



ARKANSAS FEDERAL CREDIT UNION



April 2004

SAVE UP TO \$299 ON A MEMBERS CHOICE HOME EQUITY LOAN!

Now is a great time to cash in on the equity in your home. Home Equity rates are at their lowest in 40 years. In addition, Arkansas Federal is offering a new lower rate for a limited time.

Whether it's to pay off credit card debt, go on a much needed dream vacation, or to start those spring home improvement projects, Arkansas Federal Credit Union has a Members Choice Home Equity Loan that's just right for you.

Members have seven home equity loan choices, tailored to fit their individual needs. Members Choice Home Equity Loans now have interest rates as low as 3.49% APR with No points, No closing costs, and No appraisal fee.

In addition, for a limited time, if you get a new Member's Choice Home Equity Loan or advance your existing Arkansas Federal Home Equity Loan we will refund your application fee!

That's an additional savings of up to \$299, depending on which loan you choose.

In addition, we will lower our already low home equity loan rates by one-half of a percentage point on new Home Equity Loans of \$20,000 or more and advances of \$20,000 or more to

existing Home Equity Loans if you have or open a checking account with direct deposit and a Visa Classic Credit Card. (Lowering the rate by one-half point is not be available for the E-Z Home Equity Loan.)

Hurry, this offer expires June 30, 2004!

MEMBERS CHOICE HOME EQUITY LOAN	High Equity	Conventional				Generous		E-Z
	Choice 1	Choice 2	Choice 3	Choice 4	Choice 5	Choice 6	Choice 7	
Loan Amount up to	\$200,000	\$200,000	\$200,000	\$200,000	\$50,000	\$50,000	\$25,000	
Loan/Value up to	50%	80%	80%	80%	90%	90%	100%	
Terms up to	5 Years	5 Years	9 Years	12 Years	5 Years	10 Years	5 Years	
Normal Fixed Interest Rates	3.99% APR*	4.40% APR*	5.40% APR*	6.40% APR*	5.40% APR*	6.40% APR*	6.40% APR*	
Application Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Special Fixed Interest Rates	3.49% APR*	3.90% APR*	4.90% APR*	5.90% APR*	4.90% APR*	5.90% APR*		

*Annual Percentage Rate. Membership eligibility required. Lowest interest rates are available to members with Arkansas Federal's Checking Account with Direct Deposit, Visa Credit Card and a minimum advance of \$20,000. If you do not have these products and services, Arkansas Federal will be happy to open them today, based on your qualifications. Otherwise, AFCU's normal low interest rates apply. Properly must be an owner occupied single family residence, townhome or condominium located in Arkansas. Not available for mobile homes, pre-fabricated or modular unit housing. Application fee will be refunded at closing. Consult your tax advisor about the deductibility of interest. Offer expires June 30, 2004.

Fort Smith Branch Grand Opening

Arkansas Federal Credit Union held a Grand Opening October 27, 2003, for the new Fort Smith Branch located at 7887 Phoenix Avenue. In attendance were members, AFCU Officials,

along with Mayor C. Ray Baker, Jr, representatives from the Fort Smith Regional Chamber of Commerce, and other local businesses leaders in Fort Smith.



Members Choice
More Options. More Choices.

BOARD OF DIRECTORS

Phillip B. Boudreaux, *Chairman*
Art Williams, *Vice Chairman*
Fred Van Driesum, *CFP, AFC, Secretary*
Jerry E. Spratt, *CPA, CFE, CGFM, CFSa, Treasurer*
Garold L. White, *Director*

SUPERVISORY COMMITTEE

Robert Rodgers, *CPA, Chairman*
Jay Simmons, *Secretary*
Don Greene, *Member*
Reginald Ford, *Member*
William Shrigley, *Member*

CREDIT APPEALS COMMITTEE

Dale Duell, *Chairman*
Carol Lunday, *Member*
Jan Avant, *Member*

MANAGEMENT

H. C. Klein, *President/CEO*
Craig Savell, *Senior Vice President/Operations*
Dennis Gibson, *NCCO, Senior Vice President/Service Delivery*
Terry Borreson, *CPA, CIA, CISA, Senior Vice President/Finance*
Rodney P. Showmar, *Vice President/Marketing*
Cindy Quintana, *Vice President /Human Resources*
Andy Reed, *CNE, MCP, Vice President/Information Systems*
Teri Miessner, *Collections Manager*
Brian Berstler, *Accounting Manager*
Paul Kirkdoffer, *Purchasing Manager*
Sandy Bearry, *Conway Branch Manager*
Carol St. John, *Mortgage Loan Manager*
Leslie Perry, *Account Research Manager*
Terry Vick, *Jacksonville Branch Manager*
Anita Killen, *Little Rock Branch Manager*
Laura Bradley, *Fort Smith Branch Manager*
Karen Smith, *North Little Rock Branch Manager*
Cindy Jones, *Electronic Funds Transfer Manager*
Karen Sweeden, *West Little Rock Branch Manager*
Nicole Matsoukas-Eilts, *Telephone Branch Manager*

MISSION STATEMENT

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

From the Desk of H.C. Klein

Arkansas Federal Credit Union Adds 226 Absolutely Free ATMs In Arkansas

As a member of Arkansas Federal Credit Union, you now have even more options and more choices. One of your many convenient choices has just been improved. Arkansas Federal is now associated with 226 ATMs and 3 surcharge free ATM networks in the state of Arkansas and 18,486 ATMs nationwide to provide easier access to your account.

DASH, CO-OP, & CU HERE

Arkansas Federal is now a member of the DASH, CO-OP, and CU HERE networks. These networks allow members of Arkansas Federal to withdraw cash, absolutely free of charge, at 226 ATMs in large and small communities in Arkansas and a total of over 18,486 ATMs nationwide. While 67 absolutely free ATMs are in Little Rock, the other 159 are in small and medium size towns throughout the state. We now have more absolutely free ATMs in the state of Arkansas than any other financial institution including Bank of America (81 ATMs), Regions Bank (109 ATMs), and Arvest Bank (94 ATMs). In addition to withdrawals, 27 ATMs with the CO-OP and CU HERE network logos will accept deposits into your Arkansas Federal account.

Surcharge Free

With surcharge-free ATMs, you can make a withdrawal from your Arkansas Federal account without the surcharge fee normally charged by the financial institution that owns the ATM – a potential savings to our members of up to \$2.00 per withdrawal!

Network Charge Free

Arkansas Federal will not charge you the usual \$1.00 network fee to use any non-AFCU owned ATM on DASH, CO-OP, or CU HERE networks – most banks charge up to \$2.00 for this service.

Arkansas Federal To Begin Surcharging non-AFCU cards

To allow Arkansas Federal members the convenient choice of 226 absolutely free ATMs in Arkansas and 18,486 ATMs nationwide, we have begun charging \$1.50 for any non-AFCU card used in our 17 ATMs across Arkansas. The fee income from charging non-AFCU cardholders will offset the loss of fee income for providing absolutely free ATM withdrawals to AFCU cardholders – what a great member benefit! 🇺🇸

Arkansas Federal Credit Union's Fleet of Three PT Cruisers



In 2001, AFCU purchased two PT Cruisers and decorated them with specially applied decals that wrap the entire car. In 2002, another PT Cruiser was purchased and wrapped with a red, white, and blue flag decal and credit union logo.

"The PT Cruisers are for use by Credit Union employees to travel on company business. The three vehicles are predominantly used by the Membership Development Coordinators who travel the state visiting businesses and offering the Credit Union as a benefit to the employees of companies with 50 or more employees and our Mortgage Loan Originators to meet members at our branch locations or visit members at their home or office," said Rodney Showmar, Vice President of Marketing for AFCU.

"The PT's have been a huge success both from a business position and a public relations viewpoint. We have had numerous requests to have our Cruisers included in parades and community events around central Arkansas," Showmar added.

All three PT Cruisers were purchased from Arkansas dealers. ProGrafix International of Amarillo, Texas designed and installed graphics on the newest Cruiser. The entire installation was completed in one day. "The graphic is a sticker much like you would decorate a toy car, only on a larger scale," said Rodney Showmar. "We get different reactions from people when we drive around town. Some stare, some point but one thing is for sure, every one sees us coming. The whole car is like a rolling billboard." 🇺🇸

Business Loans to members

Arkansas Federal Credit Union is a member owned financial cooperative dedicated to serving the individual needs of members and does not provide commercial loans to businesses. However, loans may be made to individual Members on a consumer loan basis (Personal Signature, Secured Loans,

etc.) where proceeds will be used for commercial, corporate, business, investment property or venture, or agricultural purposes up to a maximum of \$50,000. If you are in business for yourself, the next time you need a van or auto for your business think of Arkansas Federal Credit Union, we can help. 🇺🇸

YOUR PRIVACY NOTICE


Arkansas Federal Credit Union is committed to meeting the financial needs of its Members. To meet this commitment, the Credit Union must, at times, gather sensitive and/or confidential information from Members. Using this information appropriately and protecting the privacy of each Member is of the utmost importance to the Board of Directors, Management, and Staff of the Credit Union.

To ensure that Member privacy is protected Arkansas Federal Credit Union pledges:

- ◆ To follow the letter and the spirit of privacy laws by collecting only personal information necessary to conduct the Member's business.
- ◆ To protect each Member's personal information by maintaining strong controls to ensure that information stored in files and computers is protected. Where appropriate, security-coding applications will be used to prevent unauthorized access.
- ◆ To allow access to one's own information for review, update, and/or correction.
- ◆ To only share information when necessary

to provide the Credit Union's products and services to its Members.

- ◆ To partner only with service providers and businesses that follow strict confidentiality requirements. Under no circumstances will affiliated businesses be allowed to charge fees to accounts without express Member permission, and information will never be sold to telemarketing firms.
- ◆ To provide each Member the right of choice as to how non-public personal information provided to non-exempt Business Partners may be used. If non-public personal information is to be shared with such entities, each Member will be provided direction as to how to prevent the Credit Union from providing his or her non-public personal information, and Arkansas Federal Credit Union will take all reasonable steps to see that such requests are followed. At least once per year each Member will be reminded of this right to choose.

This statement updates and replaces any other notices regarding the Privacy Policy of Arkansas Federal Credit Union. 



SAVINGS RATES APR

	APR
Share Savings	1.00%
Special Savings	1.00%
I.R.A. Savings	1.00%
Money Market	1.07%
91-day Certificate/IRA	1.15%
91-day Jumbo Certificate	1.40%
182-day Certificate/IRA	1.50%
182-day Jumbo Certificate	1.75%
1-year Certificate/IRA	1.75%
2-year Certificate/IRA	2.25%

Rates effective as of printing. Savings rates are declared for the previous quarter and dividends are paid quarterly. Money Market and Certificate Account dividends are paid monthly. Rates subject to change without notice. Contact a credit union employee through E-mail or by telephone at 501-982-1000, or toll free 800-456-3000 for applicable fees and terms. All savings rates quoted as an Annual Percentage Yield (APY).

LOAN RATES APR

<u>New Car/Truck/Van</u>	APR
Up to 24 Months	3.90%
25 to 36 Months	4.40%
37 to 48 Months	4.90%
49 to 60 Months	5.40%
61 to 72 Months	5.90%
73 to 84 Months	6.40%
85 to 96 Months	6.90%

<u>Used Car/Truck/Van</u>	APR
<u>Current & 1-Year-Old Models</u>	
Up to 24 Months	3.90%
25 to 36 Months	4.40%
37 to 48 Months	4.90%
49 to 60 Months	5.40%
61 to 72 Months	5.90%

<u>Used Car/Truck/Van</u>	APR
2- to 5-Year-Old Models	5.40%
New & Used Motorcycle	5.40%
New & Used Boat	5.40%
New & Used RV	5.40%
New & Used Airplane	5.40%
Other Collateral	5.40%

<u>Home Equity Loans</u>	APR
E-Z Home Equity - 5 yrs	6.40%
Generous Home Equity	as low as 4.90%
Conventional Home Equity	as low as 3.90%
High Equity Home Equity	as low as 3.49%
Lot or Land Loans	6.90%
Share Pledged (Savings)	4.25%
Certificate Pledged	3% above certificate rate paid
Credit Builder	9.50%
Personal Signature	12.90%
VISA Credit Card	9.90%

All loan rates quoted as an Annual Percentage Rate. There is a five-acre maximum on mortgage loans.

MORTGAGE LOAN RATES

<u>FHA/VA</u>	Rate	Points
30 Year	5.375%	1.000%
30 Year	5.500%	0.000%
Sample APR	5.777%	
15 Year	5.000%	0.250%
15 Year	5.500%	0.000%
Sample APR	5.972%	
<u>Conventional/Fixed Rate</u>	Rate	Points
30 Year	5.500%	0.500%
30 Year	5.625%	0.000%
Sample APR	5.717%	
15 Year	5.000%	0.250%
15 Year	5.125%	0.000%
Sample APR	5.278%	

All loan rates quoted as Annual Percentage Rate. There is a 1.00% origination fee on all loan programs. Rates quoted are for loans amounts over \$100,000. Call 501-982-1000, Ext. 151, for quotes on loans under \$100,000. 45-day lock-in on all programs quoted. Rates are subject to change daily.

Verified by VISA

The security of your Arkansas Federal Visa card purchases is our top priority. You are always protected against unauthorized purchases made with your card. Now you can help prevent unauthorized purchases before they even happen.


Verified by Visa is a new service, exclusively for Visa cardholders, that offers you added safety by helping ensure that only you can use your Visa card online. You simply create a unique password to confirm your identity.

There is no need to get a new card. Verified by Visa works with the Arkansas Federal card you already have. You enjoy added security when

you buy online at participating stores.

Once you activate Verified by Visa:

1. Your card will be automatically recognized at participating online stores and you will be asked for your password.
2. Your password will be verified.
3. The transaction will be completed.

It really is that simple. Create your own password right now by going to www.visa.com/verified. 




Don't get taken by the convenience of payday lenders

Pawnshops, auto-title pawn operations, rent-to-own stores, and check cashing outlets are acting as financial institutions and are popping up on every street corner. These businesses suggest that they are serving the people of the community with poor credit and who are in tight financial situations. These types of businesses offer quick money very conveniently. However, there is a great price to pay for that convenience.

The consumer group, Consumer Federation of America, found that check-cashing stores and payday lenders are making payday loans at outrageously high annual interest rates ranging from 261% to 1,820%. If you need a little cash to

make ends meet until payday, do not visit one of these places for help. Stop in and visit Arkansas Federal instead. A signature loan or credit card advance at reasonable interest rates may be all you need to get back on track.

One of the great features of the Arkansas Federal Visa Credit Card is that you do not have to pay a transaction fee to get a cash advance. Some credit cards charge as much as 3% of the amount you advance. With the Arkansas Federal Visa Credit Card, you can visit any AFCU ATM and get the cash you need with the convenience of 17 ATM locations in Arkansas and over 1,300 Credit Union Service Centers across the nation. 

AFCU INFORMATION

LOCATIONS

Jacksonville Branch
2424 Marshall Rd.

North Little Rock Branch
4848 North Hills Blvd.

Camp Robinson Branch (247)
Bldg. 5400, Canteen
Closed from 1:00-2:00 p.m.

Little Rock Branch
1001 W. Capitol Ave.

West Little Rock Branch (247)
1221 S. Shackelford Rd.

Conway Branch
220 Skyline Drive, Hwy. 65 North

Fort Smith Branch (247)
7887 Phoenix Ave.

Telephone Branch
P.O. Box 9, Jacksonville, AR 72078-0009

LRAFB Exchange ATM Facility
Building 940 at Arnold Drive

LRAFB Shoppette ATM Facility
Building 1996, Arnold Drive & Arkansas Blvd.

Federal Building ATM Facility
700 W. Capital Ave., 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.

TELEPHONE BRANCH

Local: 501-982-1000
Fort Smith Local: 479-782-1000
Conway Local: 501-329-1000
Toll-Free Services: 800-456-3000
TDD Number: 501-982-8732
FAX Number: 501-982-FAXX

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

Routing # 282075028



We also have 1308 Branch offices at Credit Union Service Center locations in 39 states and 6 foreign countries to serve you. To find a location go to www.cuservicecenters.com.

ATM NETWORKS

Surcharge-Free ATM Networks

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
Jacksonville, AR 72078-0009

The Arkansas Federal Credit Union Banner Newsletter does not represent legal, accounting, or other professional advice. Although we try to insure the information contained is accurate, no party assumes liability for loss or damage due to dependence on this material.

Members Elected to the Volunteer Board of Directors

At the 48th Annual Membership Meeting of Arkansas Federal Credit Union, held Thursday, March 25, 2004, two members were elected by mail ballot to serve three-year terms on the credit union's volunteer Board of Directors. Those members are Jerry E. Spratt and Garold L. White.



Jerry E. Spratt



Garold L. White

JOIN AFCU AT CAR WARS - WAR MEMORIAL STADIUM APRIL 22-25!



Each year the Pulaski County auto dealers have Car Wars at War Memorial stadium. This year Car Wars will be held on April 22, 23, 24, and 25th and, once again, Arkansas Federal Credit Union will be on-site to serve our members.

To coincide with Car Wars, Arkansas Federal Credit Union will offer membership-wide special financing. To save money on your next new or used car purchase, call now for pre-approval and watch your mail for a special reminder prior to April 22.

Money Orders now issued by Arkansas Federal

Money orders purchased from Arkansas Federal have a new look. American Express Money Orders will no longer be issued, and Arkansas Federal has begun issuing money

orders ourselves. The new money orders still cost only \$2.00 and are issued in the same manner, but now they come with a new look and an Arkansas Federal logo.

Member Education Seminars

One of the benefits of membership at Arkansas Federal is free Member Educational Seminars intended to educate members and help them understand their personal finances.

If you are interested in one of the free Member Education Seminars below, call the credit union at 501-982-1000 ext. 251 to register or for more information.

- ◆ Retire With Confidence – April 20 @ 5:30 p.m. – West Little Rock Branch
- ◆ Retire With Confidence – April 21 @ 11:30 a.m. – Arkansas Credit Union League
- ◆ Retire With Confidence – April 22 @ 5:30 p.m. – Jacksonville Branch
- ◆ Get Checking Seminar – May 18 & 20 @ 5:30 – 8:30 p.m. – Jacksonville Branch
- ◆ Retire With Confidence – May 18 @ 5:30 p.m. – North Little Rock Branch
- ◆ Retire With Confidence – May 20 @ 11:30 a.m. – Arkansas Credit Union League
- ◆ Retire With Confidence – June 22 @ 5:30 p.m. – North Little Rock Branch
- ◆ Retire With Confidence – June 24 @ 5:00 p.m. – Arkansas Credit Union League
- ◆ Debt Management & Credit Review – June 29 @ 6:00 p.m. – Jacksonville Branch

HOLIDAY CLOSINGS

All AFCU branches and drive-up teller locations will close in observance of the following holidays:

- **Memorial Day**
Monday May 31, 2004
- **Independence Day**
Friday July 2, 2004

AFCU wishes you and your family a safe and happy holiday.



Arkansas Federal
CREDIT UNION
Arkansas' Largest Financial Cooperative



Each account is insured up to \$100,000 by the National Credit Union Administration, an agency of the federal government.



In addition to Federal Insurance, members' savings in the credit union are insured with an additional \$250,000 of coverage.



We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.