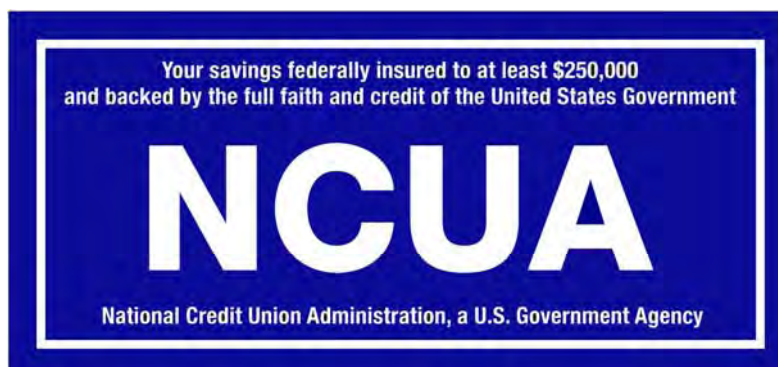




# **JEFFERSON COUNTY FEDERAL CREDIT UNION**

**A COMMUNITY CREDIT UNION**

## **Board Packet**



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**JEFFERSON COUNTY FEDERAL CREDIT UNION  
BOARD OF DIRECTORS MEETING  
AGENDA**

February 24, 2010

1. Approval of Minutes
  - a. January 27, 2010 – Board \*
  - b. January 27, 2010 – Supervisory Comm. \*
2. Correspondence
  - a. NCUA
    - i. 10- RA 01 \* HMDA – Data Collection
    - ii. 10- RA 03 \* Cross Border Fund Transfers
    - iii. 10- RA 04 \* HMDA – Data Submission
  - b. KCFCU
  - c. FN-SKY f/k/a Fortress Network Security
3. Treasurer's Report
  - a. Financial Statement \*
  - b. P & L Statement Compared to Budget Monthly & Year-To-Date \*
4. President's Report \*
5. Senior Vice President Report – Marketing \*
6. Report of Committees
  - a. Annual Meeting
  - b. Employee Grievance
  - c. Executive
  - d. Facilities
  - e. Investment and Asset Liability Management - (In President's Report)
  - f. Marketing
  - g. Membership
  - h. Nominating/Bylaws
  - i. Personnel & Policy
  - j. Planning
  - k. Policy
  - l. Risk Management
  - m. Supervisory (Minutes Included)
7. Unfinished Business
  - a.
8. New Business
  - a. Loan Officer Approval \*
  - b. Investment Report Approval \*
  - c.
9. Adjournment

**\* Indicates Documentation Attached**

# JEFFERSON COUNTY FEDERAL CREDIT UNION

## MINUTES - BOARD OF DIRECTORS MEETING

DATE: January 27, 2010  
TIME: 8:30 AM  
LOCATION: Board Room – Main Office

### Roll Call

William Eskridge - Chairman	(WE)	Present
Steve Schweitzer - Vice-Chairman	(SS)	Present
Wendell Wright – Treasurer	(WW)	Excused
Ed Davis - Secretary	(ED)	Present
Larry Dodson - Director	(LD)	Present
Marilynn Hettich - Director	(MH)	Excused
Barbara Hays - Director	(BH)	Excused
Susan Clifton – Supv. Comm.	(SC)	Present
Stan Robinson – Supv. Comm.	(SR)	Present
Joshua Jackson – Supv. Comm.	(JJ)	Excused
Gary Fischer – Supv. Comm.	(GF)	Present
Carl Hicks - President and CEO	(CH)	Present
Gary Edelen – Sr. Vice President	(GE)	Present

Chairman Eskridge called the meeting to order at 8:30 AM.

A motion was made by LD and duly seconded by SS to approve the minutes of 12-18-09, 12-23-09 and 01-13-10. Vote Taken – Motion Carried.

All correspondence listed was discussed and explained to the Board's satisfaction by CH.

### TREASURER'S REPORT

CH reported the following. The key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. Our YTD bottom line without the assessment expense is within \$8,000 of budgeted income. Our loan and share growth have surpassed our projections. There was an increase in deposits from the previous month of \$14,000 leaving an increase of \$8,264,000 year to date. Loan volume for the month showed a decrease of \$657,000 and net loans showed a decrease of \$266,000 leaving an increase of \$1,800,000 year to date. We will continue to closely monitor the competition and the overall operation for additional adjustments to dividend and income to benefit the members..

### FINANCIAL DETAIL COMPARISON

Major Areas of Impact	REASON	BEFORE	AFTER	Difference
Assets	CU-SIP	95,143,505	120,143,505	25,000,000
Average Assets	CU-SIP	93,925,569	116,842,236	22,916,667
Investment Balance	CU-SIP	50,092,146	75,092,146	25,000,000
NET WORTH	CU-SIP	13.63%	10.79%	-2.84%
Long Term Assets	CU-SIP	23.23%	18.39%	-4.84%
Total Loans / Assets	CU-SIP	41.27%	32.68%	-8.59%
Fixed Assets	CU-SIP	1.63%	1.29%	-0.34%
INC- NET- YTD	NCUA	637,825	111,221	-526,604
Return on Average Assets	NCUA	0.68%	0.10%	-0.58%

A motion was made by SS and duly seconded by ED to approve the report as printed and presented. Vote Taken - Motion Carried.

#### PRESIDENT'S REPORT

CH discussed and explained all of the printed report that ultimately becomes a part of these minutes as well as the additional items enumerated below.

1. An update was given regarding NCUA assessment and how additional future hits might be handled particularly as it pertains to KCFCU and the reserve account amount.
2. A report was given Bramco Federal Credit Union merger.
3. February Auto Loan Special at 4.49%.

A motion was made by LD and duly seconded by ED to approve the entire report as printed and discussed. Vote Taken – Motion Carried.

#### SENIOR VICE PRESIDENT'S REPORT

GE reported that we had 70 TV and 60 radio commercials on three stations. Our WBKI information is also running and GE will do his personal appearance next month. Our business development person has been working on outside marketing and is doing some on site enrollments. A motion was made by LD and duly seconded by ED to approve as printed and discussed. Vote Taken - Motion Carried.

ANNUAL MEETING COMMITTEE - No Report

EMPLOYEE GRIEVANCE COMMITTEE - No Report

EXECUTIVE COMMITTEE – No Report

FACILITIES COMMITTEE – No Report

INVESTMENT & ASSET/LIABILITY COMMITTEE - Contained in President's report.

MARKETING COMMITTEE - Contained in President's report.

NOMINATING/BYLAWS COMMITTEE – No Report

PERSONNEL & POLICY COMMITTEE – No Report

PLANNING COMMITTEE – No Report

POLICY COMMITTEE – No Report

RISK MANAGEMENT COMMITTEE - No Report

SUPERVISORY COMMITTEE – No Report

UNFINISHED BUSINESS - None

#### NEW BUSINESS

A motion was made by SS and duly seconded by LD to approve the loan officer's report. Vote Taken - Motion Carried.

A motion was made by SS and duly seconded by LD to approve the Investment & Asset Liability/Committee's report. Vote Taken - Motion Carried.

A motion was made by SS and duly seconded by LD to approve the policy and fee updates and modifications as listed. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by ED to adjourn at 9:15 AM. Vote Taken - Motion Carried.

---

Chairman

---

Secretary

**JEFFERSON COUNTY FEDERAL CREDIT UNION**  
**MINUTES - SUPERVISORY COMMITTEE MEETING**

DATE: January 27, 2010  
TIME: 8:00 A.M.  
LOCATION: Board of Directors Conference Room - Main Office

Members Present

Susan Clifton	(SC) – Chair
Stan Robinson	(SR)
Gary Fischer	(GF)

A second letter was received from G. K. Elmore that seemed to be a follow up letter about the ID Recovery program that did not ask for anything. We discussed it and decided no additional answer was required.

The expense disbursements for the last two months were reviewed. All were found to be in order.

The new and closed accounts were reviewed for the past few months and some closed accounts selected for verification.

There being no further business SC adjourned the meeting at 8:30 AM.

---

Susan Clifton - Chair

# REGULATORY ALERTS

## NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

**DATE:** January 2010 **LETTER NO.:** 10-RA-01  
**TO:** Federally-Insured Credit Unions  
**SUBJ:** HomeMortgageDisclosureActDataCollectionRequirementsforCalendarYear2010

Dear Board of Directors,

Credit unions that engage in residential mortgage lending and meet certain criteria must comply with Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). Regulation C requires credit unions meeting all three of the following criteria to collect HMDA data associated with mortgage applications processed during 2010: 1. The credit union's total assets as of December 31, 2009 exceeded \$39 million. This is the threshold established by the Board of Governors of the Federal Reserve System (FRS); 2. The credit union had a home office or branch office in a metropolitan statistical area on December 31, 2009; and 3. During 2009, the credit union originated at least one home purchase loan or a refinance of a home purchase loan secured by a first lien on a one-to-four-family dwelling. Credit unions meeting all three of the above criteria must collect HMDA data during calendar year 2010 and submit the data to the FRS by no later than March 1, 2011. All other credit unions are exempt from filing HMDA data associated with mortgage applications processed during 2010. If you have any questions about how to interpret these requirements, please contact your regional office or state supervisory authority. In addition, the Federal Financial Institutions Examination Council's Internet site provides a comprehensive discussion of HMDA and related reporting requirements at the address <http://www.ffiec.gov/hmda/default.htm>.

Sincerely – Deborah Matz, Chairman

# REGULATORY ALERTS

## NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

**DATE:** January 2010 **LETTER NO.:** 10-RA-03  
**TO:** Federally-Insured Credit Unions  
**SUBJ:** Interagency Guidance on Conducting Cross-Border Funds Transfers  
**ENCL:** Transparency and Compliance for U.S. Banking Org. Conducting Cross-Border Funds Transfers

Dear Board of Directors,

This Regulatory Alert is being issued to assist credit union compliance with the Office of Foreign Assets Control (OFAC) sanctions screening and transaction monitoring with respect to Bank Secrecy Act/Anti-Money Laundering requirements. This Alert addresses recent changes in the Society for Worldwide Interbank Financial Telecommunication (SWIFT) messaging standards which impact credit union compliance. The recently issued *Interagency Transparency and Compliance for U.S. Banking Organizations Conducting Cross-Border Funds Transfers* is included as an enclosure. Cross-border cover payment transactions are used to execute international funds transfers where one or more financial institutions in the U.S. act in a correspondent capacity. A typical cover payment transaction involves the member instructing its credit union to make payment to the account of a payee at an international financial institution. The originator's credit union and the beneficiary's international financial institution do not have a relationship allowing them to settle the payment directly, so an account at a U.S. intermediary financial institution must be used to settle the payment. The intermediary financial institution receives an order to make a payment to the beneficiary's international financial institution, but does not receive the underlying information on the originator and the beneficiary of the funds transfer. The information regarding the originator and beneficiary is sent separately through the SWIFT messaging system. The intermediary financial institution is unable to monitor or filter the payment details for OFAC compliance. As a result, they cannot assess the risk associated with the correspondent operations and monitor for suspicious activity. In the past, the SWIFT cover payment format has been used to deliberately conceal the parties to a particular transaction.

SWIFT changed its messaging standards as of November 21, 2009 to require the U.S. Originators' financial institutions to use the new payment transfer messaging format for cover payment transactions (MT 202 COV) for which there is an associated SWIFT MT 103 payment order.<sup>1</sup> The MT 202 COV contains mandatory fields for information relating to the originator and beneficiary of the transfer. This will increase the transparency of cover payment transactions by providing additional information regarding the originator and the beneficiary.



Consistent with current practices, credit unions should screen transaction information on all funds transfers and block or reject transactions as required by law and submit required reports to OFAC. The introduction of the MT 202 COV does not change U.S. sanctions obligations, but may increase the amount of information available to be screened. Credit unions acting as intermediary institutions should also conduct monitoring of funds transfers processed through their systems to identify suspicious activity.

If you have any questions regarding this guidance, please contact your district examiner, regional office, or state supervisory authority.

Sincerely – Deborah Matz, Chairman

## REGULATORY ALERTS

### NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

**DATE:** January 2010 **LETTER NO.:** 10-RA-04  
**TO:** Federally-Insured Credit Unions  
**SUBJ:** Home Mortgage Disclosure Act (HMDA)  
Submission of 2009 HMDA Data for Credit Unions Over \$39 Million in Assets

Dear Board of Directors:

Credit unions located in metropolitan areas that engage in certain types of residential mortgage lending and have assets exceeding the Federal Reserve Board's (FRB) published threshold of \$39 million must comply with Regulation C. Regulation C implements the Home Mortgage Disclosure Act. **Credit unions subject to HMDA requirements for 2009 activity must submit loan/application register (LAR) data to the FRB by March 1, 2010.**

To determine if your credit union must submit HMDA data for calendar year 2009 activity, please review Regulatory Alert 09-RA-02, Home Mortgage Disclosure Act Data Collection Requirements for Calendar Year 2009 dated January 2009. This Regulatory Alert is available at the address <http://www.ncua.gov/Resources/RegulatoryAlerts/Files/2009/09-RA-02.pdf> on NCUA's Internet site.

The purpose of this Regulatory Alert is to:

Remind you of the filing deadline for 2009 HMDA data; and

Inform you of NCUA's policy concerning the late submission of required HMDA data.

#### Filing Deadline for 2009 HMDA Data

Credit unions subject to HMDA requirements for 2009 activity must submit LAR data to the FRB processing center by **March 1, 2010**. This requirement remains in place even for credit unions that do not have to accumulate HMDA data for applications processed during 2010. (Examples of events causing a credit union previously required to submit HMDA data to become exempt include relocation from a metropolitan area or a decrease in total assets below the minimum threshold.)

The LAR requires data about the mortgage applications processed during the reporting year. Additional information about the LAR filing requirements is available at the Federal Financial Institutions Examination Council's (FFIEC) Internet site <http://www.ffiec.gov/hmda/default.htm>.

Credit unions with 25 or fewer entries on their LAR may report and submit the data in paper form. However, all credit unions with more than 25 entries on the LAR must submit their reports in an automated, machine-readable, form under one of the methods discussed at the link <http://www.ffiec.gov/hmda/contactNCUA.htm> on the FFIEC's Internet site.

The FRB prefers receiving the LAR data through the "Submission via Web" option described in greater detail at <http://www.ffiec.gov/hmda/faqtech.htm#srs2>. This option is the most secure and efficient method because it offers a ONE-step submission process where users receive confirmation the FRB successfully received the HMDA data.

If you do not use the "Submission via Web" option, you also have the option of submitting automated LAR data by e-mail at the address [hmdasub@frb.gov](mailto:hmdasub@frb.gov). This option requires proper encryption of the LAR data file using the FFIEC data entry software encryption utility before transmission. The encryption process requires installing the Internet Submission software that is available for free at the FFIEC Internet site <http://www.ffiec.gov/software/default.aspx>. To ensure data can be successfully read by the FRB by email, you should use the edit check feature of the HMDA data entry software prior to encrypting and submitting your transmission file.

The HMDA Data Entry Software is available for free at the FFIEC Internet site <http://www.ffiec.gov/hmda/softinfo.htm>. The software automates the filing of your HMDA data and includes editing features to help you verify and analyze the accuracy of the data. The data file created, using this software, can be submitted to the FRB using "Submission via Web",

encrypted for submission via Internet email, or exported onto a diskette/CD-ROM for mailing. Transmissions by methods other than "Submission via Web" or email may be delayed due to FRB security protocols.

Data is considered to be successfully received by the FRB once the FRB has loaded your data onto its mainframe computer. When the FRB has successfully loaded your data, it will confirm receipt of the file by faxing or emailing an edit report that lists potential data errors. You should retain a dated copy of the edit report with your credit union's records. The following general time frames apply:

If you sent your submission using the "Submission via Web" or Internet email option, you should receive an edit report by fax within a week of transmitting your report.

If you sent your submission via diskette or CD-ROM, you should receive an edit report via fax within two weeks of mailing your report.

Credit unions submitting their data by email will receive an email message from the FRB that confirms receipt of the submission. It is important to not confuse the confirmation that the FRB has received your submission with the edit report that documents the FRB has successfully loaded your data onto its mainframe computer. The FRB only considers your data as being received when it issues the edit report.

If your credit union does not receive an edit report from the FRB, it is your responsibility to follow up with the FRB. In the recent past, several credit unions did not either a) contact the FRB when not receiving a confirmation of receipt; or b) follow up when not receiving a list of potential data errors after initially receiving a confirmation of receipt. As a result, the credit unions were not aware that their LAR data was not successfully loaded onto the FRB's mainframe computer until appearing on a delinquent filer list.

#### NCUA Policy Concerning Delinquent Filings

NCUA anticipates every credit union that is required to report 2009 HMDA data will provide a readable transmission file to the FRB by the March 1, 2010 deadline. Following March 1, the FRB will provide a list of delinquent filers to NCUA. Credit unions appearing on this list could become subject to civil money penalty assessments.

#### Other Resources

The FFIEC maintains an Internet site (<http://www.ffiec.gov/hmda/default.htm>) that is devoted to providing financial institutions with assistance in complying with HMDA requirements. This site also provides access to a comprehensive guide entitled ***A Guide to HMDA Reporting – Getting it Right!*** that provides information about the history of HMDA, data reporting requirements, LAR completion guidelines, geocoding tools, and disclosure requirements.

Questions concerning HMDA software, data receipt confirmations, data edits, and other issues related to the submission of HMDA data can be sent to the FRB by email at [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov) or you may contact the HMDA Assistance Line (202-452-2016).

Should you have questions about completing the LAR, please contact your regional office or state supervisory authority.

Sincerely – Deborah Matz, Chairman

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**KentuckyCorporate**  
Federal Credit Union

**To: Member Credit Unions**  
**From: Jim Thompson, President/CEO**  
**Date: February 2, 2010**  
**Re: Regional Credit Union Meetings**

NCUA has released for comment its proposed revisions to the regulations pertaining to corporate credit unions. At 253 pages, the major revisions include...

- Establishing a new capital scheme, including risk-based capital requirements
- Incorporating prompt corrective action requirements
- Imposing new concentration limits on investments
- Integration of new asset/liability management tests and controls
- Amending corporate governance provisions
- And, limiting a corporate CUSO's products to categories pre-approved by NCUA

These revisions and others included in the proposed regulation will have a far-reaching impact on all corporate credit unions in each area of corporate operations.

Join Kentucky Corporate FCU at a **Credit Union Meeting** as we share our insight about what the proposed regulatory revisions mean for Kentucky Corporate and credit unions.

During the meeting we will...

- Highlight areas of the proposed regulation that we strongly believe needs response from credit unions in order for Kentucky Corporate to best serve you in the competitive and cooperative manner we have since inception.
- Help make sense of the proposed regulation because of the unique asset/liability testing requirements, capital standards, and terminology not found in natural person credit union regulation.
- Answer your questions to help you comply with NCUA's request for comment.
- Answer any questions regarding Kentucky Corporate FCU.

The meetings scheduled to date are:

February 9, 2010 at 6:00 pm ET  
Ashland Elks Lodge  
900 Carter Avenue  
Ashland, KY 41101-7420

February 10, 2010 at 2:00 pm ET  
Members Heritage FCU  
2420 Members Way  
Lexington KY 40504

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Phone: 502.459.6110 • 1.800.333.5285 • 3615 Newburg Road • Louisville, Kentucky 40218

February 11, 2010 at 6:00 pm CT  
Daviess County Teachers FCU  
1900 Southeastern Parkway  
Owensboro KY 42303

February 18, 2010 at 10:00 am ET  
Kentucky Credit Union League  
3615 Newburg Road  
Louisville KY 40218

February 18, 2010 at 2:00 pm ET  
Kentucky Credit Union League  
3615 Newburg Road  
Louisville KY 40218

February 18, 2010 at 6:00 pm ET  
Kentucky Credit Union League  
3615 Newburg Road  
Louisville KY 40218

February 24, 2010 at 2:00 pm ET  
Northern KY Educators Federal CU  
2805 Alexandria Pike  
Highland Heights KY 41076

A registration form is available under the Events icon on the left column on our webpage ([www.kycorp.org](http://www.kycorp.org)) or the Events page (<http://www.kycorp.org/kycorp/Events.asp>). You may also contact Kentucky Corporate at 800.333.5285 ext 4 or 502.459.6110.

For questions, please contact Jim Thompson, Drew Lykins or Marsha Hahn at Kentucky Corporate.



# FORTRESS

NETWORK SECURITY

February 10th, 2010

**Jefferson County Federal Credit Union**  
9600 Ormsby Station Rd  
Louisville, KY 40223

Dear Carl:

I am very pleased to announce that the Dedicated Virtual Hosting and Managed Security division of Fortress Network Security, LLC has been acquired by FN-SKY, LLC a company wholly owned by Graham Magnetics, LP.

For the past nine years, our corporate mission has been to be the leading provider of Managed Security and Hosted Virtualization solutions for this region at affordable rates and personal service. FN-SKY, LLC shares that vision and will continue to provide service to you and your organization.

Our goal is to make your transition to FN-SKY, LLC as seamless and non disruptive as possible, and for your convenience I've enclosed a "Frequently Asked Questions" page. We look forward to providing you continued service and support as FN-SKY, LLC.

I have accepted the President position of FN-SKY, LLC and will make sure we continue to provide quality service and support.

If you have any questions or comments, please feel free to contact me.

Sincerely,



Joe Sykora  
*Former President / CEO- Fortress Network Security, LLC*

*President*  
**FN-SKY, LLC**  
(502) 262-0494  
[jsykora@fnsky.com](mailto:jsykora@fnsky.com)

Page 1

2500 Technology Drive Louisville, KY 40299 502.212.0088 866.948.7377  
[www.fortressnetworksecurity.com](http://www.fortressnetworksecurity.com)

# FORTRESS

## NETWORK SECURITY

### FN-SKY, LLC -- Frequently Asked Questions (FAQ)

#### What's Happening?

The Dedicated Virtual Hosting and Managed Security division of Fortress Network Security, LLC has been acquired by FN-SKY, LLC a company wholly owned by Graham Magnetix, LP.

#### Who is FN-SKY, LLC?

FN-SKY, LLC provides Dedicated Secure Cloud Computing Solutions and Managed Security Services on a National Level. By combining Security with Cloud Computing and years of experience sets FN-SKY, LLC apart from the other shared Cloud Computing providers.

#### Services Include:

- Dedicated Secure Cloud Computing
- Hosted Disaster Recovery Solutions
- Hosted Data Vaulting Solutions
- Managed Security Solutions
- Information Security Solutions and Assessments
- Virtualization Solutions

#### Who Is Graham Magnetix, LP?

Graham Magnetix, located in Graham, TX, began its operations in 1966. Graham has enjoyed a long history in the manufacturer of world class tape media storage products.

Today Graham Magnetix focuses its offerings on Graham Certified™ tape media and cleaning cartridges. While Graham Magnetix still provides new Graham brand tape mainframe media, we are actively involved in helping our customers protect and conserve the environment. Graham Certified™ media is not only good for the environment and lower costing, but it is tested on OEM tape drives and test equipment using methods that were often employed in the 100% certification of newly manufactured tape. Our history as a world class taper manufacturer provides us with a unique understanding of what it takes to make a quality tape cartridge product, and that unique understanding allows us to produce the highest quality certified product on the market today.

More information can be found at [www.grahammagnetix.com](http://www.grahammagnetix.com)



# FORTRESS

## NETWORK SECURITY

**How will I get support?**

The contact numbers and customer portal you currently use will stay the same.

**Will my dedicated support engineer and sales representative change?**

Our goal is to maintain all account contacts as they are today. FN-SKY, LLC operations will remain based in Louisville, KY

**Will my monthly fees or service rates change?**

No, monthly fees and service rates will remain the same.

**Will there be any changes to my data center or IP addresses?**

No, there will be no changes in data center or related network issues. There will be no impact to your production environment or Managed Security Service.

**When is the effective date of this change?**

The effective date is February 1st, 2010. Your February Service Invoices will reflect this change.

**Will the remit to information change to submit payment?**

Yes, this will be reflected on invoices. The new address is:

FN-SKY, LLC  
Attn: Accounts Payable  
1715 Fourth Street  
Graham, TX 76450



**JEFFERSON COUNTY FEDERAL CREDIT UNION**  
**Statement of Financial Condition -- January 2010**

<b>ASSETS</b>		<b>LIABILITIES</b>	
LOANS	39,202,135.10	ACCOUNTS PAYABLE	2,714.84
ASSETS IN LIQUIDATION OF LOANS - RE	0.00	MONEY ORDERS	4,159.69
ASSETS IN LIQUIDATION OF LOANS - AU	0.00	TRAVELERS CHECKS	0.00
REAL ESTATE LOANS - TECUMSEH	63,100.39	AMUSEMENT PARK TICKETS	0.00
		KYCUPAC - FROM MEMBERS	25.00
		DEATH CLAIMS	211,115.13
TOTAL LOANS TO MEMBERS	39,265,235.49	EMPLOYEE 401(K) PLAN	0.00
ALLOW. FOR LOAN LOSSES	(282,355.20)	INSURANCE COMPANIES	7,849.36
ALLOW. FOR OVERDRAFT LOSSES	(1,623.93)	FLOOD DETERMINATION	24.00
		RECORDING FEES - CLERK	248.00
<b>NET LOANS</b>	<b>38,981,256.36</b>	ATTORNEY FEES	10,901.00
		APPRAISALS	(825.00)
		<b>TOTAL ACCOUNTS PAYABLE</b>	<b>236,212.02</b>
FIFTH THIRD	5,581.06	<b>DIVIDENDS PAYABLE</b>	<b>64,445.75</b>
VAULT CASH	484,129.55		
CHANGE FUND - ATM MACHINE	60,580.00	<b>CLF CU SIP NOTE PAYABLE</b>	<b>25,000,000.00</b>
PETTY CASH	50.00		
<b>CASH TOTAL</b>	<b>550,340.61</b>	FEDERAL TAXES	21.32
		KENTUCKY STATE TAXES	0.00
		FEDERAL & STATE UNEMPLOY.	0.00
KENTUCKY CORPORATE FCU	15,198,666.36	OCCUPATIONAL TAXES	0.00
FEDERAL HOME LOAN BANK OF CINCINNATI	144,522.76	TAXES HELD ON DIVIDENDS	851.08
DEPOSITS - OTHER FINANCIAL INSTITUTIONS	34,748,000.00	ACCRUED PROPERTY TAXES	2,000.00
SHARE ONE CUSO INVESTMENT	100,000.00	PENALTIES ON PREMATURE IRA DISTR.	0.00
LOAN TO CUCKY	0.00		
CLF CU SIP INVESTMENT	25,000,000.00	<b>TOTAL TAXES PAYABLE</b>	<b>2,872.40</b>
<b>TOTAL INVESTMENTS</b>	<b>75,191,189.12</b>	ACCRUED EXPENSES	562,710.29
		<b>TOTAL ACCRUED EXPENSES</b>	<b>562,710.29</b>
ACCRUED INTEREST - LOANS	182,186.13	<b>ACCRUED NCUSIF STABILIZATION EXPENSE</b>	<b>0.00</b>
OTHER ACCRUED INCOME	113,278.67		
		<b>UNAPPLIED EXCEPTIONS</b>	<b>47,961.03</b>
<b>TOTAL ACCRUED INCOME</b>	<b>295,464.80</b>	<b>TOTAL LIABILITIES</b>	<b>25,914,201.49</b>
		<b>CAPITAL</b>	
PREPAID & DEFERRED EXPENSES	52,785.44	REGULAR SHARE ACCOUNTS	17,995,683.13
		CLUB ACCOUNTS	650,758.99
<b>TOTAL PREPAID &amp; DEFERRED</b>	<b>52,785.44</b>	SHARE DRAFT ACCOUNTS	4,954,269.95
		CASH INVESTMENT ACCOUNTS	28,981,762.80
LAND - MAIN & OUTER LOOP OFFICE	448,100.00	CORPORATE CASH INVESTMENT	2,246,805.95
BUILDING - MAIN & OUTER LOOP OFFICE	1,547,029.32	REWARDS CHECKING	2,009,688.64
IMPROVEMENTS - MAIN OFFICE	1,680.75	IRA - ACCUMULATION ACCOUNTS	1,745,447.60
IMPROVEMENTS - BRANCH 1	1,118.41		
IMPROVEMENTS - BRANCH 2	0.00	CERTIFICATES - REGULAR	18,214,047.91
IMPROVEMENTS - BRANCH 3	0.00	CERTIFICATES - IRA	3,943,120.44
IMPROVEMENTS - BRANCH 4	0.00	CERTIFICATES - TOTAL	22,157,168.35
ACCUM. DEPR. - MAIN & OUTER LOOP OFFICE	(544,725.50)		
FURNITURE & EQUIPMENT	53,895.28	<b>TOTAL SHARES</b>	<b>80,741,585.41</b>
COMPUTER EQUIPMENT	30,424.75		
		REGULAR RESERVE	1,901,148.19
<b>TOTAL FIXED ASSETS</b>	<b>1,537,523.01</b>	RESERVE FOR CONTING.	0.00
		UNDIVIDED EARNINGS	11,068,235.07
		NET INCOME	43,154.93
ACCOUNTS RECEIVABLE	(3,000.00)	<b>TOTAL CAPITAL</b>	<b>93,754,123.60</b>
DEFERRED COMPENSATION	2,201,020.24		
CAPITAL DEPOSIT - CUCKY	65,664.00	<b>TOTAL CAPITAL &amp; LIABILITIES</b>	<b>119,668,325.09</b>
DEPOSIT - NCUSIF	796,081.51		
<b>TOTAL OTHER ASSETS</b>	<b>3,059,765.75</b>		
<b>TOTAL ASSETS</b>	<b>119,668,325.09</b>		



**Jefferson County Federal Credit Union**

**BUDGET REVIEW**

**January 31, 2010**

	ACTUAL CURRENT	BUDGETED CURRENT	ACTUAL Y-T-D	BUDGETED Y-T-D	DIFFERENCE Y-T-D	PERCENT TOT INCOME
<b>I N C O M E</b>						
INTEREST ON LOANS	236,724.24	231,068.00	236,724.24	231,068.00	5,656.24	58.76%
INVESTMENTS	46,661.13	54,665.00	46,661.13	54,665.00	(8,003.87)	11.58%
INTEREST ON CLF CU SIP	20,298.49	0.00	20,298.49	0.00	20,298.49	5.04%
INSURANCE REIMB.	8,451.37	7,500.00	8,451.37	7,500.00	951.37	2.10%
MO & CHK FEE	341.25	425.00	341.25	425.00	(83.75)	0.08%
OVERDRAFT FEE	66,458.33	60,000.00	66,458.33	60,000.00	6,458.33	16.50%
WIRE TRANS. & CMO	238.00	250.00	238.00	250.00	(12.00)	0.06%
LOAN LATE FEE	5,294.46	4,800.00	5,294.46	4,800.00	494.46	1.31%
ATM SURCHARGE FEES	379.50	375.00	379.50	375.00	4.50	0.09%
SHARE DRAFT & ATM	1,511.08	1,900.00	1,511.08	1,900.00	(388.92)	0.38%
MISCELLANEOUS INC.	1,000.18	1,350.00	1,000.18	1,350.00	(349.82)	0.25%
LOCK BOX FEE	80.00	200.00	80.00	200.00	(120.00)	0.02%
ATM TRANSACTION FEE	348.00	575.00	348.00	575.00	(227.00)	0.09%
LOAN APPLICATION FEE	250.00	250.00	250.00	250.00	0.00	0.06%
MEMBERSHIP FEE	355.00	475.00	355.00	475.00	(120.00)	0.09%
C-CARD INCOME	1,178.33	250.00	1,178.33	250.00	928.33	0.29%
D-CARD INTERCHANGE	13,287.35	14,500.00	13,287.35	14,500.00	(1,212.65)	3.30%
<b>TOTAL INCOME</b>	<b>402,856.71</b>	<b>378,583.00</b>	<b>402,856.71</b>	<b>378,583.00</b>	<b>24,273.71</b>	<b>100.00%</b>
<b>E X P E N S E S</b>						
SALARIES - REGULAR	76,708.68	80,460.00	76,708.68	80,460.00	(3,751.32)	19.04%
SALARIES - OVERTIME	65.61	347.00	65.61	347.00	(281.39)	0.02%
CONTRACT EMPLOYMENT	0.00	300.00	0.00	300.00	(300.00)	0.00%
401K COSTS	3,165.94	3,475.00	3,165.94	3,475.00	(309.06)	0.79%
SOCIAL SECURITY TAX	5,734.92	6,182.00	5,734.92	6,182.00	(447.08)	1.42%
UNEMPLOYMENT TAX	1,600.47	480.00	1,600.47	480.00	1,120.47	0.40%
STAFF INSURANCE	13,626.59	13,700.00	13,626.59	13,700.00	(73.41)	3.38%
LOCAL TRAVEL	508.25	600.00	508.25	600.00	(91.75)	0.13%
VEHICLE MAINTENANCE	10.00	400.00	10.00	400.00	(390.00)	0.00%
OUT OF TOWN TRAVEL	0.00	725.00	0.00	725.00	(725.00)	0.00%
BOARD MEETING EXP.	1,214.12	1,065.00	1,214.12	1,065.00	149.12	0.30%
ASSOC. DUES & SUBCR.	2,169.88	2,226.00	2,169.88	2,226.00	(56.12)	0.54%
OFFICE OCCUP. EXP.	13,648.18	17,425.00	13,648.18	17,425.00	(3,776.82)	3.39%
BLDG. - LAND IMPROV.	215.21	416.00	215.21	416.00	(200.79)	0.05%
TELEPHONE EXPENSE	1,771.09	1,804.00	1,771.09	1,804.00	(32.91)	0.44%
POSTAGE	6,599.10	5,275.00	6,599.10	5,275.00	1,324.10	1.64%
MAINT. OF EQUIP.	1,365.28	1,121.00	1,365.28	1,121.00	244.28	0.34%
STATIONARY & SUPP.	668.32	2,100.00	668.32	2,100.00	(1,431.68)	0.17%
INSURANCE	2,823.90	2,924.00	2,823.90	2,924.00	(100.10)	0.70%
DEPRECIATION - FURN.	3,153.10	3,227.00	3,153.10	3,227.00	(73.90)	0.78%
BANK SERVICE CHARGE	24,075.87	25,282.00	24,075.87	25,282.00	(1,206.13)	5.98%
COMPUTER EXPENSE	16,803.93	17,432.00	16,803.93	17,432.00	(628.07)	4.17%
EDUCATIONAL & PROM.	5,850.00	6,397.00	5,850.00	6,397.00	(547.00)	1.45%
LOAN SERVICING EXP.	7,249.30	8,170.00	7,249.30	8,170.00	(920.70)	1.80%
PROF. & OUTSIDE EXP.	9,504.69	9,620.00	9,504.69	9,620.00	(115.31)	2.36%
FEDERAL SUPERVISION	1,740.00	1,740.00	1,740.00	1,740.00	0.00	0.43%
NCUSIF INS. PREM.	26,759.00	26,759.00	26,759.00	26,759.00	0.00	6.64%
NCUSIF STABILIZATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00%
CASH OVER & SHORT	(59.93)	100.00	(59.93)	100.00	(159.93)	-0.01%
COST-BORROWED FUND	14,990.36	0.00	14,990.36	0.00	14,990.36	3.72%
ANNUAL MEETING EXP.	700.00	700.00	700.00	700.00	0.00	0.17%
MISCELLANEOUS EXP.	439.44	3,875.00	439.44	3,875.00	(3,435.56)	0.11%
<b>TOTAL OPER. EXP.</b>	<b>243,101.30</b>	<b>244,327.00</b>	<b>243,101.30</b>	<b>244,327.00</b>	<b>(1,225.70)</b>	<b>60.34%</b>
ALLOWANCE - LOAN LOSS	20,000.00	20,000.00	20,000.00	20,000.00	0.00	4.96%
ALLOWANCE - OVERDRAFT LOSS	75.00	75.00	75.00	75.00	0.00	0.02%
DIVIDENDS	96,525.48	81,805.00	96,525.48	81,805.00	14,720.48	23.96%
(GAIN)LOSS ON INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00%
(GAIN)LOSS ON INVESTMENTS- KY CORP	0.00	0.00	0.00	0.00	0.00	0.00%
OTHER NON OPERATING EXPENSE (INCOM	0.00	0.00	0.00	0.00	0.00	0.00%
<b>TOTAL EXPENSES</b>	<b>359,701.78</b>	<b>346,207.00</b>	<b>359,701.78</b>	<b>346,207.00</b>	<b>13,494.78</b>	<b>89.29%</b>
<b>NET INCOME</b>	<b>43,154.93</b>	<b>32,376.00</b>	<b>43,154.93</b>	<b>32,376.00</b>	<b>10,778.93</b>	<b>10.71%</b>

# P R E S I D E N T ' S   R E P O R T   February 24, 2010

## **STATISTICAL REPORTS**

Key Ratios, Operating Statistics, Delinquency, Loan Losses, Loan Officer Report, Suspicious Activity, and Long Term Assets, Monthly Comparison are attached for your review monthly. Delinquency Analysis, ALLL Analysis, and Doubtful Loans are available quarterly. GAP, Cash Flow, Rate Shocks, other ALM reports are available semi annually.

## **FINANCIAL SUMMARY FOR THE MONTH**

The key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. Our YTD bottom line even with the NCUSIF expense is \$10,800 above budgeted income. There was a decrease in deposits from the previous month of \$625,000 leaving a decrease of \$625,000 year to date. Loan volume for the month showed an increase of \$403,000 and net loans showed an increase of \$2,000 leaving an increase of \$2,000 year to date. We will continue to closely monitor the competition and the overall operation for additional adjustments to dividend and income to benefit the members.

## **FINANCIAL DETAIL COMPARISON**

Major Areas of Impact	REASON	BEFORE	AFTER	Difference
<b>Assets</b>	<b>CU-SIP</b>	<b>94,668,325</b>	<b>119,668,325</b>	<b>25,000,000</b>
<b>Average Assets</b>	<b>CU-SIP</b>	<b>94,905,915</b>	<b>119,905,915</b>	<b>25,000,000</b>
<b>Investment Balance</b>	<b>CU-SIP</b>	<b>50,191,189</b>	<b>75,191,189</b>	<b>25,000,000</b>
<b>NET WORTH</b>	<b>CU-SIP</b>	<b>13.75%</b>	<b>10.87%</b>	<b>-2.88%</b>
<b>Long Term Assets</b>	<b>CU-SIP</b>	<b>22.88%</b>	<b>18.10%</b>	<b>-4.78%</b>
<b>Total Loans / Assets</b>	<b>CU-SIP</b>	<b>41.48%</b>	<b>32.81%</b>	<b>-8.67%</b>
<b>Fixed Assets</b>	<b>CU-SIP</b>	<b>1.62%</b>	<b>1.28%</b>	<b>-0.34%</b>
<b>INC- NET- YTD</b>	<b>NCUA</b>	<b>69,914</b>	<b>43,155</b>	<b>26,759</b>
<b>Return on Average Assets</b>	<b>NCUA</b>	<b>0.88%</b>	<b>0.55%</b>	<b>0.33%</b>

## **LOAN LOSSES FOR YOUR REVIEW** – (SEE ATTACHED REPORT FOR DETAIL)

As of 01-15-10            6        21,318.50  
As of 02-15-10            5        11,339.50  
As of 03-15-10

-----  
**T O T A L                    11        32,568.00**

## **LENDING ACTIVITY**

RE LOANS - January 2010									
DATE	NAME	ACCOUNT #	APPRAISAL	NEW MONEY	LOAN AMOUNT	EQUITY	TERM IN MONTHS	CREDIT LIMIT	APPROVED BY
1/25/10	Loudermilk	678460	120,000	96,000	96,000	96,000	180	0	CEO
	Loudermilk	678460		23,792	23,792	0	180	0	Universal
<b>TOTAL/AVG</b>		<b>2</b>	<b>120,000</b>	<b>119,792</b>	<b>119,792</b>	<b>96,000</b>	<b>180</b>	<b>0</b>	

A '0' in the equity column indicates > 80% LTV

COMMENTS: NONE

## INVESTMENT ACTIVITY

### CD Purchases - January 2010

DATE	AMOUNT	TERM	RATE	INSTITUTION	CITY	ST	CODE
01/05/10	48,000	12	0.60%	NATIONAL BANK OF CALIFORNIA	LOS ANGELES	CA	3
	99,000	12	0.80%	MIDCITY BANK	OMAHA	NE	2
01/06/10	248,000	24	1.55%	ROYAL CREDIT UNION	EAU CLAIRE	WI	3
	99,000	12	0.50%	SILVERGATE BANK	LA JOLLA	CA	1
01/07/10	99,000	12	0.65%	MERCANTILE BANK OF MICHIGAN	GRAND RAPIDS	MI	2
	248,000	12	0.69%	CHEROKEE STATE BANK	CHEROKEE	IA	1
01/08/10	99,000	12	0.55%	GE CAPITAL FINANCIAL	SALT LAKE CITY	UT	3
01/11/10	99,000	12	0.50%	VIST BANK	WYOMISSING	PA	2
01/12/10	248,000	6	0.22%	GATEWAY COMMUNITY BANK	ROSCOE	IL	2
01/14/10	99,000	12	0.60%	COMMUNITY BANK	PASADENA	CA	2
	99,000	12	0.55%	MVB BANK	FAIRMONT	WV	2
	248,000	6	0.22%	COMMERCE STATE BANK	WEST BEND	WI	3
	99,000	12	0.40%	CONTINENTAL BANK	SALT LAKE CITY	UT	2
01/15/10	248,000	18	0.90%	ABBYBANK	ABORTSFORD	WI	2
01/20/10	102,000	12	0.65%	FREDERRICA CREDIT UNION	BRUNSWICK	GA	3
	99,000	18	0.75%	RUMSON-FAIRHAVEN BANK	FAIRHAVEN	NJ	1
01/26/10	149,000	12	0.55%	CITIZENS BAK OF MUKWONAGO	MUKWONAGO	WI	2
	49,000	12	0.80%	MID CITY BANK	OMAHA	NE	2
	99,000	12	0.90%	WESBANCO BANK	TEANECK	NJ	1
	100,000	12	0.50%	BOGOTA SAVINGS BANK	WHEELING	WV	2
01/29/10	99,000	24	1.55%	MONTEREY COUNTY BANK	MONTEREY	CA	2
<b>TOTAL</b>	<b>2,777,000</b>	<b>13</b>	<b>0.69%</b>	<b>21</b>			

## INVESTMENT ACTIVITY – FAILED BANKS

	AMOUNT	BANK	DATE	DISPOSITION
1.	99,000	American Marine Bank	02-01-10	Paid By New Bank 02-04-10

## REAL ESTATE PROBLEM LOANS

Acct. #	Name	Address	Zip	Balance	Appraisal	Year	Pamt.	Due
1. 852730	Townsend, K.	1218 W. Woodlawn.	40215	\$24,142	\$84,500	05-06	\$244	\$3,417
<p>01-14-09 Member was laid off from a 3+ year job and had satisfactory credit when the loan was made. She is drawing unemployment. The insurance is still in force but taxes are delinquent in the amount of \$1,098 for 2008. There are no other mortgages that we are aware of. There are other taxes showing up – totaling \$5,300 that we cut checks for as loan proceeds but she converted. We have asked 5/3 to reimburse us for their errors. That will reduce our exposure to some degree and they can pursue her criminally in lieu of us having to do it. The initial foreclosure letter was authorized on 01-16-09. The PVA assessment is \$84,360. 02-23-09. 05-28-09 - The motion for judgment was filed on May 21, 2009. Pursuant to local court rules, the motion is automatically referred to the Master Commissioner for recommendation as to whether the judgment should be entered. That process can take up to 30 days. If the Master Commissioner recommends that the judge sign the order, it can take several weeks for us to receive the signed judgment, depending on the judge's docket at the time. The sale date is 10-13-09. Our attorneys received a Chapter XIII bankruptcy notice at 09:16 AM the morning of the 12<sup>th</sup>. We will now have to go through the bankruptcy system and then go through the sale system again. 12-02-09 we received a call from member saying she went to 341 meeting &amp; spoke to trustee &amp; our attorney. She will pay us direct (Out Side Of Plan) 1 full payment of \$244.05 on 12-15-09, again 12-29-09, and the January payment sometime in January from her unemployment. Our arrearage is to be paid in the plan which we do not have the details on yet. I am not holding my breath. She defaulted and we have moved for a new hearing to lift the stay that comes up 01-28-10. 01-27-10 - Meeting went as well as expected. Trustee will pay on the post petition past due amount \$488.10 for Dec &amp; Jan. Arrearage still will be paid in plan &amp; Member will start paying again for the Feb payment &amp; has until 15th &amp; and if the member does not make payment then the Attorney will file another motion &amp; we will get stay relief. Then will be able to start foreclosure again.</p>								

## CHECK REGISTER & ACH DEDUCTIONS

Attached for your review.

### **COMMENT CARDS**

Attached for your review.

### **RECONCILIATIONS**

All accounts are current and correct.

### **SAFE LANDING AND OVERDRAFT LOAN CHARGE OFF FOR – January 2010**

NONE

### **SUSPICIOUS ACTIVITY REPORTS (SARS) – January 2010**

1 for \$850.00

### **MERGER CANDIDATE**

The meeting was held 02-19-10 and the majority approved the merger. We will now focus on getting this completed by our target date of 03-19/20/21-2010.

### **PATRIOT RISK LOG**

The services listed were reviewed by the appropriate staff and are attached for your review.

### **FACILITIES COMMITTEE REPORT**

1. Indiana Branch Lease – It was agreed for CH to negotiate the renewal up to GSA's asking price.
2. Main Office Roof Proposal – Repair, dry, seal, and replace the roofing material around the 250' of flashing for \$2,940. It was discussed that a hip roof be considered when it came time to replace the roof but that maybe five years down the road. The company the roof was good for another 5-6 years at this point.
3. Lawn Service – The current provider GSA was replaced 02-10-10 with Wayne's Lawn Service. A one year contract was signed.
4. I reviewed the list of closed or soon to close National City locations in the metro area. There was nothing available that suits our needs and no additional pursuit is required at this time.

### **OPT IN FORM**

The form has been put on our website and is being mailed to participants with their overdraft notifications as well.

### **PURCHASE MONEY RE LOANS**

A new E-docs program is being implemented which gives our members all of their purchase money real estate loan closing documents on a CD.

### **457 PLAN CHANGES**

Pending at this time.

### **FOR YOUR INFORMATION**

- ✓ **WASHINGTON (2/2/10)--Policymakers should consider raising the amount of money the Federal Deposit Insurance Corp. (FDIC) has to deal with bank failures**, the Obama administration said in its 2011 budget, which was released Monday (*The Wall Street Journal* Feb. 1). The current reserve ratio range of 1.15% to 1.5% is inadequate, the proposal said. If the reserve ratio is increased, banks may have to pay higher premiums. At the end of September, **the deposit insurance fund ratio dropped to 0.16%**. The FDIC has worked to increase its fund by charging special fees and mandating a three-year premium pre-payment to raise \$45 billion. However, bank failures continue. Last month, there were 15 failures, ahead of the 2009 pace that had 140 failures at year-end.

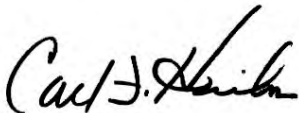
President - Page 3 of 4

- ✓ **CUs' position to improve as labor, housing stabilize** - MADISON, Wis. (2/4/10)--As labor and housing markets stabilize, credit unions' financial position should improve, according to a Credit Union National Association (CUNA) economist's analysis of CUNA's monthly sample of credit unions. "Periods of great economic stress create significant dynamics for financial institutions," Steve Rick, CUNA senior economist, told *News Now*. "The 'great recession' of 2009 led to significantly higher credit union loan delinquency rates, lower credit union loan-to-share ratios and a plummet in credit union loan growth. As the labor and housing markets stabilize in 2010, so too should credit union, loan growth, asset quality and liquidity position." Credit union loans outstanding decreased 0.1% during December, but increased 1% during 2009. That's down from a 6.9% increase during 2008. In December, credit card loans increased 2.5%, followed by unsecured personal loans (0.8%) and home equity loans (0.6%). Used-auto loans remained constant, while adjustable-rate mortgages declined 0.1% and other mortgages fell 1%. Fixed-rate mortgages dropped 1.5% and new-auto loans decreased 2.0%. Credit union loan balances rose less than 1% in 2009, the slowest pace since 1943 and down from the 6.7% growth rate reported in 2008, Rick said. "Job creation in the first half of the year should lead to self-sustaining economic recovery this year," he added. "This will reduce the extraordinarily high level of household economic uncertainty and therefore lead to increased borrowing and spending. We expect credit union loan balances to rise 3% to 5% in 2010, lower than the 8% to 10% loan growth we usually see after a recession year. "The change is due to the fact that the 'great recession' was a balance sheet recession and not your typical inventory-correction recession," Rick said. "Consumers will be focusing their financial efforts on saving more and reducing debt levels in an attempt to repair their battered balance sheets." Credit union savings balances increased 0.6% in December, and rose 10.6% during 2009. During December, share drafts led savings growth, increasing 3.8%. They are followed by individual retirement accounts (2%), and money market accounts (1.1%). Meanwhile, regular shares and one-year certificates decreased 0.3% and 1.5%, respectively. Credit union 60-plus-day delinquencies remained at 1.8% in December 2009. "Credit union loan delinquency rates rose by a record amount in 2009," Rick said. "Overall credit union loan delinquency rates finished the year at 1.84%, up 47 basis points in one year. Delinquency rates were at their nadir--0.6%--in the summer of 2006, right when home prices were peaking and the unemployment rate was 4.5%, less than half the current 10%. "With the unemployment rate expected to reach its apex in the second half of this year, credit unions should budget for rising loan charge-offs through the first half of the year and then leveling off by year-end," Rick added. The loan-to-savings ratio decreased slightly to 76% in December from 76.9% in November. The liquidity ratio---the ratio of surplus funds maturing in less than one year to borrowings plus other liabilities--remained at 19%. The movement's overall capital-to-asset ratio stayed steady at 10% in November 2009. The total dollar amount of capital for credit unions is \$89 billion.

#### **BUSINESS DEVELOPMENT & MARKETING**

GE will report.

Respectfully Submitted,



Carl F. Hicks  
President and CEO

CATEGORY	Year End 2009	Prior Month	Current Month	Difference	Year-To-Date
Deposits	81,367,271	81,367,271	80,741,585	(625,686)	(625,686)
Regular CDs	18,487,598	18,487,598	18,214,048	(273,550)	(273,550)
IRA Cds	3,987,279	3,987,279	3,943,120	(44,159)	(44,159)
Total CDs	22,474,877	22,474,877	22,157,168	(317,709)	(317,709)
Loan Balance	39,263,225	39,263,225	39,265,235	2,010	2,010
Loans Made	16,371,386	719,299	1,123,203	403,904	1,123,203
Members	13,487	13,487	13,473	(14)	(14)
Accounts	22,515	22,515	22,436	(79)	(79)
Delinquent Percent	0.17%	0.17%	0.26%	0.09%	0.09%
E-Statements	1,598	1,598	1,619	21	21
Bill Payer	1,263	1,263	1,272	9	9
Info-Teller Inquiries	171,642	15,387	13,015	(2,372)	13,015
Website Inquiries	430,156	31,492	33,349	1,857	33,349
HB -Members Used	2,623	2,623	2,695	72	72
Overdrawn Accounts	24,699	24,699	24,437	(262)	(262)
CIA - #	874	874	872	(2)	(2)
CIA - \$	29,428,060	29,428,060	28,981,763	(446,297)	(446,297)
CCIA - #	39	39	39	0	0
CCIA - \$	1,971,535	1,971,535	2,246,806	275,271	275,271
Rewards - #	170	170	171	1	1
Rewards - \$	2,092,074	2,092,074	2,009,689	(82,385)	(82,385)
Rewards - Surcharge Ref.	1,921	205	148	(57)	148
Rewards - Cost	55,681	5,788	2,707	(3,081)	2,707
Regular Checking - #	4,536	4,536	4,482	(54)	(54)
Regular Checking - \$	5,197,317	5,197,317	4,954,270	(243,047)	(243,047)
<b>TOTAL CHECKING - #</b>	<b>5,619</b>	<b>5,619</b>	<b>5,564</b>	<b>(55)</b>	<b>(55)</b>
<b>TOTAL CHECKING - \$</b>	<b>38,688,986</b>	<b>38,688,986</b>	<b>38,192,528</b>	<b>(496,458)</b>	<b>(496,458)</b>
Trans - MO	55,723	5,825	4,783	(1,042)	4,783
Trans - HV	39,596	3,562	2,918	(644)	2,918
Trans - DT	28,954	2,514	1,984	(530)	1,984
Trans - UR	26,447	2,228	1,775	(453)	1,775
Trans - IN	40,434	3,766	3,049	(717)	3,049
Trans - INFO	11,939	952	869	(83)	869
Trans - HB	86,002	7,459	6,987	(472)	6,987
Trans - SB	46,958	3,929	3,480	(449)	3,480
Trans - Total YTD	336,053	30,235	25,845	(4,390)	25,845
<b>DELINQUENCY</b>	<b>Number</b>	<b>Balance</b>			
2 - 5 Months	14	56,996			
6 -11 Months	3	22,394			
12 Months & Over	2	24,238			
<b>Total</b>	<b>19</b>	<b>103,628</b>			

**Monthly Statistics - Year To Date Statistics - Key Ratios - 2010**

Category	%	Y/E 2009	JAN	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Assets		120,143,505	119,668,325												(475,180)
Deposits		81,367,271	80,741,585												(625,686)
Investment Balance		75,092,146	75,091,189												(957)
Cash Balance		1,135,441	550,341												(585,100)
Loan Balance		39,263,225	39,265,235												2,010
Loans Made		16,371,385	1,123,203												1,123,203
Members		13,487	13,473												0
Accounts		22,515	22,436												(79)
DEL - 2-5 Months		20,251	56,996												36,745
DEL - 6-11 Months		22,927	22,394												(533)
DEL - 12 Months & >		24,413	24,238												(175)
Delinquent Amount		67,591	103,628												36,037
Delinquent Percent	< 1.30%	0.17%	0.26%												0.09%
Info-Teller		171,642	13,015												13,015
Website Inquiries		430,156	33,349												33,349
Bill Payer		1,263	1,272												9
E-Statements		1,598	1,619												21
Home Branch Access		2,623	2,695												2,695
Overdrawn Accounts		24,699	24,437												
Share Bal. \$5,000 & <		9,165,807	9,055,847												
INC - Loans YTD		2,789,863	236,724												
INC - Investments YTD		1,015,590	46,661												
INC - Other YTD		1,322,312	119,472												
INC - Total YTD		5,127,765	402,857												
EXP - ALLL YTD		275,211	20,000												
EXP - ALLL - OD YTD		(1,068)	75												
EXP - Dividend YTD		1,501,407	96,525												
EXP - Operating YTD		3,291,174	243,102												
EXP -(G)/L on Invest. YTD		(4,367)	0												
Other Non Operating (Inc)		(45,813)	0												-
EXP - Total YTD - \$		5,016,544	359,702												
INC- NET- YTD		111,221	43,155												
Operating Exp. YTD - %	< 5.00%	2.82%	2.43%												
Net Interest Margin / AA	> 3.00%	1.97%	1.87%												
Return on Average Assets	0.70%	0.10%	0.43%												
Net Worth - \$		12,969,383	13,012,538												
Total Resv. / Curr. Assets	> 9.00%	10.79%	10.87%												
Average Assets - \$		116,842,236	119,905,915												
Net Charge Off - \$		226,262	0												0
Net Charge Off / AA - %	< .45%	0.20%	0.00%												0.00%
Long Term Assets - \$		22,097,505	21,661,861												
Net Long Term Asset /A - %	< 35.00%	18.39%	18.10%												
Total Loans / Assets - %	< 90.00%	32.68%	32.81%												
Share Growth - %	7.00%	0.00%	-0.77%												
Loan Growth - %	4.00%	0.00%	0.01%												
CD Deposits - \$		22,474,877	22,157,168												
Share Deposits - \$		58,892,394	58,584,417												
Loan To Total Share - %		66.67%	67.02%												
Loan To Total Deposit - %		48.25%	48.63%												
Fixed Assets - \$		1,546,175	1,537,523												
Fixed Assets - %	< 5.00%	1.29%	1.28%												

	Year	Count	Balance	Monthly Installments	Amount to Reprice In 3 Years
CU Channels		2	63,100.00		63,100.00
Variable Rate		21	470,437.93		470,437.93
Maturities of 3 Years & Less	2010-2013	46	583,697.36		583,697.36
Maturities of 4 Years	2014	29	684,637.37		684,637.37
Maturities of 5 Years	2015	20	579,014.99		579,014.99
Maturities of 6 Years	2016	22	953,299.53		953,299.53
Maturities of 7 Years	2017	21	692,024.60		692,024.60
Maturities of 8 Years	2018	44	1,946,200.25	25,792.27	464,260.86
Maturities of 9 Years	2019	27	1,103,937.84	13,309.80	239,576.40
Maturities of 10 Years	2020	27	1,532,470.44	17,524.49	315,440.82
Maturities of 11Years	2021	43	1,937,503.22	20,204.55	363,681.90
Maturities of 12Years	2022	50	3,114,591.80	30,444.36	547,998.48
Maturities of 13Years	2023	65	5,152,413.75	46,984.15	845,714.70
Maturities of 14Years	2024	73	5,575,071.47	48,127.43	866,293.74
Maturities of 15Years	2025	9	753,899.40	6,168.29	111,029.22
Maturities of 16-19 Years	2026				0.00
Maturities of > Than 20 Years					0.00
		499	25,142,299.95		7,780,207.90
Net Long Term Loans			17,362,092.05		
Fixed Assets			1,537,523.01		
NCUSIF Deposit			796,081.51		
LLC			500.00		
Deferred Compensation			1,800,000.00		
CUSO Investments			165,664.00		
Total Long Term Assets			21,661,860.57		



**LOAN OFFICERS REPORT      2010**  
**JEFFERSON COUNTY FEDERAL CREDIT UNION**

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**January** , **2010**

<b>Loans Approved</b>	<b>152</b>	<b>\$1,059,236.04</b>
<b>Credit Limits Approved</b> * includes updates & increases	<b>3</b>	<b>\$7,500.00</b>
<b>Loans Disbursed</b>	<b>159</b>	<b>\$1,116,165.10</b>
<b>Indirect Lending</b>	<b>7</b>	<b>\$129,307.00</b>
<b>Equity Checks</b>	<b>5</b>	<b>\$10,800.00</b>
<b>Tecumseh Mortgages</b>	<b>0</b>	<b>\$0.00</b>
<b>Universal Approved Loans</b> (100% Real Estate Loans)	<b>2</b>	<b>\$48,511.00</b>
<b>Requests Denied</b>	<b>24</b>	<b>\$213,995.56</b>

**J. Kevin Lush**  
Preparer

**February 09,2010**  
Date

# RECOMMENDED LOAN CHARGE OFF FIRST QUARTER 2010

ACCOUNT NUMBER	MEMBER NAME	CURRENT BALANCE	LOAN SUFFIX	LOAN TYPE	MDR	AUDR	DATE PAID	DATE DUE	MEMBER GROUP	LOAN OFFICER	Comments	REASON
743050	Ronnie Cherry	\$95.56	3	Auto	29%	31%	12/08/08	08/05/08	Kelly Technical Co	GSE	Def Balance	CH-13 Bankruptcy
747180	Damon Buckner	\$4,925.34	5	Open End	21%	26%	12/03/09	11/05/09	Payne Electric	GSE	Sending to ABL	Unemployed - UnableTo Pay
797180	Misty Buckner	\$4,821.84	5	Open End	40%	46%	11/20/09	11/05/09	Place Or Residence	GSE	Sending to ABL	Employed - Refuse To Pay
856720	Tammy Hatfield	\$4,974.51	5	Open End	21%	31%	09/04/09	10/05/09	Mercer Transportation	TW	Unsecured - Not Reaf - ABL	Filing CH-7 Bankruptcy
861230	Joy Hartung	\$3,079.38	3	Note	41%	41%	08/11/09	09/05/09	Outsource Manage	TW	Sending to ABL	Employed - Refuse To Pay
883660	Erdenetsetseg Thaxton	\$3,421.87	3	Note	N/A	N/A	09/02/09	10/05/09	Place Or Residence	GSE	Unsecured - Not Reaf - ABL	CH-7 Bankruptcy

<b>TOTALS</b>	<b>For January</b>	<b>\$21,318.50</b>	<b>6</b>									
657530	Jennifer Napper	\$2,099.56	5	Open End	39%	41%	12/15/09	12/05/09	Miscellaneous	KL	Mailed To ABL	Unemployed - UnableTo Pay
686640	Larry Burke	\$528.21	5	Open End	27%	31%	11/30/09	12/05/09	Miscellaneous	TW	Mailed To ABL	Unemployed - UnableTo Pay
862940	Christopher Branham	\$1,304.55	2	Note	21%	22%	10/21/09	11/05/09	Place Or Residence	KL	Mailed to ABL	Employed -Refuse To Pay
890070	Latisha Sheffield	\$2,423.67	1	Note	18%	22%	11/17/09	12/05/09	Place Or Residence	KL	Mailed to ABL	Disability / Employed - RTP
700201204	Lula Croghan	\$4,983.51	5	Open End	42%	41%	01/26/10	12/05/09	Census Bureau	GSE	Unsecured - Not Reaf - ABL	Filing CH-7 Bankruptcy

<b>TOTAL</b>	<b>For February</b>	<b>\$11,339.50</b>	<b>5</b>									
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<b>TOTAL</b>	<b>For March</b>	<b>\$0.00</b>	<b>0</b>									
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**TOTAL ACCOUNTS 11**

**TOTAL FOR QUARTER \$32,658.00**

# SAR

## January

## 2010

## Suspicious Activity Report

[illegible]

<b>Total Activities =</b>	<b>1</b>
<b>Total Dollar Amount =</b>	<b>\$ 850.00</b>

<b>By:</b>
<b>Date:</b>

## JANUARY 2010

## OPERATING ACCOUNT GL #733000 PAYOUTS

Check	Amount	Date	Payable To:	Reason
9530	1,996.12	1/6/2010	PHOENIX UNDERWRITING MANAGERS LLC	INSURANCE
9531	5,793.19	1/6/2010	MINNESOTA MUTUAL	INSURANCE
9532	365.40	1/6/2010	ALLIED SOLUTIONS LLC	GAP INSURANCE
9533	663.25	1/6/2010	DIRECT RESPONSE	INSURANCE
9534	44.00	1/6/2010	POSTMASTER	POSTAGE
9535	70.22	1/6/2010	FIRST SERVICE GROUP	INSURANCE
9536	25.00	1/7/2010	I Q L	PAYROLL ACCOUNT CLOSED
9537	184.00	1/7/2010	ENTERPRISE CAR SALES	INDIRECT LENDING
9538	10.00	1/7/2010	LABA	MARKETING
9539	275.00	1/8/2010	AUTO-BACK RECOVERY	REPO EXPENSE
9540	22.00	1/8/2010	SPENCER COUNTY CLERK	LIEN RECORDING
9541	73.50	1/8/2010	WASHINGTON NATL LIFE INS CO	INSURANCE
9542	359.37	1/11/2010	TINA BISHOP	DECEASED ACCOUNT
9543	290.00	1/11/2010	CRAIG & LANDRETH, INC	INDIRECT LENDING
9544	218.50	1/11/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9545	24.00	1/11/2010	CLARK COUNTY RECORDER	MORTGAGE RECORDING
9546	75.00	1/12/2010	AUTO-BACK RECOVERY	REPO EXPENSE
9547	30.00	1/12/2010	VINCENT LEO SR	DECEASED ACCOUNT
9548	510.00	1/12/2010	COYLE CHEVROLET	INDIRECT LENDING
9549	160.00	1/12/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9550	32.00	1/12/2010	MEADE CO CLERK	MORTGAGE RECORDING
9551	135.00	1/12/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9552	32.00	1/12/2010	JEFFERSON CO CLERK	MORTGAGE RECORDING
9553	275.00	1/13/2010	AUTO-BACK RECOVERY	REPO EXPENSE
9554	200.00	1/13/2010	JEFFERSON CO SHERIFFS OFFICE	AWARDS BANQUET
9555	15.00	1/13/2010	CLARK COUNTY LICENSE BRANCE	LIEN RECORDING
9556	26.00	1/13/2010	JEFFERSON COUNTY CLERK	MORTGAGE RELEASE
9557	144.46	1/14/2010	PROFESSIONAL INSURANCE CO	INSURANCE
9558	274.05	1/15/2010	TELEDATA COMMUNICATIONS INC	APPLICATIONS
9559	250.43	1/15/2010	ADT SECURITY SERVICES	PROFESSIONAL/OUTSIDE
9560	19,258.49	1/15/2010	KENTUCKY CREDIT UNION LEAGUE	LEAGUE & CUNA DUES
9561	8,052.62	1/15/2010	SHARE ONE INC	COMPUTER
9562	691.90	1/15/2010	BLUEGRASSNET	DSL & T1 SERVICE
9563	125.00	1/15/2010	DAVID WATERMAN	PROFESSIONAL/OUTSIDE
9564	250.00	1/15/2010	MARVIN SCHMIDT	PROFESSIONAL/OUTSIDE
9565	0.00	1/15/2010	VOID	
9566	541.66	1/15/2010	CNBS LLC	PROFESSIONAL/OUTSIDE
9567	144.00	1/15/2010	PCI SERVICES	PROFESSIONAL/OUTSIDE
9568	1,165.00	1/15/2010	PUBLISHERS PRESS	PROFESSIONAL/OUTSIDE
9569	785.38	1/15/2010	ZIP EXPRESS COURIER SERVICE	PROFESSIONAL/OUTSIDE
9570	135.00	1/15/2010	CREDIT UNION CONNECTION, LLC	PROFESSIONAL/OUTSIDE
9571	52.50	1/15/2010	ROUTEONE LLC	PROFESSIONAL/OUTSIDE
9572	705.55	1/15/2010	GARDA CL CENTRAL	PROFESSIONAL/OUTSIDE
9573	404.36	1/15/2010	DIGITAL MAILER INC	PROFESSIONAL/OUTSIDE
9574	15.00	1/15/2010	OKOLONA PEST CONTROL	PROFESSIONAL/OUTSIDE
9575	189.00	1/15/2010	PRINTING SERVICES II	PROFESSIONAL/OUTSIDE
9576	673.86	1/15/2010	TRANS UNION LLC	PROFESSIONAL/OUTSIDE
9577	26.42	1/15/2010	DUPLICATOR SALES & SERVICE	COPIES
9578	608.50	1/15/2010	AAA SYSTEMS	EQUIPMENT MAINTENANCE
9579	220.00	1/15/2010	POSTMASTER	POSTAGE
9580	135.00	1/15/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9581	32.00	1/15/2010	JEFFERSON COUNTY CLERK	MORTGAGE RECORDING
9582	4,177.06	1/15/2010	FORTRESS NETWORK SECURITY LLC	PROFESSIONAL/OUTSIDE
9583	2,052.81	1/15/2010	INSIGHT COMMUNICATIONS	CABLE SERVICES
9584	3,199.60	1/19/2010	NXG STRATEGIES, LLC	PROFESSIONAL/OUTSIDE
9585	1,350.00	1/19/2010	GENERAL SERVICES CO., INC	OFFICE OCCUPANCY
JANUARY 2010 OPERATING ACCOUNT PAYOUTS				PAGE 2

Check #		Date	Payable To:	Reason
9586	208.00	1/19/2010	BOB HOOK CHEVROLET, INC	INDIRECT LENDING
9587	421.25	1/19/2010	DIRECT RESPONSE SERVICES, INC	INSURANCE

9588	113.48	1/20/2010	LARRY RIXMAN	DECEASED MEMBER
9589	160.00	1/20/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9590	150.00	1/21/2010	COOK & REEVES CARS, INC	INDIRECT LENDING
9591	1,185.39	1/22/2010	AMERICAN HERITAGE	INSURANCE
9592	244.00	1/22/2010	DOWNTOWN FORD INC	INDIRECT LENDING
9593	65.00	1/22/2010	AL JONES	INDIRECT LENDING
9594	14,887.39	1/25/2010	LOUISVILLE METRO HR	EMPLOYEE INSURANCE
9595	430.21	1/25/2010	GENERAL SERVICES ADMINISTRATION	INDIANA RENT
9596	355.00	1/25/2010	KEVIN BROCK	REPO EXPENSE
9597	150.00	1/25/2010	AUTO-BACK RECOVERY	REPO EXPENSE
9598	23.00	1/25/2010	JEFFERSON COUNTY CLERK	MORTGAGE RECORDING
9599	135.00	1/25/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9600	135.00	1/25/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9601	32.00	1/25/2010	JEFFERSON COUNTY CLERK	MORTGAGE RECORDING
9602	290.00	1/27/2010	CAPITAL FUNDING INC	INDIRECT LENDING
9603	673.92	1/27/2010	CARL HICKS	EXPENSE REIMBURSEMENT JAN 2010
9604	547.14	1/29/2010	LINCOLN NATL LIFE INSURANCE	INSURANCE
9605	617.92	1/29/2010	NEOPOST INC	POSTAGE METER ANNUAL FEE
9606	190.00	1/29/2010	PARC	DOWNTOWN PARKING
9607	325.00	1/29/2010	DAVID WATERMAN LLC	APPRAISALS
9608	1,032.05	1/29/2010	ARROW ELECTRIC COMPANY	INSTALL CABLE LINES & TV
9609	1,650.00	1/29/2010	WEBER & ROSE	COLLECTION EXPENSE
9610	6,196.11	1/29/2010	FIRSERV	PROFESSION/OUTSIDE
9611	650.45	1/29/2010	CHEXSYSTEMS INC	PROFESSION/OUTSIDE
9612	8,640.00	1/29/2010	ADMAN MARKETING	TV & RADIO ADVERTISING
9613	50.00	1/29/2010	SHRED-IT	PROFESSION/OUTSIDE
9614	90.00	1/29/2010	E-OSCAR-WEB	PROFESSION/OUTSIDE
9615	628.94	1/29/2010	STAPLES	OFFICE OCCUPANCY
9616	2,282.50	1/29/2010	HURSTBOURNE GREEN OWNER'S ASSN	STATIONARY/SUPPLIES
9617	54.10	1/29/2010	LOUISVILLE/JEFF CO METRO GOVT	PHONES
9618	196.22	1/29/2010	ACCO, INC	EQUIPMENT MAINTENANCE
9619	1,866.00	1/29/2010	COURTESY CLEANING SERVICE	PROFESSION/OUTSIDE
9620	100.00	1/29/2010	LARRY DODSON	BOARD MEETING
9621	295.00	1/29/2010	GENERAL SERVICES CO., INC	PROFESSION/OUTSIDE
9622	25.25	1/29/2010	CATHY PENNELL	LOCAL TRAVEL JANUARY 2010
9623	180.50	1/29/2010	RACHEL LEE	LOCAL TRAVEL JANUARY 2010
9624	112.50	1/29/2010	DON FRITTS	LOCAL TRAVEL JANUARY 2010
9625	60.00	1/29/2010	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9626	32.00	1/29/2010	JEFFERSON COUNTY CLERK	MORTGAGE RECORDING
9627	3,505.81	1/29/2010	ALLIED SOLUTINS LLC/AUTO CPI	INSURANCE
Total	106,549.33		98	

ACH OPERATING ACCOUNT PAYOUTS	Debited By:	Reason
1,356.24	AT&T	Phones - MO & HV
2,853.82	Credit Card	MasterCard
	Louisville Water Company - MO	Office Occupancy
2,264.00	Postage	Postage
139.65	AT&T	Internet - Indiana
2,499.47	LG&E	Gas & Electric
Total	9,113.18	



# Jefferson County Federal Credit Union

## COMMENT CARD

RECEIVED  
FEB 05 2010

BY: MAN OFFICE

The Credit Union wants to serve you to the best of our ability. We welcome your input to assist us in doing so. If there is a service we don't offer, information you need that is not available, a specific concern that you feel needs attention or you wish to pass along a compliment, please use this form to do so. Deliver or mail this to our main office to the attention of our President & CEO, Carl Hicks. All input will be evaluated and considered. Please ask a staff member for an envelope to insure your confidentiality if necessary.

I HAVE HAD A WONDERFUL EXPERIENCE WITH  
ALL JCFCU PERSONNEL HERE AT THIS BRANCH

MAURY TICHENDORF  
NAME (Please Print)

668060  
ACCOUNT #

SIGNATURE

2-5-10  
DATE

EMAIL CONTENTS	
Subject:	Account Questions
Member Name:	Morgan, Cecil/JR.
Member Email:	tele64@gmail.com
Message:	I shall be closing my account due to your irrelevant and extremely high over-draft fees. I wish you the worst.
Best Time To Contact:	do not.
Daytime Phone:	none of your damn business
Send Date:	Thursday, February 11, 2010
HTTP & SERVER INFORMATION	
REFERRING URL:	<a href="https://www.jcfcu.org/hbV3_2/hblayoutcontactus.asp">https://www.jcfcu.org/hbV3_2/hblayoutcontactus.asp</a>
END OF EMAIL TRANSMISSION	

RECEIVED  
FEB 11 2010

BY: .....

Year: 2010		PATRIOT RISK LOG
Date reviewed: 02/04/10		
Reviewed by: GSE & RTH		
ITEM	RISK	EXPLANATION
MAIN OFFICE	LOW	High volume Police traffic . On site video surveillance.
BRANCH 1	LOW	High volume Police traffic . On site video surveillance.
BRANCH 2	LOW	Located in a Government Building with security. Video Surveillance.
BRANCH 3	LOW	Located in a Government Building with security. Video Surveillance.
BRANCH 5	LOW	Located in a Government Building with security. Video Surveillance.
ACH	MODERATE	Subject To ID Theft
ACH IAT	MODERATE	Bridger report obtained prior to release
ADDRESS CHANGE	LOW	Member signature, return mail, or homebranch secured web site
AMUSEMENT PARK TICK.	LOW	Limit the amount of tickets kept on front line. Remainder is kept locked in the Main Office Vault.
ATM DEPOSITS - CASH	LOW	Foreign ATM's are subject to empty envelopes. Credit unions ATM's are cash dispensing machines only.
ATM DEPOSITS - CHECKS	MODERATE	Foreign ATM's are subject to empty envelopes, NSF, and Fraudulent Checks. Credit unions ATM's are cash dispensing machines only.
ATM MACHINES	LOW	Only three ATM machines. All have video surveillance. All low volume use. One is in a government building and the other two are not a free standing ATM.
BILL PAY	LOW	Access restricted to secured credit union site.
BUSINESS LOANS	LOW	In house underwriting standards observed, inclusive of CBR
BUSINESS REFERRALS	LOW	Referral for plastic card acceptance. Referral of public information only. Business contracts directly with BancCard for disclosure of any confidential information.
CASH DEPOSITS	LOW	Few large deposits. Scan large bills and Suspect bills at Branches.
CASH W/D (EXCHANGE)	LOW	Very little cash exchanges. Bills that are received (\$3,000 or greater) to exchange, the serial numbers of the currency is documented.
CHARTER	LOW	Community Based. ID's obtained, Chex Systems and Bridger Data Base Scrub
CHECK ORDERING	LOW	Access Via JCFCU Secured Home Branch
CREDIT CARDS	MODERATE	Agent Visa Credit Card Program with Fith Third Bank
DEBIT MASTERCARD	MODERATE	Subject to skimming and counterfeiting. Lower Overall POS & ATM Limits
DEPOSIT & DDA'S	LOW	Subject to Reg.C holds and counterfeit deposit items.
E-ALERTS	LOW	Set up by member via secured web site or by branch personnel directly on New Solutions
E-STATEMENTS	LOW	Uploaded and downloaded through secured web site
FOREIGN CURRENCY	LOW	Low Volume-Exchanged with Fifth Third-Member does not receive credit until cu receives credit.
GIFT CARDS	LOW	Branch locations are limited to a small number of gift cards that are kept in safe/vault, and the remainder is locked in the Main office vault.
HOME BRANCH	LOW	128 Bit SSL PIN based access behind firewall plus 8 digit pin plus dual authentication
ID SAFE CHOICE	LOW	Information shared with vendor over secured site when member initiates claim
ID THEFT INSURANCE	LOW	Direct Mail. Online Access. CBR annually w/alerts
INDIRECT LENDING	LOW	ID and CBR Pulled. Bridger Data Base Scrub
INFO-TELLER	LOW	Telephone access requires account number and 8 digit PIN
INSIGHT COMMUNICATIONS	LOW	Encrypted communications over VPN
LENDING	LOW	Checked through Credit Bureau and Bridger
MEMBER INSURANCE	LOW	Direct Mail. Member Contracts Directly with INS. Company
MEMBER SHARE DRAFTS	LOW	Subject to counterfeit, washing and alterations.
MONEY ORDERS	LOW	Teller cash drawers are limited to a small number of money orders that are kept in drawer, and the remainder is locked in the Main office vault.
OFFICIAL CHECKS	LOW	Limit the amount of Official Checks that are kept on the front line. Remainder is locked in the Main Office Vault.
ONLINE FILE MAINT.	LOW	128 Bit SSL PIN based access behind firewall plus 8 digit pin plus dual authentication
PAYROLL	LOW	Log on to secure website for employee payroll
PEAK 10	LOW	Electronically Secured and Monitored. Separate Power Grids Generator Backup. Remote Location.
REVERSE MORTGAGE	LOW	Stockyards Bank does All Processing and Closing
REWARDS PLUS CK	LOW	Refer To Deposit and DDA's
SAFE DEPOSIT BOX	LOW	Main & Highview Offices only. On Site video surveillance. Duel Locks. Member ID required to access. All access logged.
SHARE & LOAN CHECKS	LOW	Limit the amount that is kept on the front line and Loan Department. Remainder is kept locked in the Main Office Vault.
SHARED BRANCH	MODERATE	Located in front building in high profile shopping center. Video Surveillance.
STARTER CHECK KITS	LOW	Limit the amount that is kept on the front line. Remainder is kept locked in the Main Office Vault.
TCI (Dealertrack)	LOW	ID and CBR Obtained-Bridger Run in House
TEMPORARY CHECKS	LOW	Limit the amount that is kept on the front line. Remainder is kept locked in the Main Office Vault.
TRAVEL CARDS (Visa)	LOW	Branch locations are limited to a small number of gift cards that are kept in safe/vault, and the remainder is locked in the Main office vault.
WESTERN UNION CMOs	MODERATE	Checked through Bridger (included 9 databases) - Signature required for two party item
WIRE IN	LOW	Checked through Bridger (included 9 databases) and KCFCU
WIRE OUT	LOW	Checked through Bridger (includes 9 databases) and KCFCU

## What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have Safe Landing Overdraft Protection that comes with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, which may be less expensive than our Safe Landing Overdraft Protection. To learn more, ask us about these plans.

This notice explains our Safe Landing Overdraft Protection.

### ➤ What is the Safe Landing Overdraft Protection that come with my account?

We currently and will continue to authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

After June 30, 2010, we will no longer authorize and pay overdrafts for the following types of transactions unless you ask us to (see below): This is due to new regulation recently enacted.

- ATM Transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transactions will be declined.

### ➤ What fees will I be charged if JCFCU pays my overdraft?

Under our Safe Landing Overdraft Protection:

- We will charge you a fee of **\$25** each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

### ➤ What if I want JCFCU to authorize and pay overdrafts on my ATM and everyday debit card transactions after June 30, 2010?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, you may visit our website [www.jcfcu.org](http://www.jcfcu.org), where you can print the Request Form. You must then complete, sign, and mail the form to our office. You may also telephone our office and request this service. We will mail a form for you to complete, sign, and return to us.

**Our telephone number is: (502)429-4955**

**Our Mailing address is : Jefferson County Federal Credit Union, 9600 Ormsby Station Road, Louisville KY 40223**

### CHECK THE APPROPRIATE BOX BELOW

☐ I do not want Jefferson County Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

☐ I want Jefferson County Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: \_\_\_\_\_

Account Number \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_



Month	January 2010																																			
Stations / Spots	WAMZ - FM ( A - 278 )																																			
Date	Dec 27	28	29	30	31	Jan 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Day	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
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Month	January 2010																																			
Stations / Spots	WAVE-TV 3 ( A - 32 )      WHAS-TV 11 ( B - 32 )      WLKY-TV 32 ( C - 48 )																																			
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Day	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
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# JEFFERSON COUNTY FEDERAL CREDIT UNION

## Memorandum

TO: Carl Hicks  
FROM: Gary S Edelen  
DATE: February 19, 2010  
SUBJECT: Red Flag / ID Theft Annual Report

Our ID SafeChoice Monitoring has been in place since August 1, 2009. Four members have file claims. Two of the four claims have been closed.



### MPOWER Cases Opened Between 8/1/2009 and 2/19/2010 11:59:59 PM by Customer

#### Red Flag Category Legend

1. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services
2. The presentation of suspicious documents
3. The presentation of suspicious personal identifying information, such as a suspicious address
4. The unusual use of, or other suspicious activity related to, a covered account
5. Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the financial institution or creditor

#### Jefferson County Federal Credit Union Victim

Case Name	Entry Date	Status	Case Category	Resolved Date	Red Flag Categories	Fraud Categories
Pickering, Penny L.	10/21/2009	Assigned	Victim		5	Debit Card / ATM
Pifer, Teresa	1/7/2010	Closed	Account Fraud	1/15/2010	1,4,5	
Pifer, Duane	1/11/2010	Closed	Compromised	1/15/2010		
Johnson, Nicole L.	2/16/2010	Assigned	Initial Assessment		1	Loan (1)
Jefferson County Federal Credit Union Victim Total					Total	



### MPOWER Case Summary Report - 8/1/2009 and 2/19/2010 11:59:59 PM by Customer

#### Jefferson County Federal Credit Union Victim

Case Category	Count
Account Fraud	1
Compromised	1
Initial Assessment	1
Victim	1

Jefferson County Federal Credit Union Victim Total Count: 4



### MPOWER Red Flag Summary Report - 8/1/2009 and 2/19/2010 11:59:59 PM by Customer

#### Jefferson County Federal Credit Union Victim

Red Flag Category	Count
Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services	2
Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the financial institution or creditor.	2
The unusual use of, or other suspicious activity related to, a covered account	1

Jefferson County Federal Credit Union Victim Total Count: 5