop Bank ATM Surcharging

A bill sponsored by Arkansas credit unions that would have barred banks from double-charging (surcharging) consumers on ATM transactions was withdrawn due to a lack of support among members of the House Insurance and Commerce Committee.

"Through House Bill 2088," explains H.C. Klein, President/CEO of Arkansas Federal Credit Union, "we tried to eliminate surcharges levied by banks on non-customers who use their ATM's but the banking lobby was successful in lobbying the committee members. We'll try again in the next session to push through this type of consumer friendly legislation. 🇺🇸"

BOARD OF DIRECTORS

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

CREDIT APPEALS BOARD

Dale Duell, *Chairman*
Pat Hudon, *Member*
Pamela Potter, *Member*

SUPERVISORY COMMITTEE

Jerry Spratt, CPA, CFE, CGFM, CFSA, *Chairman*
Rob Rodgers, CPA, *Secretary*
Don Greene, *Member*
William F. Sprinkle, *Member*
Jay Simmons, *Member*
Kristy Vest, CPA, CFSA, *Internal Audit Director*

MANAGEMENT

H.C. Klein, *President/CEO*
Janie Warner, *Human Resources Director*
Bettyann Hawk, *Vice President/Administrative Support*
Lorraine Baisdon, *Marketing Director*
Scott Sims, *Information Systems Director*
Carol St. John, *Mortgage Manager*
Don Whiddon, *Collection Manager*
Joan Davidson, *Account Research Manager*
Sam Wilson, *Purchasing Manager*
Bill Williams, *Vice President/Branch Operations*
Terry Vick, *Air Force Base Branch Manager*
Michele Mosley, *Little Rock Branch Manager*
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*
George Snyder, CPA, *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.

1998 Annual Report *Now Available*

To request a copy of the 1998 Annual Report, call the Telephone Branch at either 982-1000 or 800-456-3000. Or you can visit any AFCU branch office to pick up a free copy.



First Year 2000 (Y2K) Seminar is a Success



The first of five free Year 2000 (Y2K) seminars was held on March 18, 1999 at the Jacksonville Community Center. With a slate of seven speakers representing key community services in the areas of hospital, water, electricity, financial, personal preparedness, and telephone, the March seminar was attended by 130 members who had lots of questions for the speaker panel.

Dates for future Y2K seminars in 1999 include: May 6, July 15, September 14, and November 16. Members are encouraged to attend one of these free seminars to get answers to their common sense questions regarding Y2K. 🇺🇸

Robert McClanahan, Manager for Technical Information Systems with the Arkansas Electric Cooperative Corporation (AECC) and member of the AECC Y2K Task Force, discusses his company's Y2K preparedness at the March 18, 1999 Y2K seminar sponsored by the credit union

RATE WATCH

4.90%

Share Savings	2.75%
I.R.A. Savings	3.25%
Special Savings	2.50%
Money Market	3.55%
91-day Certificate/IRA	4.40%
Jumbo 91-day Certificate/IRA	4.65%
182-day Certificate/IRA	4.65%
Jumbo 182-day Certificate/IRA	4.90%
1-year Certificate/IRA	4.80%
2-year Certificate/IRA	4.90%

5.90%

New Car/Truck/Van	
Up to 24 months	5.90%
36 months	6.40%
48 months	6.90%
60 months	7.40%
72 months	7.90%
Used Car/Truck/Van	
(Current & 1 yr. old models)	
Up to 24 months	5.90%
36 months	6.40%
48 months	6.90%
60 months	7.40%
Used Car/Truck/Van	
(2, 3, 4 and 5-year old models)	7.40%
E-Z Home Equity	9.90%
Generous Home Equity	8.90%
	or 9.90%
Conventional Home Equity	7.90%
	8.90%
	or 9.90%

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)	7.304%
7.00% + 0% discount + 1% org. fee	
Based on \$100,000 loan + 2.00% funding fee financed	

Ordering Checks from Your Easy Chair

The most convenient way to re-order checks for your credit union checking account is via telephone using the Touch Tone Teller. Just call the Touch Tone Teller from your easy chair, service code 65, and she will easily take you through the steps for re-ordering checks. No more licking stamps or making a special trip to the credit union to drop off a re-order form. Just pick up the phone and relax! 🇺🇸

Special Services Schedule

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

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 employee 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.

SPOTLIGHT

New Manager in the Telephone Branch



Robin Raebel
Telephone Branch
Manager

Robin Raebel has been named Telephone Branch Manager for Arkansas Federal Credit Union. Robin brings seventeen years of credit union experience to her new position. Previously, she was a branch manager with Arizona State Savings and Credit Union in Phoenix, Arizona. While attending Phoenix College and Mesa Community College, Robin studied credit union management. She received her financial counseling certification from the Arizona Credit Union League and has certification in the Credit Union National Association's (CUNA's) MERIT program. She also has certification in the Business Development Sales Training Program also offered by CUNA.

Robin heads up the credit union's 17 member Telephone Branch. AFCU's largest branch, the Telephone Branch, is a full service branch that serves members who conduct business via the telephone, Internet, mail and FAX. Another responsibility of this branch is to answer any incoming calls by members to the credit union. There is no one credit union operator. Instead, members' calls are answered by any of the telephone service representatives. All have been trained in credit union products and services and can answer nearly all member questions.

"I am excited about my new position with Arkansas Federal," says Robin. "The Telephone Branch handles the majority of loan requests by members. With five highly-trained loan professionals, we can give members a response to their loan requests within four business hours of leaving an application with a representative or on Phone-A-Loan, our 24-hour automated loan service."

The Telephone Branch is also responsible for the Telecommunications Device for the Deaf (TDD). Hearing impaired members with the same type of TDD equipment can converse with a telephone service representative and get answers to their credit union questions using their device and the telephone. 🇺🇸

Members Elected to the Board of Directors

At the 43rd Annual Membership Meeting of Arkansas Federal Credit Union held March 25, 1999, two members were elected to fill three-year terms on the credit union's Board of Directors. Those members are: Fred Van Driesum and Robert Batton. 🇺🇸

National Car Sales One-Day Sale Coming In May

Your credit union is teaming up with National Car Sales of North Little Rock for a special car sale on Saturday, May 15, 1999. Over 100 cars, trucks, vans, and sport utilities will be parked at the credit union's headquarters in Jacksonville for this special sale event. So mark your calendar and watch your mailbox for more information on this spring sale. 🇺🇸

Planning to Purchase A Home in 1999?

If you are one of the millions of Americans planning to purchase a home this year, you should know about a financing source that will work for you. Your credit union has a mortgage loan to fit your personal financial needs. Whether it's an FHA, VA, or 30-year conventional home loan, your credit union has a home mortgage loan to fit your individual needs.

Your credit union is also participating in the Arkansas Development Finance Authority (ADFA) bond money program. Find out more about this bond money program and buying your first home at a free Homebuyer's Seminar sponsored by Arkansas Federal Credit Union on April 8, 15, and 22, 1999 at the Jacksonville Community Center.

The mortgage application process is easy and speedy.

The typical application is approved and the loan is closed in 30 days or less! Just call the Telephone Branch during business hours, 982-1000 or 800-456-3000 and press 582. The branch will either handle your loan needs via mail or schedule an appointment for you with a loan officer at one of our convenient branches. 🇺🇸



AFCU Financing Versus Dealer Discount Financing - The Real Story

Automobile manufacturers, in an effort to lure potential buyers to their dealership lots, are offering what looks like some very attractive financing deals. Promises of 2.9%, 4.9% or even 0.9% Annual Percentage Rate financing really stand out in their advertising.

But is this discount financing really better than financing at your credit union? The only way you can know for sure is to compare dollar for dollar the discount financing versus credit union financing.

In almost all discount financing specials offered by dealerships, the car buyer must give up a rebate in lieu of the discount financing. This means that without the rebate, you are financing a higher priced car and paying more in sales tax.

In the example detailed to the right, you save \$2.04 a month on your payment and a total of \$121.61 on the principal and interest by choosing credit union financing over dealer discount financing. As a credit union member, you can opt to have your loan payments made effortlessly by payroll deduction. Your loan needs will be handled by the people

you know and trust - your friends at Arkansas Federal Credit Union.

If you are thinking about purchasing a new or used car, truck or van, obtain your financing at your credit union before you go car shopping. To apply for a pre-approved auto loan, call Phone-A-Loan at 982-1000 or 800-456-3000, press 6. Or call the Telephone Branch at the same phone numbers, extension 582, to apply for your auto loan or to make a loan appointment at one of our convenient branch locations. 🇺🇸

	Dealer Financing	Credit Union Financing
Vehicle price	\$13,500.00	\$13,500.00
Rebate	0	\$1,500.00
Amount financed	\$13,500.00	\$12,000.00
Term (months)	60	60
Interest rate	2.90%	7.40%
Monthly payment	\$242.02	\$239.98
Total principal and interest	\$14,520.00	\$14,398.39
Savings	-0-	\$121.61

The Difference between Credit Unions and Banks

Credit unions are not-for-profit cooperatives owned by the people who use the financial institution for saving and loan purposes. Unlike banks, which are for-profit financial institutions, credit unions provide the means for people to help themselves to a better standard of living. They exist solely to serve their member/owners and are an essential alternative to for-profit banks.

Another distinct difference between credit unions and banks is that the board of directors for a credit union are members who are elected by the membership to a board position. Credit union board members are

volunteers. They receive no compensation for serving the members they represent. They make decisions based on what is good for the membership at large because they are members themselves. At a bank, the board is made up of individuals who profit from the bank when it performs well financially. Their decisions are made based on what is good for profits.

Where would you prefer to do your personal financial business? At a cooperative that looks out for your best interest or a bank that looks out for the interests of its owner and well-paid board? The choice is clear. Bank at your credit union. 🇺🇸



Financial cooperatives exist to serve the individuals that come together to save and borrow money

Plan America®

Where and How Should You Invest?

A message from the PLAN AMERICA® Representative

Making the right investment choices can be confusing. You may want to consider the PLAN AMERICA® Program, a financial management service for credit union members, to help you set investment goals and make the best choices to satisfy your individual needs.

You can contact Mike Van Bokhoven, the PLAN AMERICA® Representative, by calling (501) 982-1000 ext. 114.



Mike Van Bokhoven

The PLAN AMERICA® Program is a service of CUNA Brokerage Service, Inc., 5910 Mineral Point Road, Madison, WI 53705. Member NASD, SIPC. PLAN AMERICA® Representatives are also licensed insurance representatives of CUNA Mutual Life Insurance Company. The products offered through the PLAN AMERICA® Program: 1) are not federally insured; 2) are not guaranteed by the credit union or any affiliated entity; 3) involve investment risks, including the possible loss of principal.



Survey of Military Finds In Favor of Credit Union Service

In an effort to assess customer satisfaction with financial services available to military and civilian personnel, the Department of Defense conducted a survey of 41,560 military and civilian personnel. The responses to the survey were very favorable to credit unions.

Of the customers affiliated with a credit union serving a military base, 89% were satisfied or very satisfied with their current services and fees. With respect to the cost of services, personnel surveyed indicated that services were provided at an affordable cost: 81% at their credit union and 63% at a bank.

Little Rock Air Force Base is Arkansas Federal Credit Union's original sponsor organization dating back to the beginning of the credit union on the base in 1956.

New Federal Rules for Checking Accounts

New federal rules allow merchants to electronically deduct money from your checking account if your check payable to them is returned due to insufficient funds. Merchants can also collect penalty fees the same way. Merchants must notify you (usually by posting a sign at their cash register) that they will collect returned checks or penalty fees electronically. These fees are separate from any insufficient funds fees AFCU may charge. Be alert for signs at individual merchants.

Second Quarter 1999

Holiday Closings

Memorial Day
Monday, May 31, 1998

Independence Day
Observed
Monday, July 5, 1998

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

AFCU info

LOCATIONS

- Air Force Base Branch**
2424 Marshall Rd., Jacksonville
- Little Rock Branch**
1001 West Capitol Ave.
- 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

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

AFFN® 800-662-AFFN	pulse®	THE EXCHANGE 800-237-ATMS
CIRRUS 800-4-CIRRUS	AMERICAN EXPRESS 800-CASH NOW	MPACT 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#
Plan America® CenterExt. 114#

AnswerLinePress 5
Phone-A-LoanPress 6

NOTE: Should you not make a selection, your call will be answered by a Telephone Service Representative.