

THE CU'S NEWS

Read All About It:
■ **Attend Your Annual Meeting - May 3 - RSVP Coupon Inside**

the QUARTERLY NEWSLETTER for MEMBERS of the ATLANTIC FEDERAL CREDIT UNION WINTER 2009

ATLANTIC FEDERAL JOINS NATIONAL SHARED BRANCHING NETWORK



CU SERVICE CENTERS®

The Member-Friendly Financial Network

Now Use Any of 2,000 Affiliated Branches, Nationwide, at No Charge

In an effort to make our services more convenient for Members, AFCU has joined a national shared branching network of credit unions. Atlantic Federal Members can now walk into more than 2,000 credit unions around the country and make deposits or withdrawals, transfer money between accounts...even make loan payments or get loan advances. All with no service fees!



Florida

This network of affiliated credit unions is the second largest in the nation in number of branches.

Stepping into a Shared Branch is just like visiting an Atlantic Federal office. And most of the Shared Branches have a surcharge-free ATM on the premises.

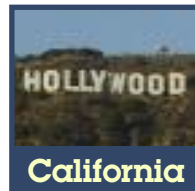


ARIZONA

Shared Branching demonstrates the cooperative spirit of credit unions and is another example of what sets credit unions apart from banks.

So whether you've moved, are traveling or just looking for a branch location

closer to your home, Atlantic Federal is there with more than 2,000 shared branches and 25,000 surcharge-free CO-OP Network ATMs.

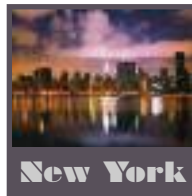


California

For a complete list of branches and hours of operation, go to www.atlfedcu.com or call our Member Service Department at 1-800-222-1329.

4 More Ways to Locate a Shared Branch:

- **Enter zip code** of desired location at our website: www.atlfedcu.com
- **By phone.** Call 1-800-919-CUSC (2872)
- **GPS Downloads.** In less than a minute, download the complete list of credit union service centers to your Tom-Tom, Garmin or other navigational device.
- **Via text messaging.** Text a location to 692667 (MYCOOP)



New York

Note: Government-issued photo ID is required to make a transaction at a Shared Branch location.

SIGN UP for OUR REDESIGNED E-NEWSLETTER

Receive rate and product updates as soon as they're announced.

Sign up for our redesigned E-Newsletter and be the first to get news, special offers and exciting features. You'll receive our E-Newsletter about once a month. Click on the E-News icon on the top right column of our homepage at www.atlfedcu.com to sign up.

SAFE, SECURE INVESTMENTS at the CREDIT UNION



The jitters in the stock market these days may have put you in a "hold and wait" equity investment mode. But that doesn't mean you shouldn't be saving. In fact, an argument could be made that we need to be saving more to compensate for diminished stock market returns.

Atlantic Federal is the safe, secure option for your savings. As a not-for-

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profit Credit Union, you can rest easy knowing that you're getting above-market guaranteed returns.

In addition to the \$250,000 insurance coverage provided by NCUA, we provide an additional \$250,000 through our private insurer. This means that each depositor's regular savings and CD accounts are insured to \$500,000. IRAs are insured separately to \$500,000.

Here's a look at our savings products:

■ **CDs:** With as little as \$250, you can open a CD at the Credit Union. Terms range from 3 months to 3 years.

■ **IRAs:** Supplement your 401k savings with a Credit Union IRA. You can contribute up to \$5,000 this year. Age 50 and up can exceed the annual contribu-



tion by \$1,000. Our IRA professionals can assist you in choosing the IRA that fits your needs.

Roll it over! Did you get a lump-sum payout from a retirement plan or former job? Delay taxes and avoid the mandatory 20% federal withholding and other tax penalties by moving those assets to a Credit Union IRA.

Child's Coverdell Education IRAs: Put up to \$2,000 per child each year into an Education Savings Account. Earnings grow tax-free. This account can be used to pay qualified elementary and secondary school expenses and college.

See all of Atlantic Federal's great rates and terms online, anytime, at: www.atlfedcu.com or call the Credit Union, toll free, at 1-800-222-1329.

HASSLE FREE CAR BUYING *at* GREAT LOAN RATES

New Car Loans

Rates as low as: **5.25%**
APR*

Used Car Loans

Rates as low as: **5.5%**
APR**

Up to 125% new car financing with tax, title & extended warranty.

Get a Credit Union loan pre-approval by applying online at www.atlfedcu.com or by calling our Loan Department. Choose traditional financing or our vehicle lease alternative, **Payment Advantage**, that has payments up to 50% lower.

Don't forget that the Credit Union is also affiliated with **MVCP** (Motor Vehicle Certification Program) that assists Members in buying new and used vehicles at low, "hassle free" prices. Call MVCP at 800-345-0990 or go to www.mvcp.com to get information on current rebates and incentives, invoice pricing and the estimated trade-in value of your vehicle.



Atlantic Federal Member Ivory Wise recently financed a Smart Car at the Credit Union. Mr. Wise liked the Credit Union's great rates and terms and the deal the loan helped him close at the dealership. He also appreciated Atlantic Federal's fast, friendly, professional service.

MVCP advisors will give you a pre-negotiated price quote on the vehicle that you want and direct you to local dealers with whom they have arranged to offer that price. For used vehicles, they will refer Members to the used car representative of the participating dealers.

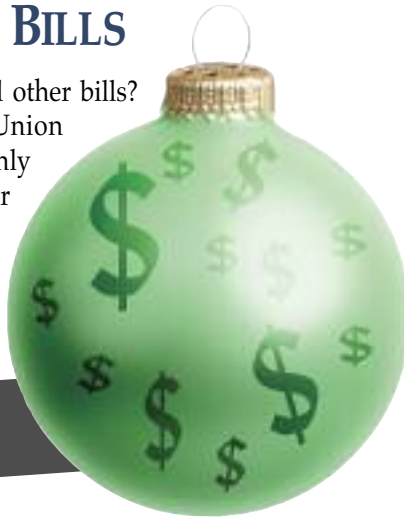
APR = Annual Percentage Rate. *Rate & percentage financing shown offered to Premier Members meeting selected credit criteria for new vehicles up to a 3-year term. Other rates and terms available based on Member Merits status and credit worthiness criteria. **Rate & percentage financing shown offered to Premier Members meeting selected credit criteria for used vehicles up to a 3-year term. Other rates and terms available based on Member Merits status and credit worthiness criteria. AFCU loans not eligible for refinancing.

HELP for PAYING HOLIDAY BILLS

Overwhelmed with holiday expenses and other bills? Consolidate your bills with a Credit Union Personal Loan and have just one monthly payment. You'll save on interest charges with our low rates. The Credit Union's rate is much lower than bank cards and department store charge accounts. **Loans up to \$10,000.**

*Annual Percentage Rate. Rate shown is for Premier Members meeting selected credit criteria. Other rates are available based on Member Merits status and credit worthiness criteria.

Personal Loan Rates As Low As: 9.65% APR*



SCHOLARSHIPS for HIGH SCHOOL SENIORS

Graduating high school seniors who are Members of Atlantic Federal are invited to apply for a Credit Union Scholarship. Applicants will be judged on academics, extracurricular and community activities, references and goals. 720410 (There is no essay this year.)

Our scholarship program is run in conjunction with the New Jersey Credit Union League's statewide program. Winners at the state level receive \$1,000 scholarship awards. The top three graded applicants from Atlantic Federal who do not win at the state level will be awarded \$1,000 from Atlantic Federal.

To qualify for the competition:

1. Student must be a high school senior graduating June 2009.
2. Student must be a Member of the Credit Union in good standing. Or, the student may open an account at the time of applying for the scholarship.

All Atlantic Federal Members' children, step-children or grandchildren may open accounts. Also, anyone who lives,

works, worships, attends school or volunteers in Newark is eligible.

Deadline for all scholarship entries is April 3, 2009. Go to our website or call 1-800-222-1329, ext. 512, for applications.

STUDENT ACCOUNT SERVICES

The student in your family will appreciate an Atlantic Federal account during his or her college years and beyond. Services they will want to use now include:

- Free Checking with ATM/ Debit Card
- Free Online Banking & Bill Payer
- VISA*
- Federal Student Loans through the Credit Union

*Must have a qualifying co-signer.



What's Your Score?

Perhaps the single most influential number in your life - your credit score - is the least understood. Your credit score is used by lenders to determine whether you should be given a mortgage, car loan or credit card and, in many cases, the interest rate you'll be charged.

In today's tight credit market, it's probably more important than ever to understand how your credit rating is calculated. Then you can take steps to ensure the rating system works to your advantage. **Here are the 5 categories that comprise your credit score:**

- 1. Payment History:** 35% of total score. A good record of on-time payments for credit cards and loans is important. Skipping payments for just one month on all your bills could reduce your score by more than 100 points.
- 2. Outstanding Debt:** 30% of total score. Balances higher than 50% of your credit limit can actually harm your credit rating. Typically, your score improves when your amount owed is less than 35% of total available credit.
- 3. Length of Credit History:** 15% of total score. Even if you no longer use an older account, think twice before closing it. Lenders look for borrowers with long credit histories.
- 4. Recent Inquiries:** 10% of total score. Any time you apply for credit and the lender checks your credit rating, your score will temporarily drop slightly. Avoid applying for multiple loans or credit cards in a short period of time.
- 5. Type of Credit:** 10% of total score. This category looks at the overall mix of credit in your name - credit cards, mortgage, consumer loans, etc. It's unlikely you'll improve your credit score by trying to balance this mix...it just happens.

Coming in the next issue of CU's News: Tips to Improve Your Credit Score

FROM YOUR CEO



Fred Beckman,
Treasurer & CEO

A Financial Update on your Credit Union: In my Fall 2008 newsletter article, I gave you some key financial data for your Credit Union under the heading "So what's going on with your Atlantic Federal Credit Union?" I now have financial results thru November 30th. I'm pleased to announce that our earnings have continued to increase our regulatory capital, which now stands at 15.69% (remember I said that our Federal regulator considers anything at 7% or higher to be "well capitalized"). 120001900 Our loan delinquency rate continues to be less than half the national average for comparably sized credit unions and we have very good liquidity.

But, we didn't get these very strong financial results on the backs of our Members. We continue to pay among the highest CD rates in our market. Based on a recent survey, almost no other financial institution had a higher dividend rate than our 3, 6 and 12 month CD terms. We also charge some of the lowest loan rates you'll find anywhere.

To Borrow or Not to Borrow: That is the question! All anyone seems to read about these days is how the banks have tightened their credit standards, making it very difficult for the consumer to borrow. There's also a lot in the press about the reluctance of people to borrow, given the state of the economy. This is understandable. But, if you feel secure about your job and overall financial situation, we have money to lend. This is an excellent opportunity to refinance your loan with

us. You'll get a lower rate and save some money which, of course, you can then deposit into one of our high yielding savings accounts.

Shared Branching is here! One of the common complaints from Credit Union members is that their Credit Union is not convenient. Well, we just made ourselves a lot more convenient. Check out the article on Page 1 of this newsletter on our new Shared Branching participation. But, just in case you missed it, we are now part of a national network of credit unions that provides our members with easy access to their Atlantic Federal Credit Union accounts at thousands of credit union locations nationwide. You can make deposits or withdrawals from your AFCU account, cash checks, draw on a line of credit, even apply for a loan. There are up to 33 options. We have a link on our website where you can find the locations of participating credit unions. Or, call us. We also will be available to transact services for members of other participating credit unions. This whole concept of shared branching is just one example of the cooperative spirit that exists in the credit union movement. Can you imagine a bank telling its customers they can go to another bank to conduct their business? Does Macy's tell Gimbels??? Oops, Gimbels isn't around anymore, but Atlantic Federal is, now more than ever.

Two guys named Carl Credit Union and Bill Bank were sleeping in their tent while on a camping trip out west. Carl wakes up in the middle of the night and opens the tent flap to discover a huge grizzly bear (think of the current economy as the bear) getting ready to attack. Carl immediately starts to put on a pair of running shoes to which an awakening Bill states "what are you doing, you can't outrun a grizzly bear;" Carl responds "I'm not worried about the bear as long as I know I can outrun you".

Interest Rates: Interest rates on real estate lending are as low as they've been in years. Lots of refinancing and loan modifications happening. Give our

loan department a call to see if we can help you into a lower loan payment.

On the savings side, CD rates remain very attractive. The competition among financial institutions for deposits is intense and you can benefit from this, most of all by looking at our various savings products...money market accounts, CDs, and don't forget to fund that IRA account. Our IRA rates are even higher than our regular CDs!

Odds and Ends: Part of a recent pension bill passed by Congress would waive all mandatory IRA distributions for 2009. As of the date I'm writing this article, the President has not signed the legislation into law. Check back with our IRA department for an update.

I hear or read a lot about so-called "credit repair" companies that make it sound as if they can make your credit problems go away in a flash. Don't believe it! You'll most likely wind up paying a bunch of fees and be no better off than before. There are no quick fixes and nobody but you can really "repair" your credit. But there are some reputable firms that can help with credit problems. Contact the National Foundation for Credit Counseling at 1-800-388-2227 or NFCC.org.

As much as I would love for you to keep all of your savings and investment funds with us, the fact is that unless you absolutely need the funds in the immediate future, think twice before you sell any stocks you own. You may be converting a "paper loss" into a real loss. Whatever else, try to keep saving on a regular basis. Consider our payroll deduction program. That way you won't miss that money so much.

We also offer stock, mutual fund or insurance services through our affiliate **Members Financial Services** – just click on *My Financial Center* on our web page or call 1-877-MEMBERS.

Have a great and safe winter....

Fred Beckman

PACKAGE UP YOUR DEBT *with a HOME EQUITY LOAN*

Effective February 1, 2009

Rates as low as: **4% APR***

Current rate is 4.5% APR.

Consolidate your bills into a Home Equity Line of Credit and turn high interest debt into one low-rate loan.

Home Equity rates are lower than a typical credit card and don't have a teaser rate that will double in a few



months. Plus, unlike credit card interest, the interest you pay on your Equity Loan is likely to be tax deductible (consult your tax advisor.)

Free checks let you draw on your credit line whenever a need comes up - from home improvements to debt consolidation to college tuition payments.



It's quick and easy to apply for a Home Equity Line of Credit at our website or by phone and there are no points or application fees.

*Annual percentage rate. Based on 80% loan to value. 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.

GO GREEN *with* E-STATEMENTS

Did you know that our E-Statements are better than ever? Not only will you get your statement sooner - usually on the second or third business day of the month, but the previous 12 months of statements are automatically stored for you to access any time at our website.

E-Statements eliminate wasted paper and are kinder to the environment.



E-Statements are now located within @nytime Financial Center. They are actually more secure than paper statements because they are password protected on your computer - not in your mailbox. You will receive a monthly e-mail (quarterly, if no checking or electronic funds transfer), notifying you that a new statement is available for viewing. If you still want a paper copy, you can simply print one out.

Sign-up for E-Statements at our website: www.atlfedcu.com.

ATTEND YOUR ANNUAL MEETING



Sunday, May 3, 2009 at 1 p.m.

Pines Manor in Edison, N.J.

Luncheon / Door Prizes

Election Results / Important Reports from Management & Directors.

Please return the RSVP coupon below to the Credit Union by April 15, 2009. Acknowledgment of your reservation along with your name badge and directions to the Pines Manor will be returned to you by mail.

ANNUAL MEETING R.S.V.P. COUPON

**Return this coupon by April 15 to: Atlantic Federal Credit Union
37 Market St., Kenilworth NJ 07033 or fax to (908) 245-0680**

YOUR NAME

ACCOUNT NUMBER

JOINT MEMBER'S NAME (IF ATTENDING WITH YOU)

YOUR STREET ADDRESS

CITY

STATE

ZIP

YOUR PHONE NUMBER

Members Get a Discount on TurboTax

Atlantic Federal has arranged special pricing for Members to use TurboTax® to prepare their federal and state tax returns with a product to match individual tax preparation needs:

- TurboTax Online Free Edition for 1040EZ returns
- TurboTax Online Deluxe helps you maximize deductions
- TurboTax Online Premier assists with investments & rental properties
- TurboTax Online Home & Business simplifies Schedule C



TurboTax products feature step-by-step interviews with easy-to-understand questions. Forms are automatically filled out using your answers. Products have a 100% accurate calculations guarantee*. Plus, for a faster refund, you can e-file at no additional charge**.

Visit www.atlfedcu.com and click on the TurboTax logo at our home page or @nytime Financial Center page.

*If you pay an IRS or state penalty or interest because of a TurboTax calculation error, Intuit, the maker of TurboTax products, will reimburse you the penalty and interest. ** E-file included at no additional charge for TurboTax Online products. An e-file fee applies for TurboTax downloadable products.

Credit Unions are In the News

An article on the MSN Money website,* titled *Ditch Your Bank for a Credit Union*, notes that "relief from getting socked with bank fees, hidden penalties and lousy interest is as close as the nearest credit union." The article also notes that credit union rates "tend to be significantly better and fees fewer and smaller."

The Wall Street Journal in an August 2008 article titled "For Better Banking, Check Out a Credit Union," had equally glowing praise for credit unions.

Electronic Tax Forms for E-Statement Recipients



Members who currently get E-Statements from the Credit Union will also receive their 2008 year-end tax forms electronically. These forms include 1098's and 1099's.

E-tax forms will be delivered in the same format as E-Statements. Members will receive an e-mail that tax forms are available for viewing. They will sign into @nytime Financial Center and click on "E-Statements" within the "Products & Services" section. The tax form(s) will be included in the unviewed document list and can be printed. Forms will be available by the end of January 2009.

If you are an E-statement recipient and would rather that the Credit Union send you the tax forms via US Mail, just give us a call.

Per the Paperwork Reduction Act, 1099 forms are generated for Members with \$10 or more in interest income. 1098 forms are generated for Members with \$600 or more in qualifying real estate loan interest.

"Credit unions very often beat their banking counterparts in terms of offering lower rates on loans and higher rates on deposits," Gary McBride, economist for Bankrate.com, says in the article. "For a consumer who's shopping around for the best deal, that has to include looking at credit unions."

*<http://articles.moneycentral.msn.com/Banking/BetterBanking/DitchYourBankForACreditUnion.aspx>

HOLIDAY CLOSINGS

- Monday, January 19 for Martin Luther King Day
- Monday, February 16 for President's Day

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 February 13, 2009.



ATLANTIC FEDERAL CREDIT UNION

"Service Excellence All the Time"



Atlantic Federal supplements the federal NCUA insurance with an additional \$250,000 coverage from ESI, the nation's leading private insurer.

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 Flr.
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 - info@atlfedcu.com**

■ **@nytime Teller - (908) 245-0404**

Or press 1 after calling the C.U.'s main number.