

BANNER

ARKANSAS' LARGEST FINANCIAL COOPERATIVE

JULY 1999

**SPECIAL
CAR BUYING
ISSUE!**

**Need
A New
Set Of
Wheels?**

**Get 6.0% APR
For 60 Months
With A \$60 Rebate**

**Private Summer
Car/Truck/Van Sale
Phone-A-Loan
...And More!**

**New
84 Month
Financing On
New Auto Loans**

**Using The
Pre-Approved
Loan To Your
Advantage**

You Can Save \$25 A Month When You Refinance Your Auto Loan

Special Issue

of Banner Focuses on Car Buying



What a surprise! The credit union official newsletter, the Banner, will not be found in your quarterly statement mailed the first week of July. Instead, this special issue of the Banner is being mailed one copy per member household.

This issue is extra-special because it is devoted entirely to car buying and car loan information. Summer into fall is the best time to buy a new or used vehicle. Why? Because dealers are working hard to clear their lots of past year models to make room for the Year 2000 models.

So this issue is a keeper. It is chock full of exciting car buying tips, financing specials, and information on how to apply for your Pre-Approved Loan conveniently and quickly.

Has car fever put you in the buying mood? Remember to come to your credit union FIRST. We'll tell you how much car you can afford and give you the straight story on financing that will fit your family budget. 🍷

Take the Rebate

Finance with AFCU, Save BIG

As a member of Arkansas Federal Credit Union, you should know that when it comes to auto loans, we're the *Auto Loan People*. We'll take care of you throughout the auto loan process. We'll even help you understand the auto buying process. This special issue of the Banner is devoted entirely to car buying and car financing. It is testament to our seriousness when we say we're the *Auto Loan People*.

In fact, we're in the business of providing breathing room. If your old wheels are too cramped, falling apart, or undependable, come to your credit union FIRST...before you set foot on the car dealership lot. In other words, we want you to be prepared. And we'll help you get prepared to buy with straight-talk on how to buy a car and on car pricing information available for FREE through the Car Facts Library and Electronic Car Facts. We'll also fix you up with a pre-approved auto loan at a great rate and term.

To show you just how dedicated we are to making auto loans, take a look at this special offer:



6.0% APR for 60 Months PLUS \$60 Cash Rebate to your Share Savings Account

How do you get 6-60 FOR U? We ask that you believe in your credit union. These excellent rates and terms are only possible if members like you USE your credit union. To encourage you to use Arkansas Federal Credit Union services, we're rewarding members who have a Checking Account (always free of service charges!), VISA Credit Card (low 11.9% APR and no annual fee), and Direct Deposit of their pay with the choice of a new or used (1998, 1999, 2000) auto loan at the 6-60 FOR U great rate and term...PLUS \$60 cash rebate. The only other stipulation is that you keep these key accounts open and active during the entire auto loan term. If for any reason, your Checking Account or VISA is closed or your Direct Deposit stops coming in, the rate on your auto loan will revert to a low 7.40% APR.

So bundle up these services and use your credit union for all it is worth. With our Free Checking Account you could be saving over \$100 a year in the service charges that banks charge. With our VISA Credit Card, you'll save again with no hidden fees and our low annual percentage rate of 11.9%, no annual fee, and a 25 day grace period on purchases. Oh yes, you'll make your VISA payments to your credit union...not some faceless out of state bank or credit card company. Direct Deposit is one of the world's greatest timesavers. You'll wake up on payday morning relaxed and comfortable with your paycheck safely deposited in your credit union account.

Don't delay. 6-60 FOR U will only be available for a limited time. It is time for you to bring your family's personal financial business to the credit union. We look out for your best interest just like a cooperative should! 🍷

Special Sale Events Add Up To Great Savings

Timing is Everything!

Private Summer Car/Truck/Van Sale July 19-24, 1999

Get ready to jump into your next car, truck, or van, turn on the radio, and head out for some all-American fun! It's as easy as apple pie to take the wheel...with the financial advantage you've come to expect during our special Private Summer Credit Union Sale scheduled for July 19 through July 24, 1999. Now is the time to obtain your XPress Pre-Approved Loan before you begin shopping. You will be armed with the buying power of cash and the best loan available.

A brochure listing the official dealers participating in this special sale event will be mailed to members living in Arkansas. To get the special rates and terms listed below, be sure to purchase your vehicle from one of the official dealers. By shopping the Private Summer Credit Union Sale, you will be assured of special discount pricing on new and used cars, trucks, vans, boats and RV's AND convenient, economical credit union financing.

Make your loan application as convenient as possible by using Phone-A-Loan, our 24-hour automated loan application service. Phone-A-Loan can be reached by calling locally 982-1000 (press 6) or for members outside the local area, 800-456-3000 (press 6). Visit our Web Site at <http://www.afcu.org> to make your application. Or make an appointment at any of our branches to apply for your XPress Pre-Approved Loan.



Check out these special rates and terms:

New cars, trucks and vans - 100% financing of the Manufacturer's Suggested Retail Price plus tax, license, registration and the manufacturer's extended service plan. **6.0% APR for 60 months AND defer your first payment a full 6 months.**

Used current and one year old cars, trucks, and vans: **100% of the purchase price. 6.0% APR for 60 months AND defer your first payment a full 6 months.**

Used cars, trucks, and vans up to five years old: **100% of the purchase price** with a rate of 7.40% APR. The length of the loan is based on the age of the vehicle financed.

New and used boats and RV's up to five years old: **100% of purchase price** with a rate of 7.40% APR and up to 120 month financing. 🏠

Don't Be **Deceived** By Cut-Rate Financing Compare and Save-Take the Rebate!

Automobile manufacturers, in an effort to lure potential buyers to their dealership lots, are offering what looks like some very attractive financing deals. Promises of 2.9%, 4.9% Annual Percentage Rate financing really stand out in their advertising.

But is this low, discount financing really better than financing at your credit union? The only way you can really know for sure is to compare dollar for dollar the discount financing versus credit union financing.

In almost all discount financing specials offered by dealerships, the car buyer must give up a rebate in lieu of the discount financing. This means that without the rebate, you are financing a higher priced car.

By choosing credit union financing over dealer discount financing you save \$19.31 a month on your payment and a total of \$1,246.52 on the principal and interest. As a credit union member, you can opt to have your loan payments made effortlessly by payroll deduction. Your loan needs will be handled by the people you know and trust your friends at Arkansas Federal Credit Union.

Apply over the Internet at www.afcu.org or call Phone-A-Loan at 982-1000 or 800-456-3000, press 6. Or call the Telephone Branch at the same phone numbers, extension 582, to apply for your auto loan or to make a loan appointment at one of our convenient branch locations. 🏠

For example:

• Dealer financing

Vehicle price	\$17,000
Rebate	0
Amount financed	\$17,000
Term (months)	60
Interest rate	4.90%
Monthly payment	\$320.01
Total principal and interest	\$19,220
Savings	-0-

• Credit Union financing

Vehicle price	\$17,000
Rebate	\$1,500
Amount financed	\$15,500
Term (months)	60
Interest rate	6.00%
Monthly payment	\$300.70
Total principal and interest	\$17,973.48
Savings	\$1,246.52

Financing

through AFCU is Preferred



Doris and Bard Wright use their Credit Union for all it is Worth

"I got started with the credit union back in '91 when the Little Rock Branch was located in the MainStreet Market," says Doris Wright with a smile. "The loan officer at the branch made me feel right at home and gave me the loan on my Honda in a matter of minutes."

In the eight years since that first car loan, the Wrights have relied on their credit union to meet their borrowing needs, "In addition to the loan on my Lexus, Bard's truck is in the process of being refinanced. We have the credit union's VISA to help us with reservations and trips out of town. We were also pre-approved for a mortgage loan and home equity loan."


Using the credit union's free checking account and money market checking, Doris and Bard manage their household purchases. They've also utilized the credit union for long-term investing with a Certificate Account and various investments with Plan America.

Doris' job with the Department of Human Services requires frequent travel around the state, "I use the Donaghey Building ATM to cash my travel checks," explains Doris. "There's no extra charge for using that ATM and the machine cashes my check to the penny!" Doris and Bard are avid users of the credit union's Touch Tone Teller and Internet Branch, "I make my loan payments by transferring the money from checking to my

VISA or my auto loan over the Internet. I like the convenience and control I have over my accounts with the credit union."

Like the Wrights, you too could have the convenience of financial services under one roof...Arkansas Federal Credit Union. Let one of our credit union professionals

show you the benefits of using the credit union for all your family's financial needs.

In Doris' own words, "Using the credit union is just more cost effective." 

New 8.4 Month Financing

On New Vehicles Makes Ownership A Reality

The leasing of automobiles has grown significantly in the last ten years. Why? Sticker shock is the number one reason.

The price of new cars has gone up so substantially that, in many cases, leasing is the only way the average consumer can afford the payment even on the least expensive new car. So leasing appeals to the payment-sensitive buyers in the market. Dealers promote leasing because they have discovered its huge profit possibilities.

At the end of a lease contract, the consumer doesn't own the car. If the leased vehicle has been kept within the agreed upon mileage limitations (hard to do in today's mobile society) and there is no damage to the vehicle, you can walk away from the vehicle without any further responsibilities. About 80% of consumers are surprised with fine-print restrictions that have been exceeded and the costs involved with those exceptions. And if the consumer wants to buy the lease vehicle, surprise again!

After leasing for three years, you are suddenly faced with four more years

of payments on a car you've been driving for three years. Your total monthly obligations on that particular vehicle suddenly equal seven years.

Wouldn't you rather make affordable payments on that same car and own the car throughout the life of the loan? Arkansas Federal Credit Union's new 8.4% APR, 84-month loan available on new cars, trucks, and vans will put you in the drivers seat at a payment you can afford. There is no penalty for paying off early, and because you own your car, you can enjoy it with no mileage limitations or damage clauses.

Ask about our new 8.4% APR, 84-month financing on new cars, trucks, and vans or, better yet, take three minutes to call Phone-A-Loan and apply. Just call 982-1000 or 800-456-3000, and press 6 or apply using our Internet Branch at www.afcu.org. Sticker shock will soon be a thing of the past! 🇺🇸



Rule of 78s Versus Simple Interest

Why its Best to Finance Your Automobile at Your Credit Union

Did you know that many banks and auto finance companies use a calculation called the Rule of 78s to figure the interest on your auto loan? With the Rule of 78s, the majority of interest paid on the loan is paid early in the loan term. That explains why very little of your payment is applied to the principal auto loan amount in the first 12 to 24 months of your loan term.

At Arkansas Federal, we use the simple interest calculation. Interest is charged on your credit union loan on the declining balance with no pre-payment penalties. Also, credit life and disability insurance is available to protect your family in the event of your death or disablement at a fraction of the cost normally charged at a dealership. These are two little known reasons why credit union financing is better. 🇺🇸

IF Come to the Credit Union FIRST

Buy Your Next Vehicle with Cash

Everyone dreams of strolling into the car dealership and declaring to the salesman, "I'm paying cash." A cash deal means you have negotiating power. You're a cash customer. You are in control of the buying process.

Negotiating with the power of cash is a reality at Arkansas Federal Credit Union. With the Xpress Pre-Approved Loan, members will be pre-approved for the highest possible loan amount and armed with a loan draft that spends like a check at any new or used auto dealership in the U. S.

Stop dreaming! Come to your credit union first to get your Xpress Pre-Approved Loan and pay CASH for your next ehicle purchase. 🇺🇸

CHOOSE

Your Auto Loan Application Method

Over The Net

Do you have Internet access? Go to the credit union's Web Site at <http://www.afcu.org> and apply for your auto loan from the comfort of your home or office personal computer.



The Three Minute Application

Over 43% of the members who apply for a credit union loan use Phone-A-Loan, our automated loan application service. Using the buttons on a touch-tone phone, it only takes three minutes to answer the Phone-A-Loan application questions. One of our friendly Telephone Branch loan officers will process your loan request...and you'll never have to set foot in a credit union office. Handle your auto loan from your easy chair!



Friendly Voices

During business hours, the Telephone Branch handles members' loan requests with friendliness and efficiency. The Telephone Branch Staff is trained to process your loan request with an eye for saving you money. They will help you calculate the loan payment that is right for your budget and provide you with an XPress Pre-Approved Loan so that you are armed with the buying power of CASH at any new or used auto dealership in the U.S. Call 982-1000 or 800-456-3000 to hear their friendly voices.



Face-To-Face

Loan officers in the Air Force Base, Little Rock, West Little Rock, North Little Rock, and Fort Smith Branches are ready to handle your loan application in a face-to-face interview that, with approval, results in you walking out the door of the branch within 30 minutes...auto loan in hand. To make a loan appointment at any of the branches listed above, call 982-1000 or 800-456-3000.



Loan Phone Hot Line

Located in each of our branch offices is the Loan Phone Hot Line. If there are no loan appointments available when you walk in, members can still apply immediately by using the Loan Phone Hot Line. With the touch of a button, you are connected with the friendly voice of a Telephone Branch Loan Officer or Phone-A-Loan, our 24-hour automated loan application service.



The Car Facts

Library and Electronic Car Facts

Think of your credit union as your car buying oasis with a wealth of information available to members who really want to be informed about the car buying process. In the Car Facts Library, books, a video tape, and an audio cassette are available for checkout. These publications and audio/visual tapes contain vehicle pricing, consumer information, and important information on how to buy a car and negotiate the deal.

Car pricing information is available at the touch of a finger using the Electronic Car Facts computer screen. Electronic Car Facts is available at either the Air Force Base, North Little Rock, Little Rock, West Little Rock, or Fort Smith Branches for no charge. Members use the system at a kiosk located in the loan lobby of each branch and can print the information they view on the screen.

One last component of the Car Facts Library is the Dealer Evaluation Notebook. This notebook contains actual member car buying experiences at local dealerships to help you choose the best dealership to shop.



Refinance

Your Auto Loan and Save \$25 A Month on Your Payment...Guaranteed*

That's right. Refinance your bank or auto finance company auto loan with Arkansas Federal and we'll pay off your current auto loan AND cut your monthly payment by \$25...guaranteed!*

It may seem unbelievable, but the unbelievable is what we do every day at Arkansas Federal.

*For qualified members, we can cut your car payment by refinancing your current bank or auto finance company auto loan by lowering the interest rate to as low as 5.9% APR and/or by extending your current repayment term.

REFINANCE CHECKLIST

To begin your auto loan refinance, just clip out the letter, fill in the blanks and mail it to your current lender. The letter requests your present lender to provide:

- A copy of the front and back of your title
- A 30-day payoff balance on your loan, in writing

Once you have these two items, gather the following items:

- A copy of your existing loan contract
- Your vehicle's current odometer reading
- A current paycheck stub
- Proof of your current insurance

Fill out the section below, clip and fold in half. Then place in an envelope and mail to your current lender.

_____ 19__

Dear _____

My _____ loan is with your organization.

Please mail me the following information regarding my loan number _____

1. A copy of the front and back of my title
2. A 30 day payoff in writing

Please mail this information to my home address:

Thank you for your prompt attention to this matter:

Sincerely,

You are ready to call Arkansas Federal's Phone-A-Loan at 982-1000 or 800-456-3000, press 6. Leave your loan application on Phone-A-Loan. It's quick and confidential. Immediately after you apply via Phone-A-Loan, mail the items you collected in the Refinance Checklist to:

AFCU Phone-A-Loan
P.O. Box 9
Jacksonville, AR 72078-0009

OR

Go to our Web Site at <http://www.afcu.org> to apply for your auto loan refinance via the Internet. OR

Call 982-1000 or 800-456-3000 and ask the operator to schedule a loan appointment at any of our six branches. 🇺🇸

Selling Your Present Vehicle



For many people, selling their present vehicle is an essential part of the car buying process. There are three choices when deciding what to do with your old vehicle. You may sell it outright, trade it in or keep it.

If you choose to sell it outright, you may receive a higher price but it will require additional work on your part. First, you must establish a value for your vehicle. There are many used car cost guides available through bookstores and in your credit union's Car Facts Library that can help you determine the value of your vehicle. It's also helpful to watch the local newspaper automotive sections for vehicles like yours that are for sale. That will help you set a fair price based on your local market.

Be honest about the price and condition of your vehicle. You don't want to scare away potential buyer's with an unrealistic price.

Trading in your vehicle may be a sensible way to go, the only drawback being you may not get the best price.

Trade-ins are easy because dealers do all the paperwork and title transfers. You also walk away from the vehicle without any continuing liability. In Arkansas, you'll save money on the sales tax paid on your new vehicle. Since the sales tax is based on the total sale price, you may reduce that amount by paying taxes on the sale price reduced by the amount of the trade-in.

Remember, with a trade-in, you will generally receive less for your car than you would if you sold it outright. You will typically receive what is known as the wholesale value for the car. To determine the wholesale value of your used vehicle in your market, clean up your car and take it to two or three used car dealers in your area. Tell them you are thinking of selling your car today. How much will they pay for your car today? Take an average of the amounts quoted on your car and that is generally the wholesale value. 🇺🇸

Year-Round Discount

for Members at National Car Sales

At the National Car Sales lot in North Little Rock, members can enjoy a year-round discount of \$1,500 off NADA retail price on all cars, and members can also save 20% every day of the year on their service and repair contract.

To obtain these discounts at the North Little Rock dealership at 5600 Warden Road, use the coupon in the Auto Buyer's Guide. The coupon is available in every Pre-Approved Loan package.



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How to Calculate Your Auto Loan Payment

Using the factors listed below, divide the amount you are financing by 100. Multiply the number of 100's by the minimum payment per \$100 borrowed. That will give you your loan payment:

EXAMPLE:

\$15,000 auto loan @ 60 months (6.00% APR)
 $\$15,000 / 100 = 150 \times 1.94 = \291.00
 \$291.00 per month payment

New Auto/Truck/Van

100% of the Manufacturer's Suggested Retail Price plus tax, license, registration and manufacturer's extended service plan.

24 months or less	5.90% APR	\$4.43 per 100
25-36 months	6.40% APR	\$3.07 per 100
37-48 months	6.90% APR	\$2.40 per 100
49-60 months	7.40% APR	\$2.01 per 100
61-72 months	7.90% APR	\$1.76 per 100
73-84 months*	8.40% APR	\$1.58 per 100

SPECIAL

60 months 6.00% APR \$1.94 per 100 + \$60 rebate

Used Auto/Truck/Van

Current and One Year Old Models
 100% of NADA average retail value (extras not included) plus tax, license, registration and manufacturer's extended service plan.

24 months or less	5.90% APR	\$4.43 per 100
25-36 months	6.40% APR	\$3.07 per 100
37-48 months	6.90% APR	\$2.40 per 100
49-60 months	7.40% APR	\$2.01 per 100
61-72 months*	7.90% APR	\$1.76 per 100

SPECIAL

60 months 6.00% APR \$1.94 per 100 + \$60 rebate

Used Auto/Truck/Van

2, 3, 4, and 5 Year Old Models
 100% of NADA average retail value (extras not included) plus tax, license, registration and manufacturer's extended service plan.

2 year old model	7.40% APR	\$2.01 per 100
3 year old model	7.40% APR	\$2.42 per 100
4 year old model	7.40% APR	\$3.12 per 100
5 year old model	7.40% APR	\$4.51 per 100

NEW EXTENDED TERM*

Credit Union Liberalizes Used Car Financing Terms

Financing a used car, truck, or van with Arkansas Federal Credit Union is easier than ever with new, liberalized financing terms on current and one year old models and two, three, four and five year old models:

NADA average retail value (extras not included)

While the most common index used for financing used cars, trucks, and vans is "loan value" or sometimes "trade-in" value, your credit union has increased the amount that can be financed to NADA retail value. The retail value is usually much, much closer to the actual selling price of a car, truck or van. Members will find that, in many cases, no down payment will be required when they purchase a used vehicle and finance it with their credit union.