

Third Street NEWS

First Quarter 2010

Count On Us Through All Stages Of Life

Message from the President

As 2009 is behind us, I look at the upcoming year as an even bigger challenge with the changes in our economic infrastructure. As a "well capitalized" financial institution, your credit union has been able to maintain its security, safety and soundness during this unstable market environment.

As a result of the economic turmoil that many of our members have faced, our credit union has strengthened our commitment of "People Helping People". Many Americans now see the quality, safety, soundness and service inherent at not only Downey Federal Credit Union, but in our industry as a whole.

As we look toward the future, we will focus on the positive elements that have made Downey Federal Credit Union what it is today. By offering excellent lending rates, higher than average savings rates, and personalized service, Downey Federal Credit Union has been a vital financial institution to its members for over 50 years.

We look forward to serving as your primary financial institution in the New Year and preserve our promise to "Count On Us Through All Stages Of Life."

Barbara Lamberth | President/CEO

Annual Meeting UPDATE

Please join us on April 22 for DFCU's 2010 Annual Meeting!

PLACE: Rio Hondo Event Center **ADDRESS:** 10627 Old River School Rd.,
TIME: 5:00 p.m. Downey, CA 90241

Hear what your Credit Union accomplished in 2009, and our future plans for 2010. Get acquainted with DFCU's Board of Directors and Supervisory Committee and staff. Light refreshments will be served.

Openings on the Board of Directors

There are two seats open on the Board of Directors for three-year terms. The following candidates have been nominated for the open positions:

RAUL PEREZ Born and raised in Havana, Cuba, Raul has lived in the United States for over 37 years. He attended Long Beach City College where he studied Business and English. Raul worked for Prudential Insurance, where he had a successful career as an insurance agent. He is currently the Vice President of Wescom Insurance Services in Downey. Raul has resided in Downey for the last 27 years and has been an active community member, serving on the boards of ARC, Rotary Club of Downey, and Gangs Out of Downey (G.O.O.D.). He was appointed to the DFCU Supervisory Committee in 2005 and elected to the Board of Directors in 2006. As a resident and local businessman, Raul is looking forward to serving his next term and is very enthusiastic about DFCU's continued growth in the community.

LAURA LUEKE Laura has been an active DFCU Board member since 1999. Raised in Downey, she attended Warren High School and graduated from UCLA with a degree in Political Science. Her experience in tax accounting and financial planning include four years with a national accounting firm and fourteen years in business management. Laura held the position of Director of Development for the Memorial Trust Foundation at Downey Community Hospital for six years and is currently Director of Principal Gifts at Methodist Hospital in Arcadia. Laura's heart is still in Downey, and she is enthusiastic and willing to serve on the Board as a community member.

Additional candidates (over age 18) must submit a petition signed by one percent of the membership (130 members), a brief description of qualifications, and a signed statement that he or she will serve if elected. Petitions must be returned to the Secretary of the Board no later than February 25, 2010. There will be no nominations from the floor. Printed ballots will be mailed to all members eligible to vote at least 30 days prior to the meeting, if necessary.

E-Services At Your Fingertips

With Downey Federal Credit Union's extensive collection of online services, you can monitor your accounts, pay your bills, and transfer funds with ease. DFCU provides Home Branch, *CU Pay It*, Online Loan applications, Online Check Re-orders, ATMs, and Online Visa® Account Information. Your Credit Union provides the online tools you need.

Home Branch is DFCU's online branch. You can access your account 24 hours a day, 365 days a year. With leading-edge security and data encryption, you can monitor your accounts and conduct your business online with peace of mind. *CU Pay It*, DFCU's online bill payment service, gives you the opportunity to pay your bills on time, every time, with ease. View an online demo of *CU Pay It* through Home Branch if you are considering online bill payment to see how simple it is to use. Apply for a loan online, whether it is a new personal loan, mortgage, or vehicle loan. You will experience a rapid loan decision and the convenience you want.

Online check re-orders are easy. Browse the online catalog for new check designs, order accessories such as check covers and address labels, and view the status of your check re-order. For your safety, no personal information changes on your checks can be made online. Don't forget you can access your funds nationwide through our fee-free CO-OP® network of 28,000 automated teller machines (ATMs). If you are traveling within the United States, you can locate an ATM near you at www.co-opnetwork.org. Plus, you can view your Visa Credit Card account 24/7, make payments, and review your account transactions with just a click of the mouse. All online transactions are available at www.downeyfcu.org.

Although we carefully examine our current online services, we are always looking for ways to make your life easier. Please watch your mail about E-statements (electronic statements) and a NEW DFCU website later in 2010.

IN THIS ISSUE:

IRAs

Student Enrichment Grants

Great Rates Extended

DFCU's Visa® Credit Card / Credit CARD Act

HOLIDAY CLOSURES

Martin Luther King, Jr. Day
January 18, 2010

Presidents' Day
February 15, 2010

IRAs

Boost Your Retirement Savings and Lower Your Taxes!

Start planning for your 2009 income taxes. IRAs not only help you build a nest egg for later, but may also reduce your pre-tax income now. Even saving just a small amount can grow over time. Here are some options:

Traditional IRA* – Contributions may be tax-deductible, and earnings are tax-deferred until you retire.

Roth IRA* – Contributions are made with after-tax assets, and are not tax-deductible. Earnings left in the account for at least five years, and withdrawn after age 59½ are tax-free; because you have already been taxed on the funds. You cannot contribute to a Roth IRA if your adjusted gross income exceeds \$114,000 (single status) or over \$166,000 (married and filing jointly).

SEP IRA – A SEP IRA allows a small business or self-employed individual, to make retirement plan contributions into a traditional IRA established in the employee's name, instead of to a pension fund account in the company's name.

Coverdell Education Savings (formerly Educational IRA) – Total contributions are limited to \$2,000 per year and can grow tax-free until distributed. The earnings can be applied to qualified educational expenses such as tuition and fees, required books, supplies and equipment, and room and board for a beneficiary under age 18. Distributions can be applied to any accredited public, nonprofit, or proprietary postsecondary school, as well as elementary or secondary schools.

*The maximum contribution for 2009 is \$5,000. Individuals aged 50 and older can add an additional \$1,000 in their IRA, for a total of \$6,000. If you would like to open an IRA for 2009 or 2010, or add to your existing one, please stop in at our Main Branch. The deadline for adding to your 2009 IRA is April 15, 2010.

Great Rates Extended

Now that the New Year has arrived, don't forget about our great loan rates. You can apply for a loan in one of three ways: online, by phone, or in person. That means that you can expect a quick loan decision, and the ability to move forward on your next purchase.



If you are even thinking about a new vehicle or a personal loan, you owe it to yourself to see DFCU first.

NEW VEHICLE LOANS
as low as 3.75% APR*

USED VEHICLE LOANS
as low as 4.85% APR

PERSONAL LOANS
as low as 7.99% APR

**Stretch Your Borrowing Dollars in the New Year!
See How Much You Can Save!**

* APR = Annual Percentage Rate. Other rates and terms are available. Rates subject to change without notice. All loans subject to credit approval. Rates for new loans only. Current DFCU loans will not be re-financed.

8237 Third St. • PO Box 4639
Downey, CA 90241-1639

562.862.8141 • fax 562.862.7782

www.downeyfcu.org

OFFICE HOURS

9am - 4:30pm Monday – Friday

DRIVE-UP HOURS

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

ESO HOURS at Downey Regional Medical Center

7:15am - 3:15pm Monday, Wednesday, Friday
9:30am - 4:30pm Tuesday and Thursday

NCUA

Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

National Credit Union Administration, a U.S. Government Agency



This newsletter is published quarterly by Downey Federal Credit Union (DFCU). Each member's deposits are insured up to \$500,000. The first \$250,000 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 \$500,000 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.

Community NEWS

Student Enrichment Grants – Giving Back to the Community

For the eighth year, Downey Federal Credit Union honored the educators in Downey, not only for their support of the Credit Union, but also for their efforts to educate the young people attending Downey schools. DFCU's Student Enrichment Grant Program awards funds to educators who submit a winning proposal to inspire the learning experience of students.

All educators in Downey were invited to submit a grant proposal. All submitted proposals are judged by a committee on criteria which include clarity, uniqueness of the idea, number of students impacted, relevance to classroom focus, district standards and level of enhancement of student's learning experience. Educators applied in various categories which included teachers, non-teachers, support staff, Character Counts, financial education and adopt-a-school. This year, forty-one Downey educators were chosen to receive a grant.

The grant reception, held at the School District Office on December 3, was a joyous event for the grant recipients. Each recipient received grant funds and a trophy commemorating their inspirational idea. Educators will be able to achieve their vision while implementing their grant proposals to enrich the lives of their students.

In addition to the Student Enrichment Grants, Downey Federal Credit Union sponsors and participates in many community events, ranging from Concerts in the Park, Fishing Day, Kids Day, and the Downey Chamber Business Expo to the Holiday Lane Parade. We enjoy our role as a community sponsor, and support events throughout the year.

DFCU's Visa® Credit Card is Safe and Secure



Make Downey Federal Credit Union's Visa Credit Card your card of choice. With a low interest rate of 13.2%, no annual fee, a 25-day grace period, and no cash advance fee, DFCU's Visa Credit Card is stable and secure. This credit card can be used wherever Visa is accepted.

The CARD Act of 2009 (also known as the Credit Card Accountability Responsibility and Disclosure Act), was first introduced by President Obama in May 2009. While some changes were put into practice in August 2009, more regulations are expected in February 2010.* The new policies for credit card issuers involve consumer protection practices, such as restrictions on raising interest rates, protecting college students, over limit options, and improved methods of cycle billing. DFCU's Visa Credit Card does not have, and has never had, trigger terms, tiered rates, or abrupt agreement changes.

If you would like to obtain a safe and secure DFCU Visa Credit Card, please visit the Main Branch or call our Lending Department at 562-862-8141 option 2 to apply. "Count On Us" to provide the financial solutions you need.

*<http://www.credit.com/answers>