

Tacomis Federal Credit Union

February 2009

Due to the impact of the economy the dividend rate had to be lowered

Please review changes under Dividend Rates, Home Improvement Loans and Number of Loans.

Dividend Rate - The credit union paid a dividend rate of 1.00% per annum (APY 1.00%) for the period July 1, 2008-December 31, 2008. The credit union will pay an estimated dividend rate of 1.00% per annum (1.00%) for the period January 1, 2009 - June 30, 2009.

GENERAL ANNOUNCEMENT REGARDING ACCOUNTS AND LOANS

CREDIT UNION LOCATION AND HOURS

The Credit Union office is in Room 113. Office hours are from 11:30 a.m. to 1:00 p.m. Monday through Friday. The office hours are 7:00 a.m. to 9:00 a.m. on Monday and Thursday & 11:30 a.m. to 1:00 p.m. Monday through Friday. Business will only be conducted during these hours. The Credit Union telephone number is 205-1829. All Credit Union related calls are to be made on this number.

LOANS

Secured by Shares

Interest rate of 4.75% per annum up to the maximum of the share balance.

Secured by Auto Title

New Cars and Used Cars Less Than 1 Year Old - The maximum loan amount is \$27,500, with 100% financing of the selling price of the car, including tags and taxes (does not include the cost of service contract or extended warranty) with a maximum term of 60 months and an interest rate of 6.50% per annum or 95% financing of the selling price of the car, including tags and taxes (does not include the cost of service contract or extended warranty) with a maximum term of 60 months and interest rate of 6.0% per annum.

Used Cars Older Than 1 Year Old - Interest rate of 9.00% per annum for loans of 36 months or less and 9.50% per annum for loans of 37-48 months; vehicles more than 6 model years old will be financed for a maximum of 24 months and those older than 8 model years will be financed for a maximum of 1 year. The maximum loan amount is 75% of the Blue Book retail value of the car, not to exceed \$20,000.

Home Improvement Loans

Interest rate of 9.50% per annum, maximum loans of \$6,000. Borrower must have been a member of the Tacomis Federal Credit Union for at least 1 year and must show proof of homeownership; loan cannot exceed 20% of the borrower's annual gross income. Maximum loan period is 3 years, 1 (one) loan per household.

Signature Loans

Interest rate of 10.00% per annum; maximum loan of \$4500 to be repaid in 24 months. Loans of \$1500 or less to be repaid in 9 months. Maximum loan to employees (or family members) with less than 1 year at the Commission or new family members is \$500. Loan cannot exceed 20% of borrower's annual gross income.

Vacation Loans

Interest rate of 10.00% per annum; maximum loan of \$1500 to be repaid within 12 months and may not be renegotiated. A member may not have both a holiday and a vacation loan at the same time.

Holiday Loans

Interest rate of 10.00% per annum; maximum loan of \$1500 to be repaid within 12 months. A member may not have both a holiday and a vacation loan at the same time.

NUMBER OF LOANS - A member may have no more than two outstanding loans per account except you may have the holiday or vacation loan in addition to two other loans. Signature, home improvement, holiday, and vacation loans combined may not exceed 25% of borrower's annual gross income. **No member will be considered for a loan that has a debt to income ratio higher than 45 percent.** No member will be considered for a new or refinance loan if an existing loan with the Credit Union is delinquent.

LOAN RENEGOTIATION POLICY - A member may renegotiate an existing loan when the loan has been paid down by one-quarter (25 percent). In addition, an existing loan cannot be renegotiated more than two times in a 12-month period.

POLICY FOR LOANS FOR INDIVIDUALS FOR BANKRUPTCY - Individuals who have filed for bankruptcy are not eligible for loans until 4 months from the date of bankruptcy finalization. For 2 years from the date of finalization of bankruptcy, the maximum new loan available is \$2500.

DIVIDEND BEARING ACCOUNTS - The Tacomis Federal Credit Union does not accept cash deposits of more than \$100 per day from members in order to comply with the Bank Secrecy Act. Checks and money orders for any amount will be accepted.

Regular share accounts

Minimum deposit is \$5.00; membership fee is \$1.00. Dividend for the period January 1, 2009-June 30, 2009 is estimated to be 1.00% (1.00% APY) per annum.

Christmas Club

Deposits must be by payroll deduction. The dividend rate is 1.75% (APY 1.76%) per annum for the period October 1, 2008-September 30, 2009. Checks will be mailed to account holders during the week of October 1, 2009.

Vacation Club

Deposits must be by payroll deduction. Dividend rate of 1.75% (1.76% APY) per annum for the period October 1, 2008-September 30, 2009. Contact staff for more information.

To apply for a loan, submit completed application to: Credit Union Office, Room 113. (Note.—Do **NOT** call the Credit Committee after submitting a loan application; you will be contacted. Allow 1 week for your loan application to be processed). All loan applications must have a copy of a current wage/earnings statement attached.

FEES FOR SERVICES

Checks returned for insufficient funds – \$40.00.
Stop payment order on TFCU check – \$35.00.

DIVIDEND PAYMENT POLICY- Deposits are computed from the day of deposit to the day of withdrawal and are calculated monthly and paid semiannually.

For further information on membership or on loans and accounts, contact Steve Burket, Mira Smith, Manager, Tyrone Coward, Assistant Manager or Dean Moore, Customer Service Representative at 205-1829.

This credit union is Federally insured by the National Credit Union Administration. All rates are annual percentage rates and all yields are annual percentage yields (APY).

*The credit union will no longer accept new Christmas and Vacation Club accounts during 2009. Current members will be allowed to continue their deduction with a maximum deduction of \$200.00 biweekly. The CU will inform you when we will start accepting new club accounts.