

BANNER

ARKANSAS' LARGEST FINANCIAL COOPERATIVE

third quarter/july 2000

YOU CAN BANK *on the credit union difference!*

At first glance, some might think that credit unions and banks are virtually the same. But upon further examination you will find that they are fundamentally different. Even though many of our products and services are similar and the money in the cash drawer is exactly the same, there is a major difference. Where banks focus on increasing profits to increase the wealth of its shareholders, credit unions return their profits to their members/owners through higher savings rates and lower loan rates.

The founding principal of credit unions is "people helping people". Just one example of the principal put into use by credit unions is that the money deposited into members' savings accounts is used to loan to other members. The interest earned on those loans then goes back to members in the form of savings dividends.

Here at Arkansas Federal Credit Union, we want to be your preferred, primary financial service provider. We offer a wide variety of products and services that fill various needs, while fitting into the diverse lifestyles of our members. Our goal is to provide quality products and superior service in an efficient, timely manner at the lowest cost possible. We believe that once you give us the chance to be your primary financial service provider, you'll appreciate the differences you see. Just take a look at some of the products and services offered by your credit union:

- Share Savings and Certificate Accounts that Pay Great Dividends
- Free Checking Accounts with No Per Check Charges
- Visa Check Cards with No Monthly Fee
- ATM Cards with No Monthly Fee
- Low Consumer Loan Rates
- Competitive Mortgage Rates
- Everyday Low Visa Credit Card Rates
- Easy Account Access Options Available 24 Hours, Such As:
 - > Convenient ATM Locations
 - > Touch Tone Teller: (501) 982-AFCU or (800) 982-AFCU
 - > Internet Branch: www.afcu.org
- Internet Account Access and Bill Payment
- Camp Robinson *Electronic* Branch 



STOP RENTING TODAY

A Plus3 Mortgage Can Open the Door of Home Ownership Without A Cash Down Payment.



Are you tired of throwing your money away every month by renting? Have you found your dream home, but thought dreaming was the only way you could come up with the down payment?

If you are one of the millions of Americans who would like to own your own home, a new option is now available to you. A Plus3 Mortgage from Arkansas Federal Credit Union may be the answer you have been looking for.

A Plus3 Mortgage features:

- No Down Payment
- Closing Costs & Prepaid Items (up to 3%) Can Be Financed
- Expanded Underwriting Ratios Make It Easier To Qualify
- Reduced Mortgage Insurance Rates
- No Income Limits



The application process is easy and speedy. Just call the mortgage loan department at (501) 982-1000 extension 151.

Call and ask about our new Plus3 Mortgage. It's time to quit renting and own the home of your dreams! 🏠

Credit Unions for Kids

AFCU would like to thank everyone who contributed to its campaign "Credit Unions for Kids". With the help of our members and employees, we raised \$8,150. AFCU then matched dollar-for-dollar what our employees and members raised. This enabled us to present a check to CMN for \$16,300.



The money donated will benefit Arkansas Children's Hospital through the Children's Miracle Network.

The check was presented on behalf of Arkansas Federal Credit Union at the Children's Miracle Network Telethon on June 4th. Once again, thanks for your support for this truly worthy cause. CMN and Deduct-A-Buck (see article on page 6) are the two major member fund raisers conducted each year by your credit union. 🏠

BOARD OF DIRECTORS

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

CREDIT APPEALS BOARD

Dale Duell, *Chairman*
 Pat Hudon, *Member*
 Billy D. Scott, *Member*

SUPERVISORY COMMITTEE

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

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H. C. Klein, *President/CEO*
 Dennis Gibson, *Senior Vice President/Service Delivery*
 Michael Poulos, *Acting Senior Vice President/Operations*
 Don Cypert, *CPA, Senior Vice President/Finance*
 Janie Warner, *SPHR, Vice President/Human Resources*
 Carla Davenport, *Vice President/Marketing*
 Scott Sims, *Vice President/Information Systems*
 Terry Vick, *Air Force Base Branch Manager*
 Michele Mosley, *Telephone Branch Manager*
 Sandra Rodriguez, *Little Rock Branch Manager*
 Patricia Fuquay, *West Little Rock Branch Manager*
 Carol St. John, *Mortgage Loan Manager*
 Joan Davidson, *Account Research Manager*
 Don Whiddon, *Collection Manager*
 Angela Heard, *Purchasing Manager*
 Karen Smith, *Electronic Funds Transfer Manager*
 Helen Johnson, *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.

Confused About *Your* Retirement Options?

A message from the MEMBERS Financial Services office

Who could blame you? You've probably sat through hour after hour of financial management seminars and each one probably told you something different.

Well, relax. We don't want to tell you what to do; we just want to help answer your questions. Mike Van Bokhoven, the MEMBERS Financial Services Representative located at Arkansas Federal Credit Union, can help you answer the important questions you face. Should you accept your early retirement offer, or should you continue working? If you decide to retire early, should you take the lump sum distribution or a pension? If you take the lump sum, what should you do with it?

Please call Mike Van Bokhoven at 501-982-1000, ext. 114 or 115 for assistance in answering your retirement and financial management questions.



Mike Van Bokhoven

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 NCUSIF 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.

HOLIDAY CLOSING!

Labor Day
Monday, September 4, 2000

RATE WATCH

7.15%

Share Savings	3.25%
I.R.A. Savings	3.25%
Special Savings	3.25%
Money Market	4.44%
91-day Certificate/IRA	5.00%
Jumbo 91-day Certificate/IRA	5.50%
182-day Certificate/IRA	6.65%
Jumbo 182-day Certificate/IRA	7.15%
1-year Certificate/IRA	7.05%
2-year Certificate/IRA	7.10%

7.40%

New Car/Truck/Van	
up to 60 months	7.40%
61-72 months	7.90%
73-84 months	8.40%
Used Car/Truck/Van	
(Current & 1 yr. old models)	
up to 60 months	7.40%
61-72 months	7.90%
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)	8.323%
8.000% + 0% discount + 1% org. fee	
Based on \$100,000 loan + 2.00%	
funding fee financed	

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	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

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.

New GOLDEN Dollars Now In Arkansas Federal Credit Union's ATMs

To increase member service, AFCU recently decided to raise the daily withdrawal limit on its ATMs from \$300 to \$500. Through this increase we saw an opportunity to include the new Golden Dollars in our machines.



How were we able to do this? Because these machines have a limited number of slots for bills, we took the opportunity to replace the \$1 bills with the golden dollar coins. This, in turn, freed up a bill slot and allowed us to use the vacant slot for \$50 bills.

How can you get a Golden Dollar? It's easy. Just withdraw cash from an AFCU ATM and request an amount that is not an increment of \$5. For example, withdraw \$18 and get back one \$10 bill, one \$5 bill and three Golden Dollar coins.

Here are a few interesting facts about the new Golden Dollars:

The United States Dollar Coin Act of 1997 required that the new dollar coin be golden in color, have a distinctive edge and be the same size as the Susan B. Anthony dollar.

The Secretary of the Treasury required that the coin's obverse must show one or more women (not living) and the reverse must depict an eagle.

The first issue of the new Golden Dollar features the Native American, Sacagawea. On her back she carries Jean Baptiste, her infant son.

For more information on the Golden Dollar, visit the U.S. Mint's web site at www.usmint.gov.

Management Spotlight



Sandy Rodriguez
Little Rock Branch Manager

Sandy Rodriguez is the new Little Rock Branch Manager. Sandy brings over nine years of management training experience and five years of financial industry experience to her position. She has worked in virtually every aspect of branch operations and has been with Arkansas Federal Credit Union for over a year.

Her well-rounded experience includes teller duties, customer service, new accounts, loan disbursement and management of an overseas military banking facility. Sandy enjoys her work. One of her favorite leisure activities is reading. She and her husband make their home in Jacksonville.

Carla Davenport has been named Vice President of Marketing for Arkansas Federal Credit Union. Carla brings over six years of marketing experience to her position with four of those in the central Arkansas financial services industry.

Carla has her bachelor's degree in marketing from Harding University in Searcy, Arkansas. She enjoys many outdoor activities such as gardening and camping. Carla makes her home in Lonoke, Arkansas.



Carla Davenport
Vice President of Marketing

NOTICE OF CHANGES to Life Savings and Excess Deposit Insurance

Arkansas Federal Credit Union has a tradition of offering our members rock bottom loan rates and high yields on savings. Time and again, this is what our members tell us they want. To continue meeting this commitment, we are making some changes to help better manage our expenses and align services with your needs. Therefore, we will no longer provide life savings insurance as a no-cost benefit to our members. Coverage on existing insurable deposits will end on August 31, 2000.

After research was conducted as to the benefit of this insurance to our members versus the cost, we determined that it was more beneficial to our members to eliminate it and use the cost savings to provide higher dividends on deposits, as well as provide new member benefits.


One example of future member benefits is that Arkansas Federal Credit Union will be providing excess deposit insurance. Currently, deposits are insured up to \$100,000 by NCUA. Targeted for a September 1, 2000, effective date, AFCU will provide additional deposit insurance through a private insurance company of an additional \$250,000. This private insurance, pending underwriting approval, plus the current \$100,000 provided by NCUA, will enable AFCU to now insure up to \$350,000 per member.

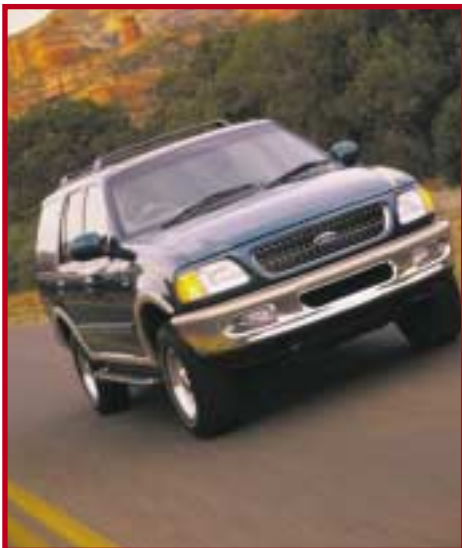
In our studies we found that a large number of our members favored the additional share insurance over the life savings insurance. Because of this, your Board of Directors voted to adopt the additional share insurance, pending underwriting approval, at the June board meeting. Also at the June board meeting, the Board of Directors voted to raise the dividends paid on savings. Share Savings was increased from 3.00% APY to 3.25% APY and Special Savings was increased from 2.25% APY to 3.25% APY for the second quarter of 2000.

Notice Of Change To The Permanent Loan Agreement

Over the past 12 months, the Federal Reserve has raised interest rates six times in an attempt to slow the high-flying economy. The first five increases probably went unnoticed by Arkansas Federal Credit Union members since our loan rates remained unchanged. However, your Board of Directors has now voted to raise rates on certain loan types in an effort to keep up with the rising cost of money so dividends can be increased to members.

The addendum to the Permanent Loan Agreement included in this issue of the *Banner* details all of the loan rates that will be effective August 1, 2000. Because of the FAIR (Future Adjustable Interest Rates) concept, members with the affected loans will find their loan interest rates automatically increased as of the August 1, 2000, effective date. While payments will not change, loan terms will be automatically adjusted to compensate for the new APR.

Arkansas Federal is dedicated to offering the most competitive loan rates in the market, and knows that you will find it pays to borrow and save at your credit union. 



ADDENDUM TO X-PRESS PERMANENT LOAN AGREEMENT

TABLE OF LOAN TYPES AUTHORIZED - EFFECTIVE AUGUST 1, 2000

The types of loans we may offer are listed below. You may have more than one type of loan at one time, or you may have more than one loan of the same type, but only where separate advances secured by separate collateral are made. The type of loan you have will be determined by the collateral offered. Regardless of the number of loans, the unpaid loan balance owed under the Agreement at any one time will be the total amount owed on all advances.

Collateral	Minimum Payment Per \$100 Borrowed	ANNUAL PERCENTAGE RATE	Daily Periodic Rate
New Auto			
Up to 24 Months*	\$4.45	6.40%	.017534%
25 - 36 Months*	\$3.09	6.90%	.018904%
37 - 48 Months*	\$2.42	7.40%	.020274%
49 - 60 Months	\$2.03	7.90%	.021644%
61 - 72 Months	\$1.78	8.40%	.023014%
73 - 84 Months	\$1.61	8.90%	.024384%
Used Auto - (Current and 1-Year-Old Models)			
Up to 24 Months*	\$4.45	6.40%	.017534%
25 - 36 Months*	\$3.09	6.90%	.018904%
37 - 48 Months*	\$2.42	7.40%	.020274%
49 - 60 Months	\$2.03	7.90%	.021644%
61 - 72 Months	\$1.78	8.40%	.023014%
Used Auto			
2-Year-Old Models	\$2.05	8.40	.023014
3-Year-Old Models	\$2.46	8.40	.023014
4-Year-Old Models	\$3.16	8.40	.023014
5-Year-Old Models	\$4.55	8.40	.023014
Motorcycle - New			
Used 1-Year-Old Models	\$3.13	7.90%	.021644
Used 2- & 3-Year-Old Models	\$4.52	7.90%	.021644
Boat - New			
Less Than \$5,000	\$2.44	7.90%	.021644
\$5,000 But Under \$10,000	\$1.75	7.90%	.021644
\$10,000 But Under \$15,000	\$1.41	7.90%	.021644
\$15,000 & Above	\$1.21	7.90%	.021644
Boat - Used			
Less Than \$5,000	\$2.44	7.90%	.021644
\$5,000 But Under \$10,000	\$1.75	7.90%	.021644
\$10,000 But Under \$15,000	\$1.41	7.90%	.021644
\$15,000 & Above	\$1.21	7.90%	.021644
Recreational Vehicle - New			
Less Than \$5,000	\$2.44	7.90%	.021644
\$5,000 But Under \$10,000	\$1.75	7.90%	.021644
\$10,000 But Under \$15,000	\$1.41	7.90%	.021644
\$15,000 & Above	\$1.21	7.90%	.021644
Recreational Vehicle - Used			
Less Than \$5,000	\$2.44	7.90%	.021644
\$5,000 But Under \$10,000	\$1.75	7.90%	.021644
\$10,000 But Under \$15,000	\$1.41	7.90%	.021644
\$15,000 & Above	\$1.21	7.90%	.021644
Airplanes/Other Collateral - New			
Less Than \$5,000	\$2.44	7.90%	.021644
\$5,000 But Under \$10,000	\$1.75	7.90%	.021644
\$10,000 But Under \$15,000	\$1.41	7.90%	.021644
\$15,000 & Above	\$1.21	7.90%	.021644
Airplanes/Other Collateral - Used			
Less Than \$5,000	\$2.44	7.90%	.021644
\$5,000 But Under \$10,000	\$1.75	7.90%	.021644
\$10,000 But Under \$15,000	\$1.41	7.90%	.021644
\$15,000 & Above	\$1.21	7.90%	.021644
Share Pledged - Share Savings	\$1.00	6.25%	.017123%
Share Pledged - Certificate Accounts	3.00% Above Certificate Account	Rate Paid	
Share Pledged - Credit Builder	\$4.60	9.50%	.026027%
Personal Signature - No Property Collateral	\$3.50	14.90%	.040821%
Credit Card (Visa) - No Property Collateral	\$3.00	13.50%	.036986%
Signature Plus Guarantor - Otherwise No Property Collateral	\$3.50	13.90%	.038082%
Signature Plus Collateral	Collateral Determines Payment	13.90%	.038082%

*Terms not currently offered.

CONGRATULATIONS *students!*

Four Arkansas students have recently been chosen to receive \$1,000 scholarships from Arkansas Federal Credit Union. The four were chosen based upon their grade point average, ACT score and/or number of honors courses taken. Our winners are:

Natalie Rhodes is a graduate of North Little Rock High School. She plans to attend the University of Arkansas at Pine Bluff to study English and social work.

Meredith Phillips, a graduate of Sylvan Hills High School in Sherwood, Arkansas, plans to attend the University of Arkansas to study architecture.

Jamille Rogers graduated from Mills University Studies High School in Little Rock, Arkansas. Jamille is planning to attend the University of Central Arkansas and major in secondary education.

Samaia Muhammad is a North Little Rock High School graduate. Samaia is planning to study broadcast journalism at the University of Missouri. 🇺🇸



LOCATIONS

- Air Force Base Branch**
2424 Marshall Rd., Jacksonville
- Little Rock Branch**
1001 West Capitol Ave.
- West Little Rock Branch**
301 N. Shackleford Rd. (at Markham)
- North Little Rock Branch**
4848 North Hills Blvd.
- Camp Robinson *Electronic* Branch**
Bldg. 5400, Camp Robinson Canteen*
- Fort Smith Branch**
1301-C South Waldron Rd.
- 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® **pulse®** 
800-662-AFFN 800-237-ATMS

  **MPACT.**
800-4-CIRRUS 800-CASH NOW 800-52-MPACT

(501)982-1000 EXTENSION NUMBERS

- Telephone Branch**Ext. 582#
Account Research Department
Account question/problemsExt. 583#
- Collection Department**
Past-due loans/Repossessions for saleExt. 141#
- MEMBERS Financial Service CenterExt. 114#
- AnswerLine**Press 5
- Phone-A-Loan**Press 6

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



Deduct-A-Buck 2000

Help Increase the Credit Union Voice in Washington

Please set up my Deduct-A-Buck contribution as follows: (please choose one)

- \$1.00 per week = \$52.00 per year
- \$1.00 per month = \$12.00 per year
- \$1.00 per quarter = \$4.00 per year
- \$1.00 per year

Name: _____

Address: _____

City/State/Zip: _____

Please make the automatic deduction from my:

- Savings Account Share Draft (checking account)

Credit Union Member Number: _____

Signature: _____

Date: _____

Federal election law requires the following information:

Your employer: _____

Your occupation: _____

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

Contributions to the Arkansas Credit Union League Legislative Action Committee (ARCULAC) are strictly voluntary. Contributions to federal PACs are not deductible for federal tax purposes. You have the right to refuse to contribute without any reprisal.

Again this year, your dollar can help support the credit union cause through strengthening our voice in Washington. Banks have been fighting to weaken credit unions and deny millions the right to join, or remain in, their credit union.

As a credit union member and owner, we are asking that you contribute \$1.00 a year to help fund your state and national Political Action Committees. Unlike the banks who have wealthy stockholders who contribute millions of dollars a year, credit unions rely on its members to "Deduct-A-Buck" to help ensure that the credit union voice is being heard.

Your dollar will be combined with dollars from millions of other credit union members all across the country who believe that credit unions are the best place to save and get low-interest loans.

Please fill out the Deduct-A-Buck authorization form and help us continue to fight for credit unions. 🇺🇸

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