

BANNER

ARKANSAS' LARGEST FINANCIAL COOPERATIVE

and safest

first quarter / january 2001

Arkansas Federal Credit Union: It's A Great Place To Borrow and Save

With a Consumer's Choice Home Equity Loan from Arkansas Federal you can put the hidden money in your home to work for you. Use your equity for things such as home improvements, pay your taxes, pay your holiday bills, consolidate your bills or take that dream vacation you've been dreaming about.

As always, you will find the rates for Arkansas Federal's Consumer's Choice Home Equity Loans are lower than most in the market. Take advantage of these great rates and our low fees to let Arkansas Federal find the hidden money in your home. Just call 501-982-1000 and ask about the Consumer's Choice Home Equity Loan.

Take advantage of the higher yielding accounts available through your membership in Arkansas Federal Credit Union. As a member of Arkansas Federal you can take full advantage of all our great products and services including savings products such as Certificate Accounts, Money Market Accounts, IRAs and Share Savings.

Compare the rates at Arkansas Federal against other financial institutions in the state and see just how much you can gain from membership at AFCU. Rates effective as of December 18, 2000. AFCU's Savings rates are declared for the previous quarter and dividends are paid quarterly. AFCU's Money Market and Certificate Account dividends are paid monthly. Rates are subject to change without notice. Contact a credit union employee or go to www.afcu.org for applicable fees and terms.

Why not offer other members of your family the same options that you have? As a member-owner of Arkansas Federal Credit Union, you can sponsor your immediate family members into membership so they too can take advantage of all our quality financial services. 🏠

	SAVINGS ACCOUNT	1 YEAR CERTIFICATE	MONEY MARKET	HOME EQUITY LOAN
AFCU	3.25% APY*	7.00% APY*	4.44% APY*	7.90% APY*
Regions of Little Rock	1.60% APY*	5.00% APY*	2.98% APY*	11.00% APY*
First Arkansas Bank and Trust (Jacksonville)	1.76% APY*	4.84% APY*	2.02% APY*	10.50 APY*
Community Bank of Cabot	2.00% APY*	5.00% APY*	2.25% APY*	11.00% APY*
Firststar Bank of Little Rock	1.00% APY*	4.30% APY*	1.00% APY*	9.24% APY*
Pulaski Bank and Trust of Little Rock	1.51% APY*	5.09% APY*	1.80% APY*	9.49% APY*
Bank of America of Little Rock	1.00% APY*	5.65% APY*	2.25% APY*	8.37% APY*
Superior Federal of Little Rock	2.01% APY*	5.71% APY*	2.42% APY*	9.75% APY*

*Rates quoted are annual percentage yield.

SENATOR HOOFFMAN HAS BEST INTEREST OF ARKANSAS CONSUMERS IN MIND



Senator Cliff Hoofman

State Senator Cliff Hoofman has pre-filed a bill to repeal the Check Cashers Act (the "Act") in Arkansas. The Act, passed in 1999, states that the cost Check Cashers pass on to consumers for payday loans is a fee, not interest. However, the Federal Reserve Board's interpretation of Regulation Z (the regulation which governs how lenders must explain interest, both the rate and

amount) says that these fees are actually interest. The fee amount charged by Check Cashers far exceeds the maximum rate of interest a lender is entitled to charge under Arkansas' constitution—the usury limit.

Most consumers who obtain a payday loan, a loan for cash until their next payday, don't understand check cashing services and the financial risk of this type of loan. For example, if a consumer wants to obtain a \$200 payday loan a check casher would require the consumer to write

the predated check, within 7 to 14 days of the loan, for \$233.33. If the transaction is rolled over each payday for one year, the consumer would pay \$866.58 in interest, plus the principal of \$200—a total of \$1066.58. If, instead, a consumer obtained a \$200 loan from any other consumer lender to be repaid over one year at the maximum Arkansas interest rate of 17%, they would pay \$19.65 in interest plus the principal of \$200 in bi-weekly payments of \$8.46 for a total of \$218.82.

By charging 45 times more for a payday loan than the maximum allowed under the Arkansas usury law, Check Cashers are making usurious and, what some courts have ruled, illegal loans. Senator Hoofman's Arkansas Senate Bill 6 would eliminate this abuse of Arkansas consumers.

Arkansas Federal Credit Union would like to thank Senator Hoofman for looking out for the citizens of Arkansas. AFCU strongly supports the repeal of the Check Cashers Act. By prohibiting these outrageous fees, Senator Hoofman's bill benefits all Arkansas resident AFCU members. 🇺🇸

BOARD OF DIRECTORS
CREDIT APPEALS BOARD
SUPERVISORY COMMITTEE

Phillip B. Boudreaux, *Chairman*
Art Williams, *Vice Chairman*
Fred Van Driesum, *CFP, Secretary*
Garold L. White, *Treasurer*
Robert Batton, *Director*

Dale Duell, *Chairman*
Pat Hudon, *Member*

Jerry E. Spratt, *CPA, CFE, CGFM, CFS, Chairman*
Robert Rodgers, *CPA, Secretary*
Don Greene, *Member*
William Sprinkle, *Member*
Jay Simmons, *Member*
Kristy Vest, *CPA, CFS, CIA Internal Audit Director*

MANAGEMENT

H. C. Klein, *President/CEO*
Dennis Gibson, *Senior Vice President/Service Delivery*
Craig Savell, *Senior Vice President/Operations*
Don Cypert, *CPA, Senior Vice President/Finance*
Janie Warner, *SPHR, Vice President/Human Resources*
Carla Davenport, *Vice President/Marketing*
Andy Reed, *Vice President/Information Systems*
Terry Vick, *Air Force Base Branch Manager*
Michele Mosley, *Telephone Branch Manager*
Jim Cater, *Little Rock Branch Manager*
Sandra Rodriguez, *North Little Rock Branch Manager*
Carol St. John, *Mortgage Loan Manager*
Joan Davidson, *Account Research Manager*
Don Whiddon, *Collection Manager*
Angela Heard, *Purchasing Manager*
Karen Smith, *Electronic Funds Transfer Manager*
Helen Johnson, *CPA, Accounting Manager*

Mission Statement
Arkansas Federal Credit Union is a member-owned financial cooperative dedicated to being the primary financial institution for all members by providing quality services while maintaining a strong financial foundation.

Arkansas Federal Welcomes...

Little Rock Municipal Water Works Employees Credit Union

The Little Rock Municipal Water Works Employees Credit Union, which serves the employees of the Little Rock Municipal Water Works, has merged with Arkansas Federal Credit Union. The merger, which took place on December 31, 2000, brings an additional 200 members to Arkansas Federal.

In discussing the merger, Little Rock Municipal Water Works Employees Credit Union Board President Val Henry said, "Our employees are really looking forward to the expanded number of services that will be offered by Arkansas Federal Credit Union.

The management and staff of Arkansas Federal welcome Little Rock Municipal Water Works Employees Credit Union to our family. 


Arkansas Federal Credit Union
Dedicated to Members' Privacy

Arkansas Federal Credit Union is a member-owned financial cooperative dedicated to providing quality products and services to its members. With today's technological advances, consumers are more concerned than ever about their privacy. We want our members to know that we are equally committed to protecting our member's privacy and plan to enhance the products and services offered to further protect your individual privacy.

One example of the enhancements members will see in the near future involves our phone system. Currently, when you call in and want to talk to someone in the Telephone Branch, the representative will ask for your member number, as well as a number of other questions to try to determine that we are really talking to the correct member, when they get you on the phone. With our future enhancements, you will be asked to input your member number and Touch Tone Teller Access Code before you ever speak with a representative. When the representative picks up your call, they will be sure that they know who they are talking to because you have input both of these pieces of information that are unique to you.

This enhancement will also bring about quicker response from the telephone representatives because your information will be verified by the computer when you input your member number and Touch Tone Teller Access Code. Your account information will "pop up" on their computer screens as they take your call. Just be sure to have your member number and Access Code ready when you call the Telephone Branch.

If you do not remember your Touch Tone Teller Access Code that was assigned to you when you opened your membership with Arkansas Federal, just remember that it defaulted to the last 4 digits of your social security number. If you have never used your Access Code, it should still be the same number. If you have logged in and used our Touch Tone Teller service, you were forced to change this number the first time you logged in to ensure your security. If you do not remember your Access Code or need additional assistance, please call 501-982-1000.

Arkansas Federal is pleased to bring this enhanced service to its members and is dedicated to service and security enhancements of all our products and services. 

HOLIDAY CLOSINGS!

Martin Luther King, Jr. Day
Monday, January 15, 2001

President's Day
Monday, February 19, 2001

RATE WATCH

7.00%

Share Savings	3.25%
I.R.A. Savings	3.25%
Special Savings	3.25%
Money Market	4.44%
91-day Certificate/IRA	5.50%
Jumbo 91-day Certificate/IRA	5.75%
182-day Certificate/IRA	6.80%
Jumbo 182-day Certificate/IRA	7.00%
1-year Certificate/IRA	7.00%
2-year Certificate/IRA	7.00%

7.90%

New Car/Truck/Van	
up to 60 months	7.90%
61-72 months	8.40%
73-84 months	8.90%
Used Car/Truck/Van	
(Current & 1 yr. old models)	
up to 60 months	7.90%
61-72 months	8.40%
Used Car/Truck/Van	
(2, 3, 4 and 5-year old models)	8.40%
E-Z Home Equity	9.90%
Generous Home Equity	8.90%
	or 9.90%
Conventional Home Equity	7.90%
	8.90%
	or 9.90%

13.50%

Visa Credit Card	13.50%
New/Used motorcycle,	
boat and RV	7.90%
Share Pledged (savings)	6.25%
Personal Signature	14.90%
1st Mortgage (VA 30-year)	7.304%
7.000% + 0% discount + 1% org. fee	
Based on \$100,000 loan + 2.00% funding fee financed	

RATE WATCH

Rates effective as of printing. Savings rates are declared for the previous quarter, and dividends paid quarterly. Money Market and Certificate Account dividends paid monthly. Rates subject to change without notice. Contact a Credit Union employee for information on applicable fees and terms. All savings rates APY; all loan rates APR. Property for mortgage loans must be located in the state of Arkansas. FHA & Conventional mortgage loans also available.

ARKANSAS FEDERAL'S ANNUAL MEETING DRAWING NEAR

The nominating committee has selected two incumbents, Art Williams and Garold White, for the two positions open on the AFCU Board of Directors.

According to the credit union's bylaws, nominations for vacancies may also be made by petition. Any member wishing to be considered for the positions open on the board and who missed the nominating process may contact any AFCU branch manager or call the Telephone Branch at 982-1000 or 800-456-3000 to request a petition for nominations. A member must obtain a minimum of 75 signatures of Arkansas Federal Credit Union members. The petition must be returned to the secretary of the board by February 5, 2001. Arkansas Federal Credit Union's annual meeting will be held on Tuesday, March 27, 2001. 🇺🇸

Art Williams

Current Occupation

Alltel Communication Finance and Administration Department responsible for Point of Sales Administration and Marketing Computer Security.

Education

Masters in Business Administration from the University of Arkansas at Little Rock

Completed the National Credit Union Association's Volunteer Achievement Program

Completed the National Credit Union Administration's Management Enrichment Training Program

Army Command and General Staff College, Industrial College of the Armed Forces

Activities

Arkansas Federal Credit Union Board volunteer since 1985, currently serving as Vice Chairman of the Board; Past Regional Director of National Association of Credit Union Supervisory and Audit Committees (NACUSAC) for 10 years; Lt. Colonel in the U.S. Army Reserves (Ret.); Adult Volunteer with the Boy Scouts of America.

Why are you seeking re-election to the AFCU Board of Directors?

"I have had the opportunity to serve on the AFCU board for the past 12 years and have also served as a regional director on the national board of the National Association of Credit Union Supervisory and Audit Committees. I had the opportunity to represent our credit union and the Arkansas Credit Union League before the Arkansas Congressional delegation this summer.

I believe that credit unions are member-oriented and not-profit driven as many banks seem to be. I would like the opportunity to continue to serve on your board of directors and continue the fight against the banking community that is preventing people from joining a credit union of their choice. We have a credit union that is successful and is nationally recognized as a leader in the credit union industry.

I have been active in bringing select employer groups into our field of members, and I have worked hard to insure that our credit union offers loan rates that are fair and that the credit union pays a good rate of return on our share accounts. I am requesting your support in re-election to the Board of Directors to guide our credit union into the new millennium."



Garold L. White

Current Occupation

Business owner who specializes in planning and executing employee recognition events for major corporations located in the Central Region of the United States.

Education

Master of Business Administration degree, Southern Illinois University - Edwardsville

Bachelor of Arts, Business Administration and Accounting, Seattle University

CUNA and NAFCU seminars, conferences and continuing education courses for volunteers

Air Command and Staff College and Air War College, United States Air Force

Activities

AFCU Board of Directors, 1986 to 1994, returning to Arkansas and serving 1995 to present, currently serving as Treasurer; Supervisory Committee for internal auditing, 1985-1986, served as Chairman; Consumer Protection Sub-Committee, Credit Union National Association (CUNA), 2000; Field of Membership/Franchise Protection Sub-Committee, CUNA, 1997-1999; First United Methodist Church, Jacksonville, Strategic Planning Committee and Child Care Board; Member of the Jacksonville Chamber of Commerce and the Sherwood Chamber of Commerce; Lieutenant Colonel, United States Air Force, retired after 26 years; Member of the Air Force Association and Retired Officers Association.

Why are you seeking election to the AFCU Board of Directors?

"I believe in the credit union movement and its value to working people. As a volunteer in the credit union over the last 14 years, I have seen the credit union grow in size and the services offered as your financial needs have changed. I've proudly helped with the following :

- Credit cards, first and second mortgage lending
- ATMs, state-of-the-art telephone branch, and one of the first to offer internet banking.
- Growth from \$50 million to \$277 million in total assets, the largest in Arkansas and ranking in top 2% financially of all federal credit unions of similar size
- Lobbying in Washington D.C. to retain our tax-exempt status
- Consistently paying the highest savings and CD rates while offering low loan rates.
- Serving on CUNA's sub-committee protecting members interests in bankruptcy and lending.

If re-elected, I pledge to continue my efforts on your behalf. Please vote for Garold L. White." 🇺🇸



Craig Savell has joined Arkansas Federal Credit Union as Senior Vice President of Operations. Previously the President/CEO of the Arkansas Credit Union League, Savell brings 14 years of experience in credit union management to his position. Savell began his career with the Tennessee Credit Union League and has worked in credit unions such as Resource One FCU and Willis Corroon CU, formerly Corroon and Black CU. Savell received a Bachelor's Degree from Louisiana State University. Savell and his family make their home in Little Rock, Arkansas.



Craig Savell
Senior Vice President of Operations



James Cater
Little Rock Branch Manager

James Cater has been named Little Rock Branch Manager for Arkansas Federal Credit Union. Cater brings over 23 years of financial industry experience to his position. He has worked in many diverse areas of financial services such as business development, branch management and collections management. Cater holds a Bachelor of Science degree from the University of Illinois at Chicago. Cater and his wife make their home in Little Rock, Arkansas.

Andy Reed has been promoted to Vice President of Information Systems. Reed has been with Arkansas Federal Credit Union for four years serving as Network Administrator and is a Certified Novell Engineer, as well as a Microsoft Certified Professional. Reed will oversee the credit union's information technology solutions including communications networking, telephony, computer networking and software applications. Reed brings a total of eight years of information systems experience to his position and lives with his family in Little Rock, Arkansas.



Andy Reed
Vice President of Information Systems

Income Tax Reporting and Refund Information

Each year, your credit union prepares certain IRS reporting forms for your use in filing personal income tax returns. The forms that will be mailed by January 31 include IRS Forms: 1099, 1098, 1099R. By May 31, IRS Form 5498 will be mailed to members.



Tax Refunds by Direct Deposit

The fastest, safest and easiest way to get your IRS tax refund delivered to you is through IRS Direct. If you are one of the millions of taxpayers eligible to direct deposit, the IRS will transmit your 2000 tax refund directly to your Arkansas Federal Share Savings Account.

Members requesting the IRS to direct deposit their income tax refund can use the Touch Tone Teller or Internet Account Access to confirm deposit of their refund to their Share Savings Account. Once deposited, just use the Touch Tone Teller, Access Code 27 or the Internet Account Access transfer button to transfer the refund into your checking account or any other account or loan of your choice.



Planning a Weekend Getaway?

A message from the MEMBERS Financial Services Program

Even if you aren't traveling far, it takes careful planning to make sure your weekend getaway is everything you hope for. The same goes for your financial future. It takes planning to make sure that everything goes the way you hope it will. You want to be prepared when your children are ready for college or you're ready to retire.

Start planning for your financial future today by visiting the MEMBERS Financial Services Program located at the credit union. The MEMBERS Financial Services Program is a personal financial management service that offers you information and options regarding money management, education, funding, insurance planning, retirement and estate planning. The MEMBERS Financial Services Representative will work with you, at no cost or obligation, to identify your personal financial goals and various routes to help get you to your "destination".



Mike Van Bokhoven

So make sure your next "getaway" is a trip to the MEMBERS Financial Services Program. Call Mike VanBokhoven at 501-982-1000 extension 114 or stop by today for an appointment.

The MEMBERS Financial Services Program is a service of CUNA Brokerage Services, Inc., 5910 Mineral Point Road, Madison, WI 53705, Member NASD, SIPC. MEMBERS Financial Services Representatives are also licensed insurance representatives of CUNA Mutual Life Insurance Company. The products offered through the MEMBERS Financial Services Program: 1) are not insured by NCUSIF or any agency in your state or the federal government; 2) are not deposits; 3) are not obligations of the credit union; 4) are not guaranteed by the credit union or any affiliated entity; and 5) involve investment risks, including the possible loss of principal.

AFCU Info

LOCATIONS

- Air Force Base Branch**
2424 Marshall Rd., Jacksonville
- Little Rock Branch**
1001 West Capitol Ave.
- West Little Rock Branch**
301 N. Shackelford Rd. (at Markham)
- North Little Rock Branch**
4848 North Hills Blvd.
- Camp Robinson Electronic Branch**
Bldg. 5400, Camp Robinson Canteen*
- Fort Smith Branch**
1301-C South Waldron Rd.
- Telephone Branch**
P.O. Box 9, Jacksonville, AR 72078-0009
- Shoppette ATM Facility**
Building 1996, Arnold Dr. & 2nd St.
Little Rock Air Force Base
- Base Exchange ATM Facility**
Building 940, Arnold Drive
Little Rock Air Force Base
- Donaghey Building South ATM Facility**
7th & Main, First Floor
Little Rock
- State Capitol ATM Facility**
First Floor Lobby
Little Rock

BRANCH HOURS

Mon.-Thurs. 9 a.m.-5 p.m.
Fri. 9 a.m.-6 p.m.
*Closed from 1:00-2:00 p.m.

TELEPHONE BRANCH

Main Number: 501-982-1000
Fort Smith Members: 501-782-1000
Toll-Free Services: 800-456-3000
FAX Number: 501-982-FAXX
TDD Number: 501-982-8732

24-HOUR TOUCH TONE TELLER

501-982-AFCU (2328) or
toll-free 800-982-AFCU (2328)

INTERNET BRANCH

www.afcu.org

To locate the ATM closest to you, call any of the following ATM network locator numbers:

AFFN[®] 800-662-AFFN **pulse[®]** 800-237-ATMS **THE EXCHANGE**

CIRRUS 800-4-CIRRUS **AMERICAN EXPRESS** 800-CASH NOW **MPACT** 800-52-MPACT

Arkansas Federal CREDIT UNION
Arkansas' Largest Financial Cooperative

NCUA National Credit Union Administration, U.S. Government Agency **ESI** Excess Share Insurance **EQUAL HOUSING LENDER**

Attention All Members

Arkansas Federal will be bringing you another MSI Car sale that will take place in late March. Watch your mail in early March for all the details. If you are thinking of buying a new car, there won't be a better time to shop!



Keep Your Account Active

Inactive accounts are defined as accounts that have less than \$200 on deposit and have had no activity (deposits, transfers, loans, etc.) during the previous 12 months. To cover the costs of upkeep on an inactive account, a \$5 per quarter fee is charged. You can avoid being charged this fee by simply keeping your account active.

The *Banner* is the official quarterly publication of Arkansas Federal Credit Union. Comments and suggestions should be addressed to:
Marketing Department
Arkansas Federal Credit Union
P.O. Box 9
Jacksonville, AR 72078-0009