



SPRING 2010

Home Closing Cash Out—New Offer for \$500 Cash Back or No Closing Costs*

There's never been a better time to finance a new home or refinance the one you're living in. For the next few months, in addition to our ongoing No Closing Costs offer, we are adding an option to get \$500 Cash Back after closing in order to give our members the best option possible. And remember, no matter which special offer you may qualify for, be assured that our capable staff will be with you every step of the way to help make the application process go as smooth as possible.

\$500 Cash Back Offer

This special is for members with a stable employment history and a solid credit history/credit score, and is for owner-occupied primary residence properties with at least 5% equity. This special also offers these perks:

- No application fee
- Lower interest rates
- Lower origination fees
- Reduced processing time

No Closing Costs Offer

Our No Closing Costs offer is available for members with a stable employment history and a solid credit history/credit score, and is for owner-occupied primary residence properties in Texas with at least 20% equity. This offer also includes:

- No Discount Points
- No Origination Fees
- No Prepayment Penalties

More Home Loan Options

Refinancing your first or present mortgage may just help you pay off your home faster, especially if you can manage a shorter term and take advantage of the current low market rates. But maybe you'd like to cash out some of the equity in your home for a specific reason, such as paying off a higher interest debt or going back to school. You could also use the equity in your home for remodeling or home improvements to increase the value of your home. Give us a call, or email us at realestate@airforcefcu.com. We'll be glad to hear from you.



* All first lien real estate loans must have an escrow account established for the payment of property taxes, hazard insurance and mortgage-related insurance premiums. The escrow is part of the monthly payment. There is an application fee required up front, but it is refunded at closing. Offer to end at any time.



Pappy Was a Wise Old Man

I like Westerns. On Saturday mornings I often get up early, grab a cup of coffee, and before the day begins I tune into my favorite channel—Encore Westerns. Often there's an old episode of *Maverick* on, and I begin to re-live moments of my youth as the characters refer to the wise old sayings of the *Maverick* brothers' Pappy. I can almost hear them now, "My ol' Pappy used to say . . ."

One of the things I am almost certain that Pappy *Maverick* told his sons is that, "There's no free lunch, boys. Someone always pays. And before you sit down to eat you might want to find out who is paying . . . ultimately!"

Congress in their zeal to protect us has passed numerous pieces of legislation. Many of them decree certain actions or mandate refraining from certain actions. In many instances bureaucrats (public employees who are not elected) have picked up this type of thinking and have begun the process of making similar regulatory mandates in the name of protection.

I do not like that the credit union has to assess Overdraft Fees. The simple fact is that if you offer transactional deposit products, inevitably there are going to be overdraft situations. The fees assessed are meant to be punitive in nature, but they are also designed to cover certain costs, not the least of which is risk of loss from having the overdraft situation in the first place. The people who overdraw their accounts are simply "paying for their lunch."

There are individuals who would prefer us to not return their overdrawn check, but rather that we pay the item. This way they will not have to pay the company to whom they wrote the check an even larger fee than our overdraft fee. A subsequent deposit would cover the overdraft balance—no harm, no foul.

The widespread use of debit cards and ATM cards also increases the risk of creating an overdraft situation. On occasion it may be because a member withdrew an amount electronically, and the transaction was approved before an electronic deposit could post; or it could be that there were other electronic communications issues that unfortunately impaired our ability to properly evaluate the appropriateness of approving the transaction against the current balances of record. In either case, these contractual transactions have to be paid.

In November 2009, the Federal Reserve announced a regulatory change that would require that account holders agree to pay the fees associated with ATM and debit card transactions that result in an overdraft situation. These rules go into effect in July and August 2010. We have performed studies that indicate that there will be a significant segment of people who will not opt-in to the assessing of the fees. They do not realize we will enhance our communications to insure we are looking at the most current balance, and if they do not have the money on deposit, their transaction will be declined. Even though they have had Courtesy Pay Service in the past, they must take action to opt-in again. We expect that a significant amount of transactions will be declined due to members choosing to not opt-in, and the costs, particularly the risk costs will not go away.

We estimate these changes will cost the credit union approximately \$50,000 per month in lost revenue. Since there is no free lunch, and the costs associated with the risks must be covered, we have to replace the revenue from other sources. I do not like it. In fact I hate it. Yes, we are not-for-profit, but we are not a charity either, and we need to have sufficient revenues to cover our expenses. It is important that YOU know that we believe the added fees we are announcing will only cover about 67% of the lost revenue. Additional fees may be necessary from other sources if our projections turn out to be accurate or worse.

Just remember Pappy's sage advice—There's no free lunch! Someone has to pay. The regulations have pushed us into the position of passing you the lunch check, and for that I am so very sorry.

As always I remain in service to you,

Robert A. Glenn
President/CEO

Working with a Financial Advisor

—Content developed by CUNA Brokerage Services, provided by John Brouse, Jr.

Would you trust your medical diagnosis to a casual acquaintance? Do you cut your own hair?

For many things it makes sense to pay a professional who has the expertise to deliver the best results. A professional financial advisor can make all the difference when you are looking to outline a sound, and achievable, financial plan. Follow these six steps to establish a good relationship with a professional financial advisor.

- 1. Choosing your financial advisor**—One of the best ways to find a financial advisor is through a referral. Begin with a trusted source —inquire at your credit union/personal banking center about financial advisors who are located at, or near, your local branch.
- 2. Set up a consultation**—Ask a great variety of questions to evaluate if your financial objectives are well matched to the financial advisor's areas of expertise.
- 3. Discuss your goals and obligations**—Your financial advisor will need information about you and your financial situation, philosophy and risk tolerance. Be candid about your income, debts, future obligations, and current assets.
- 4. Ask plenty of questions**—If you don't understand something, make sure to ask. And keep asking until the answer is clear to you.
- 5. Meet or speak regularly**—To keep your financial plan moving in the right direction, your advisor needs to know when important changes take place in your life. Keep your financial advisor in the loop.
- 6. Listen**—Professional advisors can draw from years of experience and help you maintain a long-term perspective on your investment plan. Take the time to listen to what your financial advisor has to say.

Working with a financial professional can be one of the smartest things you can do to ensure you reach your personal and financial goals. Following these fundamental guidelines can go a long way in helping you get the most out the working relationship with your financial advisor.



John Brouse is a Financial Advisor with MEMBERS Financial Services Program located at Air Force Federal Credit Union. If you have any questions or would like to provide feedback regarding the information presented in this article, you may contact John at 210.246.5106 or john.brouse@cunamutual.com.



John Brouse, Jr.

Representative is not a tax advisor or legal expert. For information regarding specific tax situations, please contact a tax professional. For legal advice, consult an attorney.

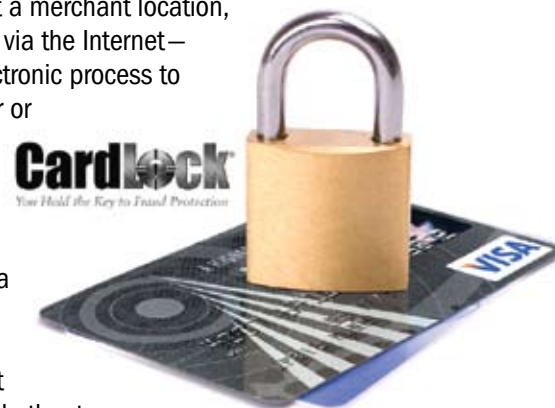
Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. **Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution.** CBSI is under contract with the financial institution, through the financial services program, to make securities available to members.

FR040818-78DA

An Easy DIY Fraud Prevention Service Now Available

People lock their homes and cars to keep them safe and secure from theft and harm. Now you can lock your Air Force FCU credit and debit cards for the same reasons. Introducing CardLock, an innovative concept that empowers you to participate in the security of your credit and debit card accounts. CardLock is an entirely new, proactive and practical approach to fraud and loss prevention.

All payment card transactions—whether initiated directly at a merchant location, over the phone, or via the Internet—go through an electronic process to determine whether or not they will be authorized or approved. CardLock enables you to directly control a special parameter in the authorization sequence that tells the process whether to block (or not block) the transaction from proceeding. When you lock your card with CardLock, any attempt to authorize a transaction on that card will be declined and no fraudulent charge will occur. In addition, you will get a call from the fraud department alerting you that a transaction has been attempted on your locked card.



Imagine the peace of mind you will experience when you apply an additional level of security to your cards. With a simple phone call to a secure, automated system or by visiting the CardLock website, you can block and unblock authorizations to your cards as you choose—anytime, from anywhere with few exceptions.*

You can enroll your Air Force FCU Visa Platinum or Visa Debit Card in the CardLock service by calling 877.285.6251 (877.CULOCK1) or by visiting the CardLock web site at www.cucardlock.com. Once an account number is enrolled, cardholders can lock or unlock a card at any time, 24 hours a day, 365 days a year by either phone or website, regardless of how they enrolled.

* Transactions performed at locally owned Air Force FCU ATMs located in the greater San Antonio area will not be blocked, as our local ATMs do not run through the CardLock system. Automatic transactions that have been set up properly by the cardholder and a merchant to be recurring in nature, such as a fitness club membership, will not be declined, even if the cardholder has locked the account.

FEE CHANGE NOTICE

Your Air Force FCU services are comprehensive, reasonable and calculated in your best interest. We understand that fees affect all of our members in some manner. Should you have any questions regarding this fee change, please contact us.

Effective August 1, 2010: The foreign ATM surcharge will be \$1.00 for every transaction. Members will no longer have three fee-free foreign transactions.

You MUST opt-in to enjoy the benefits of Courtesy Pay effective August 15, 2010

New regulations require that you now have to **Opt-in** to overdraft coverage for ATM or one-time debit card transactions on your credit union accounts. This means that YOU decide whether you want to participate or not. **We WILL NOT authorize and pay overdrafts for ATM transactions and everyday debit card transactions unless you opt-in.**

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined. We **DO** authorize and pay overdrafts for checks, automatic bill pay and other transactions made using your checking account number.

Our overdraft coverage service, called Courtesy Pay, is a safeguard to protect against unexpected mistakes. It allows the security of knowing if you make a mistake, your transaction will be processed. The transaction will not be returned or denied for insufficient funds, and it saves you from being charged any additional fees by the merchant—if you have opted-in.

Courtesy Pay differs from other overdraft services we offer, such as linking your account to another account with us or having an overdraft line of credit in place.

To opt-in by phone, call 210.673.5610 or 800.227.5328. You can also give us your authorization in person, by US mail or by email to memberservices@airforcefcu.com. You may also opt-out at anytime if you need to.

BBB Warns Businesses About New Phishing Attack

Beware of fake complaint reports coming from seatac@bbb.org. Better Business Bureau (BBB) is warning businesses to beware of a new malicious email that pretends to be from BBB about a complaint filed against the company. The email first came to BBB's attention on April 12.

Several businesses across the US—including law firms, advertising agencies and architecture firms—have reported receiving a suspicious email from the address seatac@bbb.org with the subject line "BBB Complaint Case #" followed by a nine-digit number. Both BBB Accredited and non-Accredited businesses have been targeted.

The body of the email claims that the company did not respond to a complaint filed by a Jason Harlow (however other names may be used) and includes a link to a page at www.ca-bbb.org where the business can supposedly review the complaint.

Because the message is fraudulent, BBB advises any business that receives this email to take the following steps:

- Do not click on any links or reply to the message;
- Forward the message to phishing@council.bbb.org;
- Completely delete the message from your inbox; and
- Run a full virus scan on your computer if you did click on any links.

If you receive an email from BBB about a complaint filed against your business and need assistance in determining whether or not it is legitimate, contact your local BBB directly at 210.828.9441.

For more advice on how to protect your business from malicious online attacks, go to:

<http://sanantonio.bbb.org/Protecting-Personal-Information/>

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Corporate Headquarters: 1560 Cable Ranch Road, Suite 200, San Antonio, TX 78245



Air Force Federal Credit Union Core Values

Integrity First, Service Before Self and Excellence in ALL WE DO

Our Mission

To be the one financial institution that best understands and meets the needs of our members wherever they are.

YOUR MEMBER CONTACT CENTER IS OPEN 24|7|365

Member Contact Center ■ 210.673.5610 ■ 800.227.5328 ■ Fax 210.678.5294

UK / Germany: 00.800.0024.7247

Japan: 001.800.0024.7247

South Korea: 002.800.0024.7247

Lost/Stolen Credit Card or Debit

Card: 1.800.227.5328 (24 hours)

Routing No:

314085504

San Antonio Branches Hours of Operation

	Lobby		Drive-thru	
	MON-FRI	SATURDAY	MON-FRI	SATURDAY
Main—Lackland AFB 2250 Kenly Avenue	9am-5pm	9am-1pm	9am-5pm	9am-1pm
Wilford Hall—Lackland AFB Suite BT07	9am-4pm	closed	n/a	n/a
Valley—Hi (outside Airmen's Gate) 151 Valley—Hi Dr	9am-5pm	9am-1pm	8am-5pm	9am-1pm
Ingram 3103 Wurzbach Road (at Ingram)	9am-5pm	9am-1pm	8am-6pm	9am-1pm
Guilbeau 7853 Guilbeau Road	9am-5pm	9am-1pm	9am-5pm	9am-1pm

WE HAVE OVER 6,300 LOCATIONS READY TO SERVE YOU WORLDWIDE!



Shared branching allows you to make lobby transactions in person at any CU Service Center® Network location in 46 states, Puerto Rico, Japan, South Korea, Italy, Germany and the United Kingdom. Find the nearest CU Service Center® shared branching location at www.cuswirl.com, or call toll-free, **888.287.9475**.

WE HAVE OVER 28,000 ATMS TO SERVE YOU WORLDWIDE—SURCHARGE-FREE!



There are over 90 CO-OP ATMs in the San Antonio area alone! To locate a CO-OP Network ATM near you, go to www.co-opnetwork.org or call toll-free **888-SITE-CO-OP**. Or text your location—address, intersection or zip code—to **692667 (MYCOOP)** from any mobile phone.

Air Force FCU ATM Locations — San Antonio, Texas

Available at each branch and at the Corporate Headquarters site in the ground floor foyer.

ATM kiosks (adjacent to Walmart):

■ 1200 SE Military Dr ■ 7639 NW Loop 410 ■ 11302 Potranco Rd

Local CU network: Use any of the following San Antonio area credit unions' ATMs without a surcharge or transaction fee: Firstmark CU, generations fcu, Randolph-Brooks FCU, River City FCU and United SA FCU.

Air Force FCU ATM Locations — Lackland Air Force Base, Texas

Bldg. 1385, Base Exchange, 2180 Reese Street

Bldg. 2490, Gateway Club, 1650 Kenly Avenue

Bldg. 6576, Skylark Recreation Center, 1560 Luke Blvd.

Bldg. 7025, Mini Mall, 1425 Stewart Street

Bldg. 8400, Commissary, 2250 Foulis Street

1530 Femoyer Street, Troop Mini Mall (2)

2220 Carswell, BMT Reception Center

2306 Kelly Drive, Shoppette

Medina Security Compound, Medina Base

Bldg. 118, Gateway Club Annex, Medina Base, Apollo Drive

Bldg. 7425, DLIELC, 1201 Patrick Street

Air Force FCU ATM Locations — outside San Antonio, Texas

Pleasanton, TX: 2145 Oaklawn (adjacent to Walmart)

Seguin, TX: 1398 Eastwood Drive (adjacent to Walmart)

Biloxi, Mississippi: 1621 Pass Road, Suite E in the Pass Road Plaza Shopping Center, (Near Keesler AFB, Gate 7)

Air Force Federal Credit Union Board of Directors

Chairman—Col Sam V. Farace, Jr. USAF (Ret), Vice Chairman—James E. Goodgion, III, Treasurer—Melvin J. Moczygemba, CPA, Secretary—Joan B. Lopez

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If you have any questions or complaints, please contact management first by calling the President/CEO at **210.673.5610**. If you are not satisfied with the response you receive, please send your comments in writing to: Supervisory Committee, P.O. Box 760699, San Antonio, TX 78245



Your savings federally insured to at least \$250,000 by the National Credit Union Administration, a U.S. Government Agency, and backed by the full faith and credit of the United States Government.



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

All branch operations will be closed in observance of

Memorial Day
Monday, May 31

& Independence Day
Monday, July 5

Your Member Contact Center is open 24|7|365, even on holidays!

Loan Interest Rates Effective May 1, 2010

CONSOLIDATION ADVANTAGE LOANS (CAL)

	Monthly Payment per \$1000	APR ¹ as low as
12 months	\$87.71	9.50%
24 months	\$45.93	9.50%
36 months	\$32.05	9.50%
48 months	\$25.14	9.50%

New and Used Autos

Up to 100% Financing	Monthly Payment per \$1000	APR ¹ as low as
48 months	\$22.45	3.70%
60 months (\$10,000 min)	\$18.38	3.90%
66 months (\$10,000 min)	\$16.96	4.10%
72 months (\$20,000 min)	\$15.70	4.10%
84 months (\$30,000 min)	\$14.66	6.10%

RV/Travel Trailers

New/Used/Refinance Up to 100% Financing	Monthly Payment per \$1000	APR ¹ as low as
60 months	\$19.81	7.00%
72 months	\$17.06	7.00%
84 months	\$15.10	7.00%
96 months	\$13.89	7.50%
120 months	\$11.88	7.50%
144 months (1998+ Newer)	\$10.56	7.50%

Boats/Motorcycles

New/Used/Refinance Up to 100% Financing	Monthly Payment per \$1000	APR ¹ as low as
Up to 60 months—(term depends on amount borrowed)	\$19.86	7.10%

PERSONAL LOANS

	Monthly Payment per \$1000	APR ¹ as low as
12 months	\$88.88	12.00%
24 months	\$47.09	12.00%
36 months	\$33.23	12.00%
48 months	\$26.35	12.00%

REDI-CREDIT

Line of Credit 7.25% APR²

Loans secured by share or certificate accounts are available by adding 3.00% to the share rate of the account securing the loan. Terms may not exceed 60 months for share secured loans or the term of the certificate account for certificate secured loans.

¹ APR = Annual Percentage Rate effective on May 1, 2010 and subject to change at any time without notice. APR based on evaluation of applicant's credit. Your actual APR may vary.

² Wall Street Journal Prime Rate as published at www.bankrate.com as of the last day of June and December of each year plus 4.00%.

For updated information, inquire at any branch office or call 210.673.5610.

Air Force FCU ■ 1560 Cable Ranch Road, Suite 200, San Antonio TX 78245 ■ USA

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RATES AS LOW AS
3.70%
APR*

* APR = Annual Percentage Rate as of May 1, 2010, subject to change at any time without notice. APR based on evaluation of applicant's credit. Your APR may vary. Estimated monthly payment per \$1,000 borrowed at 3.70% APR for 48 months is \$22.45.