



Message from the President



As a reminder, our 51st Annual Meeting will be held on April 23rd at 4:30 p.m. at the Rio Hondo Event Center. All members are invited to attend the business meeting and meet the Board of Directors. Light refreshments will be served immediately following the meeting.

2008 has been a challenge for the entire financial community. Despite the fluctuating U.S. economy, DFCU remains financially sound. Through the strategic vision of the Board of Directors, we have been able to sustain our growth by providing exceptional customer service to our members.

While faced with a lower rate environment, our investment rates remain above the national average. We strive to remain competitive, not only on investments but on lending rates as well. The staff looks forward to assisting you with any of your financial needs.

With the endorsement of Downey Unified School District, we have been able to reach out to the students. The Kirby Kangaroo Savings Account was introduced to elementary school children to emphasize the power of “saving”. Kari Johnson, our Business Development Representative, has been visiting the classrooms of approximately 1,500 students at Warren High School, addressing the topic of financial literacy. Through positive presentations, it is our goal to educate the youth of our community on sound financial choices.

As a cautious reminder to members, “phishing” scams are on the rise. As your financial institution, DFCU will NEVER contact you by e-mail or phone and ask for personal information. Legitimate financial institutions, companies, or government agencies will NEVER ask consumers to “verify” or “re-submit” confidential information such as account numbers, credit card numbers, Social Security numbers, passwords, or PIN (personal identification numbers).

Should you encounter someone asking for this information – STOP – rather than provide any information, contact the financial institution, credit card company or government agency directly to verify the validity of the message using contact information you have already in your possession. DO NOT USE CONTACT INFORMATION PROVIDED IN THE SUSPICIOUS CALL OR E-MAIL. We are continuously upgrading our security methods to protect your information. Please be careful with whom you share your information.

Financial safety, soundness and convenience are the cornerstone of our credit union. Keeping in mind the credit union philosophy of “People Helping People”, we continue to be there for you “Through All Stages Of Life”.

Barbara Lamberth
President/CEO



Third Street News

“Count On Us Through All Stages Of Life”

Be a with Silver Star Checking

If you don't have a checking account with Downey Federal Credit Union (DFCU), look into Silver Star Checking. To qualify for this account, you must be at least 60 years old with direct deposit or payroll deduction deposited in DFCU.

For each new DFCU checking account opened between April 1 and July 31, 2008, you will be entered in a raffle drawing for a photo shoot with a professional photographer for being a “STAR”. Winner will be announced August 4, 2008

Here are the benefits you get from opening a Silver Star Checking Account:

- ★ Free Silver Star checks for life with direct deposit
- ★ New check holder in lambskin with logo for the first 50 new checking accounts
- ★ DFCU ATM card with unlimited transactions
- ★ No Annual Fee DFCU VISA® Card*
- ★ No Fee American Express Traveler's Cheques
- ★ No Fee Cashier's Checks (limit 3 per month)
- ★ Overdraft Loan Protection*
- ★ Free Notary and Medallion Signature Guarantee

* Subject to credit approval

If you want to switch your checking account from another financial institution, please stop by either branch to get your Switch Kit. Come to either of our two branches to open your new account. Be a Star with a DFCU Silver Star Checking Account!

LOANS



Got Your 3.9% APR!

Downey Federal Credit Union is still offering **3.9% APR*** on new auto loans in 2008. With 100% financing (including tax and license fees) for highly qualified buyers based on the FICO score, your new dream car can be a reality. Apply online at www.downeyfcu.org, or come in to either of our two branches to fill out an application. We hope to see you soon behind the wheel of your new vehicle!

*APR= Annual Percentage Rate. All loans are subject to credit approval. Other rates and terms available. Rates subject to change without notice.

Signature Loan

Dreaming about getting yourself something new? DFCU offers you a low **9.0% APR*** signature loan. Use it to catch up on your finances, pay taxes, or do whatever you want to do! With a 12-month repayment term and a low fixed rate, you are assured of paying the same amount each month at a great rate. You can't ask for more! Apply at the Express Service Office (ESO) or the Main Branch, or click on www.downeyfcu.org.

* Annual Percentage Rate. Maximum amount to borrow is \$12,500. All loans subject to credit approval. Other rates and terms available. Rates subject to change without notice.



Real Estate Loans

Get two for four! DFCU's second trust deed, as low as **4.0% APR*** with terms from 60 months to 180 months, has two great ways to take care of your financial needs. The loan has a low annual percentage rate, plus it's a fixed payment, so it doesn't change from month-to-month. What are you waiting for? Stop by today to get an application or apply online at www.downeyfcu.org.

*APR = Annual Percentage Rate. Five year term only. Property appraisal fee may apply in some circumstances. Rates and terms are subject to change without notice. Other rates and terms may apply. All loans are subject to verification of equity, credit approval FICO credit score, and income qualification. Maximum loan amount at 4.0% APR is \$200,000.

Increase in Conforming Mortgage Loan Limits

The real estate market has been undergoing some changes. Legislation has been proposed to raise the limit of the conforming mortgage loan (which is now \$417,000) to a range of 125% -175% of its current value. The amount will be determined by the greater of the property's County Median Home price to be assessed by HUD (Housing and Urban Development). Conforming loan limits will remain at least \$417,000 with the potential to be as high as \$729,750 depending on where the property is located. The legislation will impact California and other affected areas of the United States, as well as sub-prime borrowers.

As you may have read in the news, the real estate market has been experiencing a decline due to faulty lending practices by some financial institutions. Homebuyers who were caught in the weakening of the real estate market may have been influenced by low interest rates, or had little or no down payment and impaired credit. Lenders were willing to lend to these borrowers, even with a lack of documentation for income, jobs, or assets. Any turn in the economy impacted these homebuyers' ability to repay their debt. As a result, several real estate lenders suffered severe financial setbacks with their investments in mortgage-backed securities, which also affected financial markets in the U.S. and worldwide. DFCU does not participate in the mortgage-backed securities marketplace.

The National Credit Union Administration (NCUA), the credit union industry's regulatory agency, gives guidelines on non-traditional and subprime mortgages to curb these unsafe practices. By following NCUA's guidelines and policies, DFCU's portfolio is very sound. Downey Federal Credit Union makes real estate loans to members for first and second trust deeds, as well as home equity loans. However, we make sound decisions on real estate loans that are affordable. Our loans are straightforward and hassle-free, giving you peace of mind. If you are in the market for a real estate loan, stop by either of our two branches to get an Express application (short form 1003) and fax your completed application back to 714-513-6906. Or, you can call your CU Partners Loan Representative at 800-200-4889.

Get in Shape with 2008 Workshops!

With Credit Tightening, DFCU Has a Solution for You



Since the value of credit has tightened, attend our workshop, **Credit Reports and Credit Scores**, to find your own answers. Learn what's on a credit report and how it gets there, how your credit score is calculated, and how good credit habits can improve your score.

Wednesday, April 30 from 4:00 pm – 6:00 pm

Manuel Gallegos Administration Building
Downey Unified School District Office- ROP Room.

RESERVE YOUR SPACE: Contact Kari Johnson, DFCU's Business Development Representative, at 562-862-8141 ext. 246.

Refreshments and fun will be served. Educational materials are provided free of charge. Earn bonus points toward Club DFCU! The first 10 attendees will receive a \$10 Target Gift Card.

Our next workshop, "Couples and Money", will be held on Tuesday, June 3. Please call to reserve your space.



Holiday Closure

The Credit Union will be closed on Monday, May 26 in observance of Memorial Day.

Downey Street Faire

Please visit DFCU's booth at the 15th Annual Downey Street Faire on Saturday, May 3 for a chance to enter a raffle drawing. The faire starts at 9:00 am and ends at 5:00 pm.

This newsletter is published quarterly by Downey Federal Credit Union (DFCU). Each member's deposits are insured up to \$350,000. The first \$100,000 of deposits are federally insured by the National Credit Union Administration (NCUA), a U.S. government agency. The next \$250,000 of deposits are privately insured by American Share Insurance (ASI). IRAs are separately insured up to \$350,000 by the same combination of insurers. Loans are issued in accordance with NCUA regulations, subject to credit approval. DFCU is an equal opportunity lender and makes loans without regard to race, color, religion, sex, handicap, family status or national origin. Dividends are based on the Credit Union's earnings at the end of a dividend period and thus cannot be guaranteed. Rates, yields, terms, conditions and services are subject to change after the account is opened. For more information, refer to your Truth-in-Savings disclosure or contact a Credit Union employee. The Credit Union may provide information about products and services available to members from other sources. However, it does not warrant, nor accept liability for the actions, products or services of others.

*APR = Annual Percentage Rate. APY = Annual Percentage Yield.

JUST FOR KIDS!



April 21 – 25, 2008

Green is the color for saving the earth and saving money! So, how do you get GREEN? Tell Downey Federal Credit Union in an essay of 100 words or less "How you would recycle used \$1 bills."

Five lucky winners will each receive \$100 in an Education Savings Account. Entrants should develop some type of project that's good for the environment. The five winning entries should be well-written, a really smart idea, and save money. This contest is for children 18 years of age or younger with an entry deadline of April 25, 2008. A parent or guardian must be a DFCU member. Visit either of our two branches or check the website at www.downeyfcu.org for an entry form and official rules.

Visit Downey Federal Credit Union (DFCU) during the week of April 21-25 and help us celebrate National Credit Union Youth Week. Here are some steps you can take to educate your children on the power of financial education:

1. Open a savings account for each child in your family at the credit union. Or, direct your teen through using a debit card and balancing a checkbook.
2. Include your children in household financial discussions regarding budget, income and expenses.
3. Coach your children when they need help or turn to your credit union for advice. DFCU is a natural partner in pursuing financial security.

Join us this year as we celebrate National Credit Union Youth Week from April 21-25. Our theme for this year is "Got Green? Grow It at Your Credit Union."

Downey Federal Credit Union

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www.downeyfcu.org

OFFICE HOURS

9am – 4:30pm Monday – Friday

DRIVE-UP HOURS

8:30am – 5:30pm Monday, Wednesday – Friday
9:00am – 5:30pm Tuesday

ESO HOURS at Downey Regional Medical Center
7:15am – 3:30pm Monday – Friday

