

FirstDraft



November 2008

VALUE is the name of the game when it comes to *Holiday Financing*

CFCU has several great options!

Try our 7.9% APR*

1-Year All-Purpose Loan

If you want the lowest rate!

At 7.9% APR, a 1-Year, All-Purpose Loan is a low-cost alternative to credit cards. It features a great rate, and the one-year term means you're not saddled with long-term debt. Borrow for holiday gift giving, unexpected bills, special purchases, or even that getaway vacation. You can also use this option to consolidate and transfer more expensive credit card debt from other bank or store credit cards over to CFCU.

*APR=Annual Percentage Rate. 7.9% rate is guaranteed through 12/31/08, subject to change thereafter. Payment per \$1,000 @ 7.9% for 12 months is \$86.93. The Credit Union reviews every loan application individually to ensure fairness and compliance to CFCU policy.



"Now that's a great rate!"

Use your CFCU Classic or Platinum VISA®

If you want convenience and a lower rate than bank or merchant credit cards!

If you carry a balance, credit card rates now average over 22%. Our fixed-rate Classic Visa gives you a much lower interest rate. You'll save big on finance charges, plus pay no annual fee if you have direct deposit or a mortgage with the Credit Union. Our variable-rate Platinum Visa also features no annual fee, low rate, higher borrowing power and extra Platinum benefits. Visa is a fast and easy way to pay for goods and services online or at millions of locations worldwide.



Use your CFCU Debit Mastercard® card

If you want convenience and a chance to win great Holiday Gifts!

Sign when using your CFCU Debit MasterCard card between November 1, 2008 and January 2, 2009, and you'll be automatically entered for a chance to win 2 Cars, 2 Home Makeovers from The Home Depot®, 2 Trips or 2 Shopping Sprees; one to give, one to keep†.

†NO PURCHASE NECESSARY. Max. \$70,000/prize package. Shopping Spree: MasterCard Gift Card & Home Makeover: Home Depot Store Credit. Void where prohibited. PIN-based & international transactions ineligible. Starts 11/1/08. Ends 1/2/09. Restrictions apply. See official rules at priceless.com/overjoy.

To apply for your All-Purpose Loan, CFCU Visa Card or CFCU Debit Mastercard card, call 607-257-8500, log onto www.myfcu.com or visit any branch.

Equal Opportunity Lender

This credit union is federally insured by the National Credit Union Administration.



Members LOVE their credit union!

Recently our marketing department hit the street asking consumers, "What's the difference between a bank and a credit union?" Here are some of the comments made by lunch-time visitors to the Ithaca Commons:

"I think a credit union is more community oriented than banks. Credit unions serve local people in a different way than banks do...Banks are big business!"

"Banks are profit-making institutions, credit unions are owned by the membership. I'm a credit union member myself and I'm much more comfortable with that thought in these uncertain times. You just feel more confident in their business practices."

"From a personal perspective, I think credit unions are more user friendly for lower-income families and families in general, also to smaller businesses with more favorable loan policies."

"A credit union is a not-for-profit organization with its benefits being redistributed among its members rather than for a few shareholders...I think that's a good thing, especially in this day and age and what we're going through at the moment."

"Somehow I feel safer in a credit union."

"My experience with banks is through having a credit card. I was paying over 20% interest, so I prefer working with my credit union now."

"I like my credit union. I've been happy with the service and my former bank kept getting bought out, so I moved away from that!"

The results of these interviews will be the basis of new institutional messages airing on cable TV and radio this month and in 2009.

CFCU is **safe** and we have money to lend!

If you only listened to the national news media, you'd think all financial institutions were on the verge of failure, that credit was tight and only available to a few, at super high rates. Although the nation's economy is in tough shape, CFCU remains in good financial position!

2007 was the best year in our history in terms of financial performance and growth. Part of our success is attributable to the fact we've been extremely effective at managing risk and controlling operating costs. We've steered clear of risky investments and have maintained good credit quality and sound underwriting standards. And CFCU continues to be extremely well capitalized. So, not only do we have money to lend, but you'll still find favorable rates on both our loan and deposit products. You can check out our latest rates at www.myfcu.com.

Plus remember, the money you have on deposit is protected by the full faith and credit of the U.S. government. The NCUA recently raised your coverage from \$100,000 to at least \$250,000 on all types of accounts.



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Community
Credit Union

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Avoid using credit cards to make ends meet

In anticipation of a long and deep recession-ary period, many consumers have already scaled back on their spending. In fact, the Consumer Confidence Index hit its lowest point on record.

In addition, increasing inflation is narrowing the gap between income and expenses. With no other cuts to make, many Americans are using their credit cards to make ends meet. Though this tactic may provide short-term relief, experts warn about the long-term problems of using credit cards to solve cash-flow problems.

There are two common scenarios. Borrowers pay for necessities on credit, saving their limited cash for mortgage payments. The hope is they will be able to stay afloat long enough for the economy and their financial situation to improve. Too often, cards get maxed out and consumers are forced to make only the minimum payment, while paying stifling interest rates. Or consumers choose to make credit card and auto loan payments before, or instead of, their mortgage payment, hoping to keep their car and credit intact as much as possible, knowing they probably will lose their home anyway. In either scenario, the person is facing a severe debt crisis, which will likely result in home foreclosure and possible bankruptcy.

We need to use the economic slump as a wake-up call. Figure out how much you're spending on necessities every month. Anticipate any reductions in income and plan for future price increases. Finally, revise your budget. Identify where you can make cuts. Start with any remaining luxuries, but be prepared to economize on necessities.

If you can't see any alternative to using credit cards to make ends meet, it might be time to seek professional help. CFCU offers a free credit counseling service. We might be able to help you budget more effectively, point out ways to reduce expenses or increase income, and recommend appropriate assistance programs. You can reach our credit counselor, Joe King, at 607-257-3282, ext. 303.