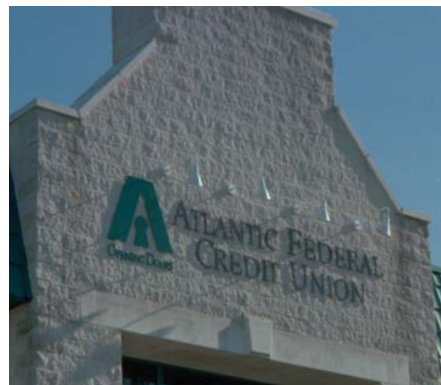


MEMBER MERITS GIVES REWARDS



Unlike many bank card reward programs, there are no fees to participate in the Credit Union's Member Merits. All Members are automatically included. Here's a rundown of the 3 levels:

Premier - combined deposit and loan balances* equal \$25,000 or more and direct deposit

Enhanced - combined deposit and loan balances* equal \$2,500 or more and direct deposit

Value - combined deposit and loan balances* less than \$2,500 or no direct deposit.

One of the most popular Member Merits benefits is the consumer loan discount** which is 0.25% at the Premier level and 0.125% at the Enhanced level. Other benefits include higher than the standard \$300 Courtesy Pay limit - \$750 for Premier level; \$500 for Enhanced - and additional free ATM transactions. Fees for other services such as stop payments, money orders and outgoing wires are also reduced or eliminated.

Our Member Merits Program enables Atlantic Federal to continue offering rates on deposit accounts and loans that are far and away the best available, while keeping fees low and maintaining a high level of service.

Additional Member Merits information is at our website.

* Visa and student loans not applicable. **Excludes VISA, residential & student loans.

coming soon...

AN IMPROVED AUTOMATED TELEPHONE TELLER

Quick Draw, our 24-hour automated telephone service, will become more Member-friendly when the system is modified later this summer. The new system will also have a new name: @nytime Teller.

Improvements to @nytime Teller include:

Additional security to validate your identity. You will be required to change your PIN from the last four digits of your Social Security number to a new PIN if you haven't already done so with the current Quick Draw system.

You will be asked to enter your zip code each time you enter the system.

An easier-to-navigate menu with additional prompts to return to previous menus.

@nytime Teller will retain the many functions currently available. You will still be able to:

Get real time account balances
Transfer funds between accounts

Make loan payments

Make withdrawals from deposit and line-of-credit accounts that are mailed the same day when calls are made weekdays by 2 pm EST.

Learn which checks have cleared
Choose English or Spanish

The option to speak to a live Member Service Representative during the Credit Union's business hours.

the CREDIT UNION OFFERS 25,000 NO SURCHARGE ATMS



A Credit Union ATM or VISA® Check Card provides a fast, easy way to get cash when you're not near a branch. Our affiliation with the CO-OP Network® provides access to 25,000 surcharge-free ATMs, including 9,000 that accept deposits and 5,500 located in 7-Eleven stores.



To find a CO-OP ATM near you, visit www.atlfedcu.com and click on the CO-OP logo.

In addition to the CO-OP Network, Atlantic Federal is part of the VISA®, Plus and Interlink networks. Most ATMs worldwide are affiliated with one of these networks.

Due to the growth of international fraud rings, debit and ATM transactions are blocked in certain countries that have been particularly hard hit. If you plan to travel abroad this summer, check our website for a list of the affected countries.

Need to Find the Location of a Free ATM When You're Away From Your Computer?

Text your location - address, intersection or zip code - to 692667 (MYCOOP) from any mobile phone.

To access the voice ATM locator call: 888-SITE COOP.

Open a Vacation Club Account

Plan ahead for your next vacation and open a Vacation Club. (If you had one this year, you are automatically enrolled already.) We can transfer the weekly amount of your choosing into the Club from the payroll coming in to your account. Or you can mail in deposits.

All accounts earn interest. Vacation Clubs do not mature on a specific date. Make withdrawals from your Club anytime (subject to Reg D limits). Access your funds online at @nytime Financial Center and transfer them into Savings or Checking. Then write checks or make withdrawals at an ATM.

You can also use QuickDraw or stop by any of our branches to transfer or with-

draw the funds. You will continue to be enrolled in a Vacation Club after you make a withdrawal unless you notify us otherwise. To open a club, go to our website at www.atlfedcu.com or call us at 1-800-222-1329.

Who Is Watching Out for You?

The Credit Union's Supervisory Committee is the Member's watchdog. You may contact them at:
Atlantic Federal Credit Union
Supervisory Committee,
P.O. Box 83,
Roselle Park, N.J. 07204.

HOLIDAY CLOSINGS

Monday, Sept. 1 for Labor Day
Monday, Oct. 13 for Columbus Day

Annual Privacy Notice

The Credit Union is committed to protecting the privacy of each Member's financial records consistent with state and federal laws. The Credit Union will take prudent and reasonable measures to safeguard the accuracy and privacy of all Member information including information used while conducting business via the Internet, ATM networks, wire services, telephone, the U.S. mail and other means of communications.

The Credit Union will collect only personal information that is necessary to conduct our business. That means we will collect only the information that is necessary to provide competitive financial products and services. We collect non-public personal information about you from the following sources:

- Information that is necessary to perform our day-to-day normal business; and
- Information we receive in response to our request for information about you from outside third parties to either confirm information that you have provided to us or to collect funds on outstanding and delinquent loan balances.
- Information we receive from a consumer-reporting agency;

- Information that is necessary to perform our day-to-day normal business; and
- Information we receive in response to our request for information about you from outside third parties to either confirm information that you have provided to us or to collect funds on outstanding and delinquent loan balances.

We may disclose all information we collect as described above to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

We do not disclose any non-public personal information about our Members or former Members to unaffiliated third parties except as permitted by law. We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information.

Rewards- \$25 - \$100

Find your Account Number in this issue of The CU's News & call: (908) 245-1750, ext. 512. \$25 will be added to your Share Savings Account. \$100 will be added if you have a Checking Account which had activity in the past 30 days.

Deadline to claim your reward is August 15, 2008.



ATLANTIC FEDERAL CREDIT UNION
"Service Excellence All the Time"



Phone: (908) 245-1750

Toll Free: 1-800-222-1329

Fax: (908) 245-0680

Kenilworth: 37 Market Street
Kenilworth, NJ 07033

Hours: M-F 8 am till 5 pm / Thurs. till 6:30 pm
Sat. 9 am till Noon

Newark: 570 Broad St., Suite 127, Newark, NJ 07102
Hours: M-W 8:30 am till 4:30 pm / Thurs. & Fri. till 5 pm

Elizabeth: Trinitas Hospital -
210 Williamson St. Elizabeth, NJ 07201

Hours: M-W 9 am till 4 pm / Thurs. till 6 / Fri. till 5

Serving Only Verizon Wireless Employees:
Bedminster: 180 Washington Valley Rd. 3rd Fl.
Bedminster NJ 07921

Hours: Tuesdays & Fridays 8:30 am till 4 pm

Orangeburg: 2000 Corporate Drive
Orangeburg, NY 10962

Hours: Monday - Friday 9:30 am till 2:30 pm

Warren: 30 Independence Blvd.
Warren NJ 07059

Hours: Monday, Wednesday, Thursday 8:30 am till 4 pm

■ Web Site - www.atlfedcu.com

■ E-mail for Member Service -
info@atlfedcu.com

■ E-mail for IRAs & CDs -
info@atlfedcu.com

■ Quick Draw - (908) 245-0404
Or press 1 after calling the C.U.'s main number.

THE CU'S NEWS

the QUARTERLY NEWSLETTER for MEMBERS of the ATLANTIC FEDERAL CREDIT UNION SUMMER 2008

Read All About It:

Home Equity
Loan Rates As
Low As 5% APR
25,000 No
Surcharge ATMs

finance a lean machine...



LOW-RATE VEHICLE LOANS

New Vehicles
as low as: 5.25%
apr*

Used Vehicles
as low as: 5.50%
apr*

One sure way to lower the price of gas is to drive a more fuel efficient vehicle. And, right now, the Credit Union's loan rates are low and dealers are motivated to sell. Choose Atlantic Federal's traditional vehicle financing or Payment Advantage®, our lease alternative.

Get instant loan approval at our website: www.atlfedcu.com.
Or call us at 1-800-222-1329.

Have a car loan at another institution with a high interest rate or a term that's too long or short? Give us a call for a no-obligation refinance quote. We can probably save you money. There's never a refinance fee and we handle all outside loan pay-offs.

*Rates and percentage financing shown offered to Premier Members meeting selected credit criteria for up to a 3-year term. Other rates and terms available based on Member Merits status and credit worthiness criteria.

Free Gas

WIN FREE GAS SIMPLY BY REFERRING a MEMBER in OUR "FILL-YOUR-TANK-ON-US" GASOLINE GIVE AWAY

Encouraging family members and eligible coworkers to join Atlantic Federal could really pay off for both of you during our "Fill Your Tank On Us" sweepstakes.



Anyone living in your household even if unrelated.

Your coworkers who work for any of our 300 member

For each new Member you recruit to join, your name will be entered in a drawing for gasoline gift cards in the amounts listed below. Referred Members who join during this promotion will be entered in a separate drawing for the same prizes.

| | Existing Member | New Member |
|------------------------|-----------------|------------|
| First Prize | \$250 | \$250 |
| Second Prize | \$150 | \$150 |
| Third Prize | \$100 | \$100 |
| Fourth Prize | \$ 50 | \$ 50 |

Total prize package = \$1,100

The more Members you recruit, the greater your chances of winning.

Who can join Atlantic Federal?

Family members including spouse, children, sisters, brothers, parents, grandparents, grandchildren and step-children.

companies. Visit www.atlfedcu.com for a complete listing.

Anyone who lives, works, worships, attends school, volunteers or regularly does business in Newark, New Jersey.

Use the referral coupon below or go to www.atlfedcu.com to sign them up. The Credit Union will send your referral a membership package. New accounts must be opened by October 31, 2008 to qualify for the drawing.

New Member Referral Coupon

Please print. Photocopy for more names.

Name of Person You're Referring

Their Mailing Address

City State ZIP

Your Name

Your Credit Union Account # / Your Phone #

Return to: Atlantic Federal Credit Union
37 Market Street, Kenilworth, NJ 07033
Or fax to: (908) 245-0680 / Or submit at: www.atlfedcu.com

Employees and officials of Atlantic Federal Credit Union and their families are not eligible to enter drawing.

E-STATEMENTS: LESS PAPER, SPEEDY DELIVERY

If you're tired of being surrounded with paper and clutter, switch to E-Statements and simplify your account maintenance.

E-Statements have several recent enhancements:

Instantly view and print digital images of the checks that have cleared your account.



The previous 12 months of statements will be automatically stored for you to access any time so you don't have to save them yourself. (As of July 2008, 9 previous months are posted online. This will grow to the previous 12 months during the coming months.)



How Do E-Statements Work?

You'll receive a monthly e-mail (quarterly, if you don't have a checking account or any electronic funds transfers) advising you that your statement is ready. Enter the @nytime Financial Center area of our website and click on "Products & Services." Press "Enter" alongside E-Statements. Click on the date of the statement you'd like to see.

How Do I Get Started?

First, take a minute to register for @nytime Financial Center if you haven't already done so. Then click on "Products & Services" along the horizontal tool bar. Within the "Trusted Partner" list, press "Enter"

alongside E-Statements and fill out the brief registration page.

Are E-Statements Secure?

We use the latest encryption technology and security features to protect the information contained in E-statements.

USE BENEFITS PLUS to PLAN a VACATION

From a local weekend get-a-way to an exotic tropical island vacation, Benefits Plus® will get you there for less money. Their full-service travel team will help you find a perfect trip that fits your interests and budget.

Benefits Plus guarantees the lowest published air fare available at the time of booking and provides \$100,000 automatic flight insurance. Plus you'll receive a 3% cash rebate on travel services they book for you after your trip.

Before you finalize your summer plans, you owe it to yourself to check out

Benefits Plus. Visit our website at www.atfedcu.com and click on the Benefits Plus icon to get started.



All Credit Union Members who open a Checking Account automatically receive a free trial of Benefits Plus service for up to 3 months. After the free trial, there is a modest \$3 monthly charge.

CREDIT UNION COLLEGE SCHOLARSHIPS AWARDED

Fred Beckman, CEO/Treasurer, presented \$1,000 college scholarship awards from Atlantic Federal Credit Union to Christine Rosivack (left) and Janeen Vosseller. Christine will attend Duke University and major in Slavic and Eurasian Studies. Janeen will attend The College of Charleston and major in Accounting. Not shown is: Charles Ward who resides in Florida and will attend Rollins College in the fall majoring in International Business.



FROM YOUR CEO



Fred Beckman,
Treasurer & CEO

Your Credit Union is doing just fine, thank you....while the general economy continues to struggle as do many of the commercial, savings and investment banks with soaring delinquencies and the sub-prime loan crisis, AFCU has had a very good first five months of 2008. Being the accountant that I am, I thought I would share some numbers with you.

From the beginning of the year through May 31st, our Members have increased their deposits with us by about \$11 million or 5.5%. Clearly in these times of economic uncertainty, our Members have sought the safety, soundness and high interest yields that our various deposit products offer. The Credit Union has paid out to the Members in the form of interest dividends 84.7% of available income. In other words, about 85 cents of every dollar of income is paid back to the membership. Our delinquent loan ratio is only 0.51% (one-half of one percent), much less than the banking industry as a whole and even a lot less than our Credit Union peers, and almost all of our delinquent loans are consumer loans, not real estate loans. This is not only a tribute to our strong loan underwriting policies, but also reflects the excellent manner in which our Members are meeting their financial obligations....we here at the Credit Union thank you! But the most important number I can present to you is our capital ratio, calculated by dividing total Members' equity (retained earnings) by total assets....it is the key measurement of a Credit Union's financial strength and

viability. (Earnings that are not paid back to the Members go to maintaining this capital base.) So what's our regulatory capital ratio as of May 31st? 15.21%, among the highest in the nation and compares very favorably to our peer Credit Union average of 11.7%. So enough with the numbers for now....

Rates...it's my opinion that the Fed is done lowering rates for the foreseeable future. My best guess is that they won't take any action for the balance of the year, although inflation concerns could change this later on. In any event, we just raised some of our key CD rates and lowered (again) our variable home equity line of 773280 credit loan rates to as low as 5%.

Text Message Scam...this is a scam that involves text messages sent to cell phones. The message urges the recipient to call a number provided for information about account discrepancies and then solicits individual account information and pin numbers. Be wary of unsolicited text messages, delete them and, if possible, remove all text messages since the perpetrators have been known to use Spyware in conjunction with their text message solicitation.

So what's Courtesy Pay? Worth repeating from an earlier newsletter... Members with an AFCU checking account are automatically enrolled in Courtesy Pay, a program designed to avoid the embarrassment and inconvenience of unnecessary merchant fees caused by an item returned for insufficient funds. It covers checks, preauthorized debits and debit card purchases. The fee is \$25.00 per item. But it would be the same cost, in the form of a non-sufficient fund fee, if the item was returned. So what's the advantage if you still pay \$25.00? The advantage is that with Courtesy Pay, we don't return the item and you won't pay NSF fees charged by the merchant or the second presentment fees that may also be charged. That could be a savings of as much as \$50 - \$75. Keep in mind that we enact Courtesy Pay as a last resort -

we'll first check to see if you have an Overdraft Line of Credit, then we'll look for available funds in any share accounts that you have designated for overdraft transfers. If the item cannot be paid from either one of these sources, then we'll implement Courtesy Pay.

There are limits attached to Courtesy Pay: \$750.00 for Premier Members, \$500.00 for Enhanced Members and \$300.00 for Value Members. For more information and details on Courtesy Pay, contact the Credit Union and request our Courtesy Pay brochure.

Courtesy Pay is a service designed for infrequent use. Habitual use of this service may mean you need to assess your personal financial situation. And we strongly suggest that Members add an Overdraft Line of Credit Loan.

Odds and Ends...One of the better quotes I've seen recently regarding personal finances - "make do, do without, wear it out".....paying your regular current bills has the greatest effect on your credit score since 35% of the score is determined by how well bills are paid on time....if you have a 401(k) at work with an employer match, contribute enough to capture the full match, otherwise you're walking away from free money....there's a good article on Credit Unions in a recent Wall Street Journal online piece - go to <http://online.wsj.com/article/SB120917138228646561.html>....think the threat of ID theft of a loved one ends with that person's death? Not so - consider sending a copy of your loved one's death certificate to the three major credit reporting agencies: Equifax (PO Box 740241, Atlanta, Ga. 30374), Experian (PO Box 9530, Allen, TX 75013) and TransUnion (PO Box 6790, Fullerton, CA 92834)....

Have a great summer....

Cordially,

Fred Beckman



the WEATHER is WARM & OUR HOME EQUITY RATES are HOT

This summer put your home to work for you. Make home improvements or pay off some bills with a Home Equity Line of Credit. Our equity loans feature:

Great rates
Affordable monthly payments

Home Equity Loan Rates as Low as: **5% apr***

No Points, closing costs or fees
Borrow up to 95% of your equity
Use the interest you pay as an income tax deduction**

Call Atlantic Federal's Real Estate Department at 1-800-222-1329, ext 538 or 518. Or you can apply online, anytime, at: www.atfedcu.com.

* Annual Percentage Rate. Based on 80% loan to value. Other rates for higher loan values. Variable rate based on the prime rate plus or minus an index which is determined depending on loan to value & adjusted bi-annually as the prime rate changes. Loans limited to NJ and PA owner occupied.

1-2 family dwellings. Rates in effect as of July 1, 2008.
** Consult your tax advisor.

RETIREMENT SAVINGS with a FORMER EMPLOYER?



If you left behind a 401k, 403b or 457 plan at a former job - or are about to - you may want to consider moving those funds to a Credit Union IRA. Atlantic Federal IRAs have excellent rates and the highest insured safety anywhere. Each depositor's IRA accounts are insured to \$500,000 (\$250,000 by the National Credit Union Administration and \$250,000 by our private insurer, ESI.)

the STUDENT SURVIVAL KIT

If there's a student in your family heading to college this fall, make sure he or she takes along Atlantic Federal's Student Account. Whether they're living on campus or commuting from home, they can manage their finances safely using the Credit Union you already know and trust.



As an added feature, ask us to set up cross-account transfer authorization so you can quickly transfer funds from your account into your student's using Online Banking or Quick Draw.

Here's what's included in the Student Account:

- Free Checking with no monthly fees or minimum balance
- Free VISA® Check/ATM Card
- Free Online Banking and Bill Payer



College Rewards VISA® Credit Card through our partner Elan with online access to view account activity & make payments

E-statements so you don't need to depend on dorm mail

Quick Draw Telephone access