

Final Days to Save Up to \$299 on a Member's Choice Home Equity Loan

Now is a great time to cash in on the equity in your home. Home Equity rates are at their lowest in 40 years. Whether it's to pay off credit card debt, go on a much needed dream vacation, or to start those home improvement projects, Arkansas Federal Credit Union has a Members Choice Home Equity Loan that's just right for you. Members have the choice of three types of home equity programs with six payment choices tailored to fit your individual needs. Members Choice Home Equity Loans have interest rates as low as 4.9% APR with No points, No closing costs, and No appraisal fee. In addition, for a limited time, if you get a Member's Choice Home Equity Loan of \$20,000 or more we will refund your application fee! That's a savings of up to \$299, depending on which loan you choose. Hurry, this offer absolutely expires July 31, 2002! 🏠

Arkansas Federal offers six hassle-free choices:	CONVENTIONAL Home Equity Loan		GENEROUS Home Equity Loan		E-Z Home Equity Loan	
	Choice 1	Choice 2	Choice 3	Choice 4	Choice 5	Choice 6
Loan Amount up to	\$150,000	\$150,000	\$150,000	\$50,000	\$50,000	\$25,000
Loan/Value up to	80%	80%	80%	90%	90%	100%
Terms up to	5 years	9 years	12 years	5 years	10 years	5 years
Fixed Interest Rates	4.9% APR	5.9% APR	6.9% APR	5.9% APR	6.9% APR	6.9% APR
Application Fee	\$299 or \$0	\$299 or \$0	\$299 or \$0	\$299 or \$0	\$299 or \$0	\$149 or \$0

Always consult your tax advisor about the deductibility of any home equity loan. Only available on property located in Arkansas.



LOCATIONS

- Jacksonville Branch**
2424 Marshall Rd.
- Little Rock Branch**
1001 West Capitol Ave.
- West Little Rock Branch**
301 North 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.
- Conway Branch**
220 Skyline Drive, Hwy. 65 North
- Telephone Branch**
P.O. Box 9, Jacksonville, AR 72078-0009
- Shoppette ATM Facility**
Building 1996, Arnold Drive & 2nd Street
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: 479-782-1000
Conway Members: 501-329-1000
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

E-MAIL

info@afcu.org Routing # 282075028

We also have 803 Credit Union Service Centers locations in 34 states to serve you. To find a location go to www.cuservicecenters.com.

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

AFFN [®] 800-662-AFFN	pulse [®] 713-223-1400	THE EXCHANGE 800-237-ATMS
CIRRUS 800-4-CIRRUS	AMERICAN EXPRESS 800-CASH NOW	MPACT 800-52-MPACT
Plus 800-THE-PLUS	Credit Union 24 877-570-2824	24 800-782-9042

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



Each account is insured up to \$100,000 by the National Credit Union Administration, an agency of the federal government.



In addition to Federal Insurance, members' savings in the credit union are insured with an additional \$250,000 of coverage.



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

Credit Card Debt Liquidation

The Credit Card Debt Liquidation Report shows members how to cut years off the time required to pay off credit card debt, which can save you hundreds, even thousands, of dollars. The report provides a "road map" for paying off the debt quickly and efficiently by allocating the funds already being used for the minimum monthly payments in the most efficient method possible. Call AFCU today at 501-982-1000 ext. 251 to start your trip to financial freedom from credit card debt. 🏠

Holiday Closings

All AFCU branch and drive-up teller locations will be closed in observance of the following holiday:

Labor Day,
Monday, Sept. 2, 2002

AFCU wishes you and your family a safe and happy holiday.

ATM RECEIPTS HAVE A NEW LOOK

You may have noticed a new look to our ATM receipts if you have visited one of our 15 convenient ATM locations in the last couple of months. All ATM receipts now have information about our advanced feature ATMs and a coupon for you to use. These receipts will help inform you about the many features of our ATMs. Our ATMs are convenient for withdrawals and are able to perform many advanced functions. They also provide these safety features to protect you while using our ATM:

- 1. Account number masking** – Only the first four and last four digits of your card number are printed on your ATM receipt. This prevents others from gaining access to your card number in the event you lose or misplace your ATM receipt.
- 2. 911 Safe Alert Button** – All of our external ATMs have a large red button located on the control panel displaying "911." If an emergency arises a 911 operator can be reached immediately by pressing the 911 button.
- 3. Surround Safety Signage** – The literature surrounding all ATMs explain safety tips to inform you of proper ATM usage.
- 4. Open & Closed Signage** – All AFCU ATMs have an open/closed sign that displays if the ATM is operational. The OPEN sign is green and the CLOSED sign is red to better read the signage as you approach the ATM.

So stop by one of our 15 convenient ATM locations today and see how easy and safe our advanced feature ATMs are to use. 🏠

ARKANSAS FEDERAL CREDIT UNION

BANNER

ARKANSAS LARGEST FINANCIAL COOPERATIVE

and best insured

third quarter / July 2002

Your Choice, New or Used Auto Loan for 5.5% APR –For a Limited Time

Now is the time to purchase that new or used car, truck, van, or SUV before the rates go up. At AFCU, members now have more choices in auto financing when purchasing a new or used auto. We are offering a special Member's Choice financing rate on both new and used vehicles at 5.5% APR for a limited time (does not apply to current or existing AFCU auto loans). Log onto www.afcu.org or call the credit union and get pre-approved, then you can shop at your leisure knowing you already have a loan. When you find the new or used auto of your dreams just hand over the pre-approval to the auto dealer and they will take care of the rest. You simply "sign and drive away" in your newly purchased vehicle. 🚗

AFCU has a Member's Choice auto loan to fit your financial needs:

AFCU Member's Choice Auto Financing Programs	Regular APR	Special Promo APR
New Auto 24 month financing	4.40%	
New Auto 36 month financing	4.90%	
New Auto 48 month financing	5.40%	
New Auto 60 month financing	5.90%	5.50%
New Auto 72 month financing	6.40%	
New Auto 84 month financing	7.40%	
Used Auto current & 1 yr old model 24 month financing	4.40%	
Used Auto current & 1 yr old model 36 month financing	4.90%	
Used Auto current & 1 yr old model 48 month financing	5.40%	
Used Auto current & 1 yr old model 60 month financing	5.90%	5.50%
Used Auto current & 1 yr old model 72 month financing	6.90%	
Used Auto 2 yr old model 60 month financing	6.90%	5.50%
Used Auto 3 yr old model 48 month financing	6.90%	5.50%
Used Auto 4 yr old model 36 month financing	6.90%	5.50%
Used Auto 5 yr old model 24 month financing	6.90%	5.50%

TAKE THE REBATE and Finance Your New Car with AFCU

As a consumer in America today, you have many options when purchasing big ticket items. The automobile industry has great offers and unbelievable incentives to purchase a new car. Some promotions sound too good to be true.

That's because some of them probably *are* too good to be true. First you have to have perfect credit before you are even eligible for the special offer. Second, you may have to make a considerable down payment. Third, the deals may only be available for a specific make and model in stock. Fourth, you usually have to give up the rebate to get the low financing rate. Do you qualify for these great 0.0% deals? Even if you do, is 0.0% financing always the best deal?

You may be better off taking the rebate instead. The example at right compares taking the special 0.0% financing or taking the rebate and financing your new vehicle with Arkansas Federal Credit Union. 🚗

Compare!	Dealer Low Rate Financing w/o the Rebate	Take the Rebate and AFCU Financing	Take the Rebate and AFCU Extended Term Financing
Vehicle price:	\$20,000	\$20,000	\$20,000
Trade-in value:	\$2,000	\$2,000	\$2,000
Rebate:	\$0	\$2,002	\$2,002
Amount financed:	\$18,000	\$15,998	\$15,998
Term (months):	36	36	84
Interest rate:*	0.00%	4.90%	7.40%
Monthly payment:	\$500	\$476.81	\$243.09
Lower monthly payment by:		\$23.19	\$256.91
<small>*APR (Annual Percentage Rate)</small>			
At AFCU members have choices when financing their new or used car, truck, van, or SUV. Financing is available from 24 months to 84 months. These numerous member choices are just another reason it makes sense to finance your auto purchase with Arkansas Federal Credit Union.			

From the desk of H.C. KLEIN



From our humble beginning in 1956, when the personnel of Little Rock Air Force Base founded Little Rock Air Force Base Federal Credit Union, AFCU has grown into the largest credit union in Arkansas. We now have 56,849 members, 8 branch offices, 15 ATMs, and total assets of \$332,975,207. The credit union offers a full range of deposit, lending, and investment products with access through branch offices, ATM network, telephone branch, Internet branch, and 735 service center locations in 35 states and 4 countries which provide service to our members.



H.C. Klein – President/CEO

The primary driving force behind the credit union's success is exactly what it was 46 years ago. AFCU remains a not-for-profit, financial cooperative that exists to meet the financial needs of its membership. The members are the owners of the credit union. They elect a volunteer Board of Directors that establishes policies that are implemented by the management and staff.

This ownership structure is a major factor in AFCU's ability to offer favorably priced products and services. Without a separate group of stockholders or private owners demanding a return on their investments, all net income is given back to the membership directly or set aside for reserves. When the Board of Directors makes decisions as to interest rates, fees, or services, their goal is not to maximize the return to outside owners. It is always to do what is best for the membership.

AFCU remains committed to providing low cost and convenient services while addressing the financial needs of its members. That is, quite simply, what should be expected from a member-owned cooperative.  

New Features for Account Access

AFCU recently upgraded the Account Access portion of our Internet Branch. You may have already noticed these new features.

- Your user name has been added to the AccountTransfer page to help you remember which account you are accessing.
- Account Transfers can now be made directly from the Account Summary page saving you time.
- Your amount due will now show in the drop down box when doing an Account Transfer.
- A warning screen will now appear when your Account Access session is about to time out.
- You can now use your own nicknames for each of your accounts.
- You will periodically be asked for your e-mail address when signing on to Account Access. This will give us another tool to reach you in case fraudulent use of your account is detected (you may elect to "opt-out" or not to provide your e-mail address).
- Secondary Log-in will allow you to enter another member number and access code to switch to another account without logging out of your current account and returning to the Account Access log-in page.
- You can now schedule a transfer to take place in the future and schedule recurring transfers.
- You can now set notification alerts to be notified via e-mail (if you provided an e-mail address) a balance amount, when a check has cleared, and when a CD is about to mature.



These upgrades will provide you with more convenient and efficient use of your account. If you have not registered for Account Access, go to www.afcu.org and click on the Account Access icon in the upper right corner. 

RATE WATCH

SAVINGS RATES

Share Savings	1.75%
Special Savings	1.75%
I.R.A. Savings	1.75%
Money Market	1.61%
91-day Certificate/IRA	2.05%
91-day Jumbo Certificate	2.05%
182-day Certificate/IRA	2.15%
182-day Jumbo Certificate	2.15%
1-year Certificate/IRA	2.60%
2-year Certificate/IRA	3.40%

Rates effective as of printing. Savings rates are declared for the previous quarter, and dividends are paid quarterly. Money Market and Certificate Account dividends are paid monthly. Rates subject to change without notice. Contact a credit union employee for information on applicable fees and terms. All savings rates are quoted as an Annual Percentage Yield (APY).

LOAN RATES

New Car/Truck/Van		APR
Up to 24 Months		4.40%
25 to 36 Months		4.90%
37 to 48 Months		5.40%
49 to 60 Months		5.90%
61 to 72 Months		6.40%
73 to 84 Months		7.40%

Used Car/Truck/Van		APR
Current & 1-Year-Old Models		
Up to 24 Months		4.40%
25 to 36 Months		4.90%
37 to 48 Months		5.40%
49 to 60 Months		5.90%
61 to 72 Months		6.90%

Used Car/Truck/Van		APR
2- to 5-Year-Old Models		6.90%
New & Used Motorcycle		5.90%
New & Used Boat		5.90%
New & Used RV		5.90%
New & Used Airplane		5.90%
Other Collateral		5.90%

Home Equity Loans		APR
E-Z Home Equity		6.90%
Generous Home Equity	5.90%/6.90%	
Conventional Home Equity	4.90%/5.90%/6.90%	
Lot or Land Loans		7.50%
Share Pledged (Savings)		4.75%
Certificate Pledged	3% above certificate rate paid	
Credit Builder		9.50%
Personal Signature		13.90%
VISA Credit Card		10.90%

All loan rates quoted as an Annual Percentage Rate. There is a five acre maximum on lot or land loans.

MORTGAGE LOAN RATES

FHA/VA	Rate	Points
30 Year	6.375%	1.625%
30 Year	6.500%	0.000%
Sample APR		6.795%
15 Year	5.500%	1.750%
15 Year	6.000%	0.000%
Sample APR		6.479%

Conventional/Fixed Rate	Rate	Points
30 Year	6.375%	0.125%
30 Year	6.500%	0.000%
Sample APR		6.596%
15 Year	5.875%	0.250%
15 Year	6.000%	0.000%
Sample APR		6.157%

There is a 1.000% origination fee on all loan programs. Rates quoted are for loan amounts over \$100,000. Call 501-982-1000, Ext. 151, for quotes on loans under \$100,000. 45-day lock-in on all programs quoted. Rates are subject to change daily.

CHILDREN'S MIRACLE NETWORK



AFCU CMN Committee from L to R: Donna Lewis, Nancy Rowan, David Cavender, Teresa Johnson & Evelyn Witham. Not pictured Lea Stoll.

AFCU would like to thank everyone who contributed to the Children's Miracle Network campaign "Credit Union for Kids." With the help of our members and employees, we raised \$8,750. AFCU then matched dollar-for-dollar what our employees and members contributed. This enabled us to present a check to CMN for \$17,500.

The money donated will benefit Arkansas Children's Hospital through the Children's Miracle Network. The check was presented on behalf of Arkansas Federal Credit Union at the Children's Miracle Network Telethon on June 2nd. Once again, thanks for your support for this truly worthy cause. 🇺🇸

DEDUCT-A-BUCK 2002

Help Increase The Credit Unions' Voice In Washington

Again this year, your dollar can help support the credit union cause through strengthening our voice in Washington. Banks have been fighting to weaken credit unions and deny millions the right to join or stay in their credit union.



As a credit union member and owner, we are asking that you contribute \$1.00 a year to help fund your state and national Political Action Committees. Unlike the banks who have wealthy stockholders who contribute millions of dollars a year, credit unions rely on its members to "Deduct-A-Buck" to help ensure that the credit union voice is being heard. Your dollar will be combined with dollars from millions of other credit union members all across the country who believe that credit unions are the best place to save and get low interest loans.

Please fill out the Deduct-A-Buck authorization form and help us continue to fight for credit unions.

Count Me In!

Please set up my Deduct-A-Buck contribution as follows: *(please choose one)*

- \$1.00 per year
- \$1.00 per quarter = \$4.00 per year
- \$1.00 per month = \$12.00 per year
- \$1.00 per week = \$52.00 per year

Please make the automatic deduction from my:

- Savings Account
- Checking Account

Name: _____ Member #: _____

Address: _____ Signature: _____

City/State/Zip: _____ Date: _____

Federal election law requires the following information:

Your employer: _____ Your occupation: _____

Contributions to the Credit Union Legislative Action Committee (CULAC) are strictly voluntary. Contributions to federal PACs are not deductible for federal tax purposes. You have the right to refuse to contribute without any reprisal.

BOARD OF DIRECTORS

Phillip B. Boudreaux, *Chairman*

Garold L. White, *Vice Chairman*

Robert Batton, *Treasurer*

Bettyann Hawk, *Secretary*

Art Williams, *Director*

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Robert Rodgers, *CPA, Secretary*

Don Greene, *Member*

Jay Simmons, *Member*

Fred Van Driesum, *CFP, AFC, Member*

CREDIT APPEALS COMMITTEE

Dale Duell, *Chairman*

Pat Hudon, *Member*

Carol Lunday, *Member*

MANAGEMENT

H. C. Klein, *President/CEO*

Craig Savell, *Senior Vice President/Operations*

Dennis Gibson, *NCCO, Senior Vice President/Service Delivery*

Terry Borreson, *CPA, CIA, CISA, Senior Vice President/Finance*

Rodney P. Showmar, *Vice President/Marketing*

Janie Warner, *SPHR, Vice President/Human Resources*

Andy Reed, *CNE, MCP, Vice President/Information Systems*

Steve Smith, *Purchasing Manager*

Teri Miessner, *Collections Manager*

Brian Berstler, *Accounting Manager*

Carol St. John, *Mortgage Loan Manager*

Karen Smith, *Electronic Funds Transfer Manager*

Nicole Matsoukas-Eilts, *Account Research Manager*

Sandy Wood, *Conway Branch Manager*

Terry Vick, *Jacksonville Branch Manager*

Laura Bradley, *Fort Smith Branch Manager*

Michele Mosley, *Telephone Branch Manager*

Victoria Wilson, *Little Rock Branch Manager*

Angela Heard, *West Little Rock Branch Manager*

Mary Johnson, *North Little Rock Branch 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.