

BANNER

ARKANSAS' LARGEST FINANCIAL COOPERATIVE

and best insured

second quarter / april 2001



New Lower Home Equity Rates

Now is a great time to cash in on the equity in your home. Whether it's to pay off debt, go on that dream vacation, or to do home improvements, Arkansas Federal Credit Union has a Member's Choice home equity loan that's just right for you. Members may choose from three types of home equity programs tailored to fit your individual needs. Member's Choice home equity loans have interest rates as low as 6.9%, No points, No closing costs, and No appraisal fee.

Always consult your tax advisor about the deductibility of any home equity loan interest. 🇺🇸

	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
<i>Loan Amount up to</i>	\$150,000	\$150,000	\$150,000	\$50,000	\$50,000	\$25,000
<i>Loan to Value</i>	80%	80%	80%	90%	90%	100%
<i>Terms up to</i>	5 years	9 years	12 years	5 years	10 years	5 years
<i>Fixed Interest Rates</i>	6.9% APR	7.9% APR	8.9% APR	7.9% APR	8.9% APR	8.9% APR
<i>Application Fee</i>	\$299	\$299	\$299	\$299	\$299	\$149

Our VISA Credit Card Just Got Better...NEW 12.9% APR

Are you still using credit cards with annual percentage rates as high as 22% and annual fees of up to \$50? Why not pay off those costly credit cards and save money with an Arkansas Federal Credit Union VISA Credit Card?

Our VISA features an Annual Percentage Rate of 12.9% and no annual fee. It also has a 25 day grace period for repayment of the balance of purchases, so if you are in the habit of paying off your credit card with each statement, our VISA is like an interest-free loan.

Your VISA Credit Card account history is kept at the credit union and any questions or problems you may have can be directed to Arkansas Federal Credit Union instead of some 800 number in a distant state.

Overdraft protection for an Arkansas Federal Checking Account is provided with transfers from the VISA credit card. If you become overdrawn on your checking account, Arkansas Federal Credit Union will automatically make transfers from your VISA in \$100 increments to cover your overdraft.



To find out your eligibility for a VISA Credit Card, submit an electronic credit application on our web site at www.afcu.org and click on loans. After an evaluation of your application, we will contact you with information on your credit limit. 🇺🇸



From the desk of H. C. Klein, *President/CEO*

As we reported in the October 2000 issue of the *Banner*, the Board of Directors approved our participation in the Credit Union Service Center program.

On January 29th, 2001, we became the first Arkansas credit union to join the network of credit unions around the country offering "shared branching services."

Being a member of the Credit Union Service Center allows members of over 500 credit unions nationwide to transact business in our 6 locations across Arkansas. Also, all Arkansas Federal Credit Union members may transact business in over 500 locations nationwide. This is accomplished through the integration of our computer system with the computer systems of other credit unions. This sharing of branches will, over time, put more locations within reasonable distance for our members all over the country. For a list of participating Credit Union Service Centers and their locations, visit the their web site at www.cuservicecenters.com or call 888-287-9475.


We are excited to offer this new service to our members who are not able to come into our existing branches. This is one more way to serve members almost anywhere they travel. We are also looking forward to serving the members of other credit unions. By joining the Shared Branching Network, we help bridge the geographic gap

between Tennessee and Oklahoma, Texas and Mississippi. Our six locations throughout Arkansas adds a wide area of service coverage.

Multiple types of transactions can be performed at the Credit Union Service Center locations. These transactions include:

- Deposits/Withdrawals
- Statement printing
- Loan payments/interviews/closings/advances
- Balance inquiries
- Share transfers
- Check cashing
- Credit card advances
- Traveler's checks/money orders, etc.

Service Center facilities will be extremely important to our members who travel. If you need a little extra cash or need to make a loan payment while on the road, Service Centers will give you the ability to do so without hassle or inconvenience.

We at Arkansas Federal Credit Union are committed to providing a high level of service to our members. Our involvement in Credit Union Service Centers is another way to ensure our members receive the best services possible – Nationwide. 

H.C. Klein, President/CEO

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

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

CREDIT APPEALS BOARD

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

MANAGEMENT

H. C. Klein, *President/CEO*
Craig Savell, *Senior Vice President/Operations*
Dennis Gibson, *Senior Vice President/Service Delivery*
Janie Warner, *SPHR, Vice President/Human Resources*
Rodney Showmar, *Vice President/Marketing*
Andy Reed, *Vice President/Information Systems*
Terry Vick, *Air Force Base Branch Manager*
Jim Cater, *Little Rock Branch Manager*
Sandra Rodriguez, *North Little Rock Branch Manager*
Angela Heard, *West Little Rock Branch Manager*
Michele Mosley, *Telephone Branch Manager*
Carol St. John, *Mortgage Loan Manager*
Nicole Eilts, *Account Research Manager*
Don Whiddon, *Collections Manager*
Steve Smith, *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.

Spotlight Management



Rodney Showmar
Vice President of Marketing

Rodney Showmar has joined Arkansas Federal Credit Union as the Vice President of Marketing. Rodney brings over 10 years of marketing experience to his position. He has worked in marketing and business development with Dillard's Department Stores and Reliant Energy Arkla. Rodney holds a Bachelor of Science Degree in Marketing Management from the University of Arkansas at Fayetteville. He enjoys golf, camping, coaching youth sports, and landscaping. Rodney is married with one son and they make their home in West Little Rock.

Steve Smith has joined Arkansas Federal Credit Union as the Purchasing Manager. Steve brings with him over 18 years of experience to his position. He has worked in various positions with the state of Arkansas in purchasing, materials management, financing, grants, contracts and inventory. Steve is also fluent in sign language and often interprets for the deaf. Steve is married and has a son and daughter, and they make their home in Ward.



Steve Smith
Purchasing Manager



Nicole Matsoukas-Eilts
Account Research Manager

Nicole Matsoukas-Eilts was recently promoted to Account Research Manager. Nicole has been employed at Arkansas Federal Credit Union for over thirteen years, beginning as a teller and recently completed the AFCU Management Training Program. Nicole holds a Bachelor's Degree in Business Administration from Park University and an Associate's Degree in Business Administration from Arkansas State University. Nicole and her family live in Cabot.

Angela Heard was recently named West Little Rock Branch Manager. Angela has been with Arkansas Federal Credit Union for 1 year as Purchasing Manager. Angela holds a Bachelor of Science Degree in Business Administration from the University of Arkansas at Pine Bluff (UAPB). Angela and her family live in Pine Bluff. 🇺🇸



Angela Heard
West Little Rock Branch Manager

Credit Union Membership What a GREAT Employee Benefit

Employers in today's labor market must continually strive to provide competitive benefit packages to attract and retain qualified employees. They can gain the competitive edge by providing credit union membership to their employees.

Arkansas Federal Credit Union membership provides a company's employees with low-cost, quality financial products and services such as Free Checking, competitive loan rates, great savings dividends and access to their accounts 'round the clock with services such as Internet Account Access and Touch-Tone Teller.

Several new employer groups have been added to Arkansas Federal's field of membership over the past few months. We want to take this opportunity to welcome each one of them to the Arkansas Federal Credit Union family!

Vera Lloyd Presbyterian Home & Family Services Little Rock, AR

Brownwood Life Care Center
Fort Smith, AR

GAIN, Inc. Little Rock, AR

Arkansas Agricultural Statistics Services
Little Rock, AR

Hugg & Hall Little Rock, AR

River Valley Christian School
Fort Smith, AR

Hanover Direct, Inc. Maumelle, AR

Boone County Special Services
Harrison, AR


Sherwood Pontiac-Buick, GMC
Sherwood, AR

Allied Electrical & Power, Inc. Van Buren, AR

Delta Dental of Arkansas
North Little Rock, AR


If you know a business that would like to offer credit union membership to its employees, please call the marketing department at (501) 982-1000 extension 251. 🇺🇸

YOUR CREDIT UNION IS...
Your Auto Loan Headquarters!



If you are shopping for a new car, truck or van, let Arkansas Federal Credit Union be your first stop. We offer financing of new cars, trucks and vans at 100% of the manufacturer's suggested retail price (MSRP) including tax, license, registration and the manufacturer's extended service plan with a choice of 7 repayment plans to suit your needs.

Arkansas Federal can help take the hassle out of new car buying with an XPress Preapproved Loan. By obtaining your auto loan at the credit union and purchasing your vehicle with "cash," you can drive a better bargain at the dealership and buy with confidence.

Once your vehicle is purchased, payroll deduction is the simplest way to make your loan payment. This eliminates the need to write out and mail checks. You can arrange for the deduction at the same time that you arrange for your loan. 


Arkansas Federal Credit Union

PRIVACY NOTICE

Arkansas Federal Credit Union is committed to meeting the financial needs of its members. To meet this commitment, the credit union must, at times, gather sensitive and/or confidential information from members. Using this information appropriately and protecting the privacy of each member is of the utmost importance to the Board of Directors, Management, and Staff of the credit union.

To ensure that member privacy is protected Arkansas Federal Credit Union pledges:


- To follow the letter and the spirit of privacy laws by collecting only personal information necessary to conduct the member's business.
- To protect each member's personal information by maintaining strong controls to ensure that information stored in files and computers is protected. Where appropriate, security-coding applications will be used to prevent unauthorized access.
- To allow access to one's own information for review, update, and/or correction.
- To only share information when necessary to provide the credit union's products and services to its members.
- To partner only with service providers and businesses that follow strict confidentiality requirements. Under no circumstances will affiliated businesses be allowed to charge fees to accounts without express member permission, and information will never be sold to telemarketing firms.
- To provide each member the right of choice as to how non-public personal information provided to non-exempt business partners may be used. If non-public personal information is to be shared with such entities, each member will be provided direction as to how to prevent the credit union from providing his or her non-public personal information, and Arkansas Federal Credit Union will take all reasonable steps to see that such requests are followed. At least once per year each member will be reminded of this right to choose.

This statement updates and replaces any other notices regarding the Privacy Policy of Arkansas Federal Credit Union. 

Mortgage Rates


DROP 

Arkansas Federal Credit Union offers many mortgage loan options designed to fit the borrowing needs of members. Members may purchase a home using Conventional, FHA or VA financing. To take advantage of attractive interest rates and terms of up to 30 years, many members opt to refinance current home loans.

To make arrangements to apply for a Mortgage Loan, call 501-982-1000, Ext. 152. 

MORTGAGE LOANS		
	Rate	APR
FHA/VA 30-year	6.875%	7.177%
FHA/VA 15-year	6.500%	7.072%
Conventional fixed 30-year	6.875%	6.974%
Conventional fixed 15-year	6.500%	6.659%
Rate Based + 0% discount + 1% org. fee Based on \$100,000 loan + 2% funding fee financed		
<small>There is a 1,000% origination fee on all loan programs. Rates quoted are for loans amounts over \$100,000. Call 501-982-1000, Ext. 152, for quotes on loans under \$100,000. 45-day lock-in on all programs quoted. Rates are subject to change daily. All loan rates APR. Property for mortgage loans must be located in the state of Arkansas.</small>		

Arkansas Federal Credit Union has the
GOLDEN Touch

For the past year Arkansas Federal Credit Union has been distributing the Sacagawea Golden Dollar coins instead of paper dollar bills in our ATMs. Now, don't be surprised if you receive Golden Dollar coins at our teller windows. Arkansas Federal Credit Union has begun using Golden Dollar coins at all teller windows in all of our branches. In support of the U. S. Mint's production of the new Golden Dollar, the next time you request cash back and the amount is not in an increment of \$5, don't be surprised when you receive the Sacagawea Golden Dollar coins. Of course, if you prefer the paper equivalent we will be happy to oblige. 

Notice Of Change To The Permanent Loan Agreement

In recent months, the Federal Reserve has lowered interest rates in an attempt to boost the economy. In turn, your Board of Directors has voted to lower rates on certain loan types in an effort to provide members with the best rates possible.

The addendum to the Permanent Loan Agreement included in this issue of the *Banner* details all of the loan rates that will be effective April 1, 2001 (April 25, 2001, for VISA Credit Card). Because of the FAIR (Future Adjustable Interest Rates) concept, members with the affected loans will find loan interest rates automatically decreased as of the April 1, 2001, effective date. While payments will not change, loan terms will be automatically adjusted to compensate for the new APR.

Arkansas Federal is dedicated to offering the most competitive loan rates in the market, and know that you will find it pays to borrow and save at your credit union.

RATE WATCH

5.00%

Share Savings	3.25%
I.R.A. Savings	3.25%
Special Savings	3.25%
Money Market	3.87%
91-day Certificate/IRA	4.75%
Jumbo 91-day Certificate/IRA	4.75%
182-day Certificate/IRA	5.00%
Jumbo 182-day Certificate/IRA	5.00%
1-year Certificate/IRA	5.00%
2-year Certificate/IRA	5.00%

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.

HOLIDAY CLOSINGS!

Memorial Day

Monday, May 28, 2001

Independence Day

Wednesday, July 4, 2001

ADDENDUM TO X-PRESS PERMANENT LOAN AGREEMENT

TABLE OF LOAN TYPES AUTHORIZED - EFFECTIVE APRIL 1, 2001

The types of loans we may offer are listed below. You may have more than one type of loan at one time, or you may have more than one loan of the same type, but only where separate advances secured by separate collateral are made. The type of loan you have will be determined by the collateral offered. Regardless of the number of loans, the unpaid loan balance owed under the Agreement at any one time will be the total amount owed on all advances.

Collateral	Minimum Payment Per \$100 Borrowed	ANNUAL PERCENTAGE RATE	Daily Periodic Rate
New Auto			
Up to 24 Months	\$4.43	5.90%	.016164%
25 - 36 Months	\$3.07	6.40%	.017534%
37 - 48 Months	\$2.40	6.90%	.018904%
49 - 60 Months	\$2.01	7.40%	.020274%
61 - 72 Months	\$1.76	7.90%	.021644%
73 - 84 Months	\$1.61	8.90%	.024384%
Used Auto - (Current and 1-Year-Old Models)			
Up to 24 Months	\$4.43	5.90%	.016164%
25 - 36 Months	\$3.07	6.40%	.017534%
37 - 48 Months	\$2.40	6.90%	.018904%
49 - 60 Months	\$2.01	7.40%	.020274%
61 - 72 Months	\$1.78	8.40%	.023014%
Used Auto			
2-Year-Old Models	\$2.05	8.40%	.023014%
3-Year-Old Models	\$2.46	8.40%	.023014%
4-Year-Old Models	\$3.16	8.40%	.023014%
5-Year-Old Models	\$4.55	8.40%	.023014%
Motorcycle - New			
Used 1-Year-Old Models	\$3.12	7.40%	.020274%
Used 2- & 3-Year-Old Models	\$4.51	7.40%	.020274%
Boat - New			
Less Than \$5,000	\$2.42	7.40%	.020274%
\$5,000 But Under \$10,000	\$1.74	7.40%	.020274%
\$10,000 But Under \$15,000	\$1.39	7.40%	.020274%
\$15,000 & Above	\$1.19	7.40%	.020274%
Boat - Used			
Less Than \$5,000	\$2.42	7.40%	.020274%
\$5,000 But Under \$10,000	\$1.74	7.40%	.020274%
\$10,000 But Under \$15,000	\$1.39	7.40%	.020274%
\$15,000 & Above	\$1.19	7.40%	.020274%
Recreational Vehicle - New			
Less Than \$5,000	\$2.42	7.40%	.020274%
\$5,000 But Under \$10,000	\$1.74	7.40%	.020274%
\$10,000 But Under \$15,000	\$1.39	7.40%	.020274%
\$15,000 & Above	\$1.19	7.40%	.020274%
Recreational Vehicle - Used			
Less Than \$5,000	\$2.42	7.40%	.020274%
\$5,000 But Under \$10,000	\$1.74	7.40%	.020274%
\$10,000 But Under \$15,000	\$1.39	7.40%	.020274%
\$15,000 & Above	\$1.19	7.40%	.020274%
Airplanes/Other Collateral - New			
Less Than \$5,000	\$2.44	7.40%	.020274%
\$5,000 But Under \$10,000	\$1.75	7.40%	.020274%
\$10,000 But Under \$15,000	\$1.41	7.40%	.020274%
\$15,000 & Above	\$1.21	7.40%	.020274%
Airplanes/Other Collateral - Used			
Less Than \$5,000	\$2.44	7.40%	.020274%
\$5,000 But Under \$10,000	\$1.75	7.40%	.020274%
\$10,000 But Under \$15,000	\$1.41	7.40%	.020274%
\$15,000 & Above	\$1.21	7.40%	.020274%
Share Pledged - Share Savings			
Share Pledged - Share Savings	\$0.98	6.00%	.016438%
Share Pledged - Certificate Accounts			
Share Pledged - Certificate Accounts	3.00% Above Certificate Account Rate Paid		
Share Pledged - Credit Builder			
Share Pledged - Credit Builder	\$4.60	9.50%	.026027%
Personal Signature - No Property Collateral			
Personal Signature - No Property Collateral	\$3.50	14.90%	.040821%
Credit Card (Visa) - No Property Collateral			
Credit Card (Visa) - No Property Collateral	\$3.00	12.90%	.035340%
Signature Plus Guarantor - Otherwise No Property Collateral			
Signature Plus Guarantor - Otherwise No Property Collateral	\$3.50	13.90%	.038082%
Collateral Signature Plus Collateral			
Collateral Signature Plus Collateral	Collateral Determines Payment	13.90%	.038082%