

THE CU'S NEWS

Read All About It:

- Home Equity Rates: 5.5% apr
- New Car Loan Rates: 5% apr

the QUARTERLY NEWSLETTER for MEMBERS of the ATLANTIC FEDERAL CREDIT UNION SPRING 2006

OUR CDs, IRAS & MONEY MARKET ACCOUNTS are HIGHLY RATED

High Yields / Low Minimums / Wide Variety of Terms / Federally & Privately Insured

Yields As High As
5.10%
For a 12 Month CD



Maybe you got a holiday bonus or a nice tax refund. Consider planting some of that money into an Atlantic Federal Credit Union CD, IRA or Money Market Account. Then sit back and watch it grow!

Atlantic Federal has the most competitive rates around. Whether you choose short term or long term - we have accounts for every need. And we offer a variety of minimum deposit requirements - as little as \$250! Also, the Credit Union provides up to \$350,000 in federal and private insurance. At Atlantic Federal, your money grows faster *and* it's risk-free.

To see all of Atlantic Federal's rates and terms and to get an online application, visit our website at www.atlfedcu.com. Or call 1-800-222-1329.

One Year CDs

APY	Tiers
5.10%*	.. \$ 100,000 minimum
5.05%*	.. \$ 50,000 minimum
5.00%*	.. \$ 10,000 minimum
4.85%*	.. \$ 250 minimum

IRA Rates .05% Higher

The Credit Union offers CDs & IRAs with terms from 3 months to 3 years.

Money Market Accounts

APY	Tiers
3.25% \$ 250,000 +
3.10% \$ 100,000 +
2.75% \$ 50,000 +
2.50% \$ 25,000 +
2.25% \$ 10,000 +
1.75% \$ 2,000 +

*Annual percentage yields as of 4/1/06. Other rates and terms available. Rates subject to change without notice. Penalty for early withdrawal.

SPRING is "HONEY-DO" SEASON



Home Equity Rates As Low As

5.5%*
APR

Rate through October 2006 & applies to current, outstanding balances & new advances.

Whatever is on your Spring-time "honey-do" list, you can use a Home Equity Loan to make it happen. Our rates are still the lowest around. Borrow up to 100% of the equity in your home. Free Home Equity checks give you easy access to your credit line.

Already have an Equity Line or 2nd Mortgage with another lender? Refinance with us! Our low rates could substantially reduce your monthly payment.

*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.



THE GIFT THAT ALWAYS FITS...

Visa® Gift Card



Whatever the occasion - graduation, wedding, birthday - a Visa® Gift Card is guaranteed to please. Gift Cards are available in any dollar amount from \$25 to \$1,000.

Your recipient chooses what to buy at thousands of retail, restaurant, travel and entertainment locations - anywhere Visa® is accepted. Each time they use the card, the purchase amount is deducted from the card's balance.

This attractive card is available at any Atlantic Federal branch.* Or purchase a Gift Card online at our website www.atlfedcu.com, where you can customize the card's design and personalize the message (additional fee applies).

* Cards cost \$2 each for Premier Members, \$3 for Enhanced Members and \$4 for Value Members.



STUDENT LOANS:

Atlantic Federal offers Stafford Student Loans and Parent Plus Loans to help finance college and graduate school costs. Consolidation Loans are available to Members with multiple, existing Student Loans who want to consolidate onto one loan at a fixed interest rate.

The federal government subsidizes all the loans which feature low interest rates and 10 year terms. Interest is tax deductible.

Give our Loan Department a call at 1-800-222-1329, option "2," to get your loan for the fall term established.

YOUR ATLANTIC FEDERAL CREDIT UNION is NOT AFFILIATED with FIRST ATLANTIC

An article appearing in the March 12th edition of the Asbury Park Press reported on the financial and loan problems of First Atlantic Federal Credit Union, headquartered in West Long Branch, N.J., with operations in Monmouth and Ocean counties. **The First Atlantic Federal Credit Union is**

not a part of or in any way is it affiliated with your Atlantic Federal Credit Union.

The Atlantic Federal Credit Union is one of the most financially sound and extremely well capitalized credit unions in the nation. Our loan loss experience and the delinquency rate of loans to our Members is significantly less compared to other credit unions. This is not only a reflection of our sound and prudent lending practices, but it also reflects the stability, responsibility and strength of you, our Members.



FROM YOUR CEO



Fred Beckman,
Treasurer & CEO

Rates and other good stuff - Don't ask me to predict where rates are going, either for savings or lending. Even the "experts" don't agree on when the Federal Reserve might call it quits on the 1/4% increases to short-term rates that they've been making since back in mid-2004. The consensus seems to be that we are at or near the end. By the time you get this newsletter, the Fed will have concluded their meeting of March 27th and 28th and I'm betting they declared another 1/4% hike.

While we can't predict rates, we do try our very best to stay ahead of the marketplace in maximizing savings rates. Don't believe me? Check out our latest Money Market and CD rates, especially the 1 year CD. Because of what's happening in the marketplace, we're actually paying more on the 1 year CD than on longer terms. Why? Because the bond markets where we can invest your funds have also been paying higher or comparable rates on shorter maturities...the technical jargon calls it a "flat" or "inverted yield curve." In any event, since your Credit Union can actually invest at a comparable or better rate on a shorter term basis, there's no reason our Members shouldn't benefit in a similar manner.

Following that same logic, and for the time being, we've decided to discontinue offering the 4 and 5 year CD products. If you check out the rates offered by most banks, you'll note that we're

paying more on our 1 year CD than most other institutions are paying on much longer terms!

Beware of "teaser rates" on deposits offered by others...they are usually on new deposits only, have large minimum balance requirements and the rate drops significantly after the introductory period is over.

As for loan rates - Reluctantly, we've had to increase the rate on the home equity line of credit (HELOC) for the next 6 month period starting May 1 by a 1/4%. However, I'm not apologizing for our rates on this popular loan product. As an example, for an 80% loan-to-value HELOC, the rate will be 5.50%... try and match that with any other institution's regular home equity rate. And it's guaranteed through October 31st. I said "regular rate" because, like savings deposits, 20066940 there's always those "teaser rates" out there being offered by various institutions.

Beware of teaser rates on loans also, since there are always conditions attached to them such as the requirement to open other, low yielding savings or checking accounts loaded with fees (always read the fine print disclosures). And then, after the short-term teaser rate expires, you get hit with a much higher rate. Decide to payoff the loan? OK, but then they'll get you with an early termination fee. If you took the time to do the calculations, you'd discover that, more often than not, you'll save a lot more money over the long term if you borrowed from your Atlantic Federal Credit Union.

Our car, boat and motorcycle loan rates are also lower than other lenders. Already have a loan with someone else? Refinance it with us...won't cost you anything and you'll save interest.

Get your credit score - The 3 major credit reporting companies got together

and set up one centralized web site (annualcreditreport.com), one toll free phone number (1-877-322-8228) and one mailing address (Annual Credit Report Request Service, P.O. Box 105281, Atlanta, Ga. 30348-5281) where you can order your free annual credit report.

Pay yourself first - Uncle Sam announced recently that for the first time since the Depression, there was actually a negative savings growth in the U.S. in 2005. This means that on average, people nationwide actually spent more money than they earned. We'd love to have you save with us, but regardless of where you do it, try to save something from each paycheck.

This is particularly true for our younger Members. Financial planners will tell you that it's a good idea to have the equivalent of about 6 months' income saved in case of need...a worthwhile goal although I'm not sure how realistic it is in today's environment. But regardless, save a little for the future. You'll be amazed how regular savings will grow over time with compounding.

And take advantage of any retirement plans offered by your employer, especially a 401(k) that provides for an employer match. With automatic payroll deduction, you won't miss it. Participating in an employer-matched 401(k) is a "no-brainer." After that, give us a call...we offer high yielding CDs starting at \$250.

This is it for now. I could go on and on about the benefits of membership in Atlantic Federal Credit Union, but I can only make you aware of those benefits. You have to act to take advantage of them. Have a great spring.

Cordially,

Fred Beckman

APRIL is CREDIT UNION YOUTH MONTH



My Money, My Credit Union - Where I Belong. That's the theme of this year's National Credit Union Youth Month. Each April, Atlantic Federal joins the national effort to remind Members that your children can join the Credit Union too.

To help the youth in your family get started, we invite you to open an account for your child or teen now. As a thank you, we'll send them a **\$5 Blockbuster Gift Card**.* Let's help instill the value of saving now to help them develop healthy financial habits.

Some tips to help the youth in your family develop some good habits:

- **Help your children set their savings goals.**
- **Choose realistic goals.** These may include weekly or monthly deposits or saving to purchase a special item.
- **Use Atlantic Federal's online calculators to show your children how money grows when it earns dividends.** Visit our website and click on "Calculators."
- **Open a Savings Account at Atlantic Federal for your child.**
- **Graduating high school seniors are invited to open a free Checking Account and get a Visa® Debit Card.**

*Offer good through June 15, 2006. New Member must be 18 years of age or younger.

CHECKING *that is* REALLY... **FREE**



When it comes to checking account fees, banks are cashing in. Sure they may say their checking accounts are free, but when you factor in bank ATM, NSF and other fees, it's easy to see that Atlantic Federal is the best! *All* Atlantic Federal Checking Accounts feature:

- No monthly fees
- No minimum balance
- **Free** ATM/VISA® Check Cards
- **Free** ATM cash withdrawals at 20,000 surcharge-free ATMs across the US and Canada
- **Free** 24/7 Quick Draw telephone access
- **Free** 24/7 online banking at @nytime Financial Center
- **Free** transfers between accounts*
- **Free** account alerts keep you up-to-date on the status of your account (when registered for @nytime Fast-pay).
- **Free** E-Statements
- Courtesy Pay** covers your NSF checks and / or ACH debits up to a pre-authorized limit. (There is a \$25 fee per item, but your check is paid, your credit remains intact and there's no NSF fees from us or the payee on the check.)
- No Direct Deposit requirement (although Direct Deposit helps you qualify for higher Member Merits benefits).

Learn more about Atlantic Federal Checking and 521870 get an application at our website www.atlfedcu.com or give us a call.

* Federal Reg D permits 6 withdrawals or transfers per month from Savings & Money Market Accounts. **See Member Merits Benefits schedule for coverage limits.

BRING OUR VISA on VACATION



Take an Atlantic Federal low-rate VISA® credit card with you wherever you go this summer. Besides a sizzling rate as low as 4.9%* apr, you'll enjoy our VISA's® many other advantages:

- *The same low rate on balance transfers as new purchases.*
- *No cash advance or balance transfer fees.*
- *25-day grace period on purchases.*
- *Online account access.*
- *Online secured shopping with Verified by VISA.®*

For instant approval, apply for a VISA® online at www.atlfedcu.com or give us a call for an application.

*For the first 6 months. Afterwards, the rate will be indexed to The Wall Street Journal prime rate plus a margin based on Member's credit history. Rate quoted is the lowest rate for qualified applicants. Other rates are available and may apply based on credit worthiness.

Win \$25,000 Cash or a \$500 Home Depot Gift Card Simply by "Doing it Yourself"



Paying bills online using the Credit Union's @nytime Fast-pay, is fast, easy and secure. Using the service also makes you eligible to win one of four prizes in the "Doing it Yourself" contest running till June 30, 2006. All Credit Union @nytime Fast-pay users are automatically entered in the sweepstakes to win:

- One of three \$500 Home Depot gift cards that will be awarded each month by paying 5 bills online in April, May & June.
- A Grand Prize of \$25,000 cash by paying a total of 15 bills by June 30, 2006.

With a chance to win \$25,000 or a \$500 Home Depot gift card, you owe it to yourself to try @nytime Fast-pay. Go to our website: www.atlfedcu.com to view a demo, enroll and view full contest rules (or, request a copy of the rules at any Atlantic Federal office).

DRIVE *an* EASY BARGAIN

New Car Loan Rates
as low as **5%**
APR*

Before you drive that new or used vehicle off the dealer lot, take advantage of your Credit Union membership to lock in a great loan rate.

Our rates are low and terms of up to 7 years to repay are available.



Get up to 125% financing with tax, title & extended warranty. Ask the Credit Union about refinancing your existing loan. Let us calculate how much you can save.

*Rates & 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. AFCU loans not eligible for refinancing.

Important Notice for Members with Checking Accounts

The Credit Union switched Check Printers, from Liberty to Harland...

If you have an Atlantic Federal Checking Account, you may have reordered checks from Liberty Check Printers in the past.

The Credit Union has switched to Harland Check Printers.

So, when you reorder checks, be sure you're using a Harland check order form. You can get one at any Atlantic Federal office. Or you can order online at www.atlfedcu.com.

Annual Meeting Reminder

Sunday, April 30, 2006, 1 p.m. at the Pines Manor, Edison, N.J.

Luncheon / Door Prizes

Call the Credit Union for reservations only if you haven't already sent in an RSVP coupon.

ARE YOU USING OUR SERVICES?

Atantic Federal's strength comes from Members using our services. Our **Member Merits** program gives Members rewards based on their account relationship. Inactive accounts cost the Credit Union money. That's why Members age 18 and above with only a share account and a balance under \$100 and no activity for one year are charged a \$3 per month dormant fee. Members that have a similarly inactive checking account under \$100 are also charged the \$3 fee. An "inactive" account is one in which there has been

no activity other than the posting of dividends for the immediately preceding twelve month period. The fee is not assessed if a Member has a share and checking account and only one of them is inactive. Nor is the fee charged if a Member has a CD, Money Market Account, Holiday/Vacation Club or loan even though the share and checking accounts are inactive.

The purpose of this policy is not to generate fees, but to encourage Members to use the many valuable products and services the Credit Union offers. Call us or visit our website at ww.atlfedcu.com and see what services you need.

SAVE for NEXT YEAR'S VACATION

Open a Vacation Club at Atlantic Federal and save for your next vacation or any other purpose. If you have payroll coming in to your account, we can transfer the weekly amount of your choosing right into the Club. Or you can mail in deposits. All accounts earn interest.

To accommodate Members' varied vacation needs, Vacation Clubs do not mature on a specific date. You may make withdrawals from your Club anytime. Access your Vacation Club funds online at our @nytime Financial Center and transfer them into your Savings or Checking Account. Then write checks against the amount or make withdrawals at an ATM.

Don't want to go online? Use QuickDraw to transfer or withdraw the funds. You can always stop in any of our branches for a withdrawal too. You will continue to be enrolled in a Vacation Club after you make a withdrawal unless you notify us otherwise.

\$25 - \$100 Rewards

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.

Holiday Closings:

- Monday, May 29 for Memorial Day
- Tuesday, July 4 for Independence Day



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., 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-F / 9 am till 4 pm

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 -
reneel@atlfedcu.com

■ Quick Draw - (908) 245-0404

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