

THE CU'S NEWS



the QUARTERLY NEWSLETTER for MEMBERS of the ATLANTIC FEDERAL CREDIT UNION FALL 2011



Last Call to Enter & Win
Enter Online At www.atlfedcu.com Or Use the Coupon On Back

SHOP or DINE ON US WHEN YOU REFER FAMILY, FRIENDS & CO-WORKERS

Bring Family, Friends & Co-workers Into the Credit Union. You'll Both Receive a \$25 Gift Card to Your Choice of Any Store or Restaurant Below



Refer family, friends and co-workers to join Atlantic Federal Credit Union and you'll both receive a \$25 Gift Card to your choice of more than 20 national restaurants and retailers.

As an AFCU member, you've discovered the many services we offer - from lower rate loans to higher rate savings and less fees. With the current economy, your family and friends will thank you for letting them in on the credit union difference.

Our expanded field of membership lets more individuals

join. So refer as many family, friends and co-workers as you like! There's no limit...you'll get the \$25 gift card for each new member you recruit.

Use the coupon on the back of this newsletter or go to www.atlfedcu.com to sign them up. The Credit Union will send your referrals a membership package. New accounts must be opened by October 31, 2011 to qualify.*

Shop or Dine; It's Your Choice!
You can choose your \$25 Member Referral Gift Card from the following:

Macy's
Sears
Home Goods
Marshall's
JC Penney
TJ Maxx
Gap
Banana Republic
Old Navy
Talbots
L.L. Bean
Payless Shoe Source

Cracker Barrel
Old Country Store
Applebee's
Bahama Breeze
Bertucci's Restaurant
Olive Garden
Chili's Grill & Bar
On The Border Cantina
Panera Bread
Maggiano's Little Italy
Red Lobster
Uno's Chicago Bar & Grill
LongHorn SteakHouse

*For the new and referring members to qualify for the \$25 gift card, the new member must open an AFCU savings account with \$25 and a checking account. Within 60 days of account opening, the new member must initiate Direct Deposit such as payroll, pension, Social Security or other government benefit. AFCU employees and officials are not eligible.

DON'T LET OUR GREAT AUTO LOAN RATES PASS YOU BY



New Vehicles
as low as: **4.50%**
APR*

Used Vehicles
as low as: **4.75%**
APR*

If You Can Find a Better Rate On a Used Car, We Promise to Beat It.**

The Credit Union's vehicle loan rates are still at all-time lows, so if you're in the market for a new or used vehicle this fall, the Credit Union is your best choice for financing.

Choose Atlantic Federal's traditional financing or Payment Advantage®, our lease alternative.

- Up to 125%*** financing including tax, title & extended warranty.
- New & used vehicle terms up to 7 years.

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■ **Refinances** of non-AFCU loans at these same great rates! We'll help you lower your monthly payment.

Get your loan pre-approved with our online application at www.atlfedcu.com or call us at 1-800-222-1329. Bring your approval to the dealer and you'll have a competitive edge in the car-buying process. A



pre-approval from AFCU also means you can take advantage of manufacturer rebates which most car experts recommend over other promotions.

Have a car loan at another institution with a high interest rate or a term that's too long or short? Call us for a no-obligation refinance quote. There's never a refinance fee and we handle all outside loan payoffs.

*APR=Annual Percentage Rate. Rates and percentage financing shown offered to Premier Members meeting selected credit criteria for up to a 3-year term. Other rates and terms available based on Member Merits status and credit worthiness criteria. AFCU vehicle loans not eligible for refinancing. Rates in effect as of October 1, 2011 and are subject to change without notice. ** For qualified buyers on sales from licensed dealerships. ***Based on credit worthiness.

the SAVINGS ADD UP WITH a MORTGAGE FROM ATLANTIC FEDERAL



Whether you're purchasing a home or looking to refinance, Atlantic Federal is your mortgage center. We offer 260012330 a wide variety of fixed and adjustable rate mortgages with monthly payments to fit your budget. Our rates have never been lower.

Use our online calculator to see how much you can borrow. (Calculator results are a projection only.) Get current rates and apply online at www.atlfedcu.com or call 1-800-222-1329.

VISA GIFT CARDS MAKE the PERFECT HOLIDAY GIFT

Why try to guess what your family and friends want this holiday season? With Atlantic Federal's Visa® Gift Cards, you give them exactly what they want: the flexibility to choose their own gift.

Your family and friends can use the cards to make purchases online, by phone or in person at any of more than 19 million merchants that accept Visa.

There is no fee for gift cards purchased at any AFCU branch. Also, order gift cards at our website where you select the card art and add a personal message for a \$5.95 fee on cards up to a \$250 denomination. Cards ordered online can be mailed to either the purchaser or recipient. Minimum card value is \$25.



HOLIDAY LOANS

Need extra cash for the holidays? Borrow up to \$1,200 with a Credit Union Holiday Loan. Your first payment isn't due until February 2012. Take up to one year to repay. Apply November 1 through December 31. Rates as low as 9.65% apr*

* Rates & percentage financing shown are for Premier Members meeting selected credit criteria. Other rates and terms available based on Member Merits status and credit worthiness criteria.



FROM YOUR CEO



Fred Beckman,
Treasurer & CEO

Why are interest rates so low? We recently conducted a survey of randomly selected members to assess their opinions, including the quality of our products and services and their general impression of the credit union. We did extremely well in virtually every category and it was a pleasure to read the complimentary remarks. However, a few members expressed concern over the low interest/dividend rates we are paying on deposits. I thought it would be appropriate to address the topic in this issue of The CU's News.

As a credit union, Atlantic Federal is a not-for-profit financial cooperative. In its simplest form, we accept deposits from members and loan that money out to other members. Any money that we cannot lend out is, for the most part, invested in securities backed by the U.S. Government or one of its agencies. The amount of interest we earn on loans and investments is used to pay our operating expenses and interest on member deposits. As you know, we are in a serious economic downturn in this country. One result is that consumers, including our members, are understandably reluctant to borrow money; rather, due to their own personal financial uncertainty, they are more interested in saving money and/or paying down debt. That means there is less of a demand for our loan products and as

a consequence, the amount of interest income we earn on loans is also less. The option is to invest the money we can't loan...and just like most people, the extremely low rates on investments also reduces the amount of investment income we earn. So, the reduced income means that we have to look at ways to reduce our overall expenses, including the rates we pay to members for their deposits.

Operating expenses include staff salaries and benefits, computer expenses, insurances, etc., but does not include the interest/dividends we pay on deposits. We continually monitor our operating expenses to make sure we free up as much income as possible to pay back to our members. How successful are we at controlling our operating expenses? It's standard in our industry to measure operating expenses as a percentage of a credit union's average asset size. In our case, that percentage was 2.60% as of August 31st, the latest date for which we have data at the time I'm writing this article. That percentage for comparably sized credit unions is 3.41%, which means our operating expenses are only about 76% of those incurred by other credit unions. And even though our deposit rates are lower than I would like, our low operating expense ratio allows us to pay a higher rate on almost all of our member deposits compared to other financial institutions...I know because I monitor a weekly comparison of rates among financial institutions in our market area. To state it in a more common way, if you think our rates are low, you should see what the other guy is paying!

Right now we can't offer the rates that our members were accustomed to in the past...nobody can and I can't honestly tell you when we'll get back to those rates. What we can offer you is above market deposit rates and the safety and security of Atlantic Federal in this

time of economic stress. How financially sound is Atlantic Federal? Let me drop one more statistic on you; this one is a common measurement of the overall strength of a financial institution – the amount of capital held as a percentage of the total assets. The higher the ratio, the stronger the institution. Our ratio? It's 14%. Comparably sized credit unions have a ratio of 9.9%. Any ratio of 7% or higher is considered "well capitalized" by our federal regulator. And we offer twice the amount of maximum deposit insurance that virtually any other credit union or bank offers in the nation.

Of course, there's a positive side as well...for those members that are interested in borrowing, rates are very low for all secured loan products, from mortgages to motorcycles.

You'll note on Page 1 of this issue... that we have a membership drive currently in process. I would like to ask a favor of each member, and that is to recruit one new member into the credit union. You get a \$25 gift card for your efforts and we get to grow our membership...It's a "win-win" for everyone. See the article for the conditions.

Holiday loans are almost here again...starting November 1st. Atlantic Federal is well aware that many people are suffering in this economy, and that includes some of our members. Above all else, we offer these loans to make sure there is an opportunity for all our members' children to share in the joy of the Holiday season.

For those of you who are able, please contribute to a charity of your choice or find a way to share just a little of your good fortune with those in need. It will mean so much for so many.

Have a great fall season

OUR HOME EQUITY RATE BEATS *the* REST

Lines of Credit
As Low As: **4.0%**
APR*

The 4% APR rate likely to remain in effect through April 2012 & will apply to current, outstanding balances & new advances.

Whether it's a major purchase you want to make, a much-needed home improvement or getting control of your debt...a Home Equity Line of Credit can be the answer.



An Atlantic Federal Home Equity Line of Credit is probably the most convenient and low-cost way to afford what you want most. Interest is usually tax deductible too.**

* Annual percentage rate. Based on 80% loan to value. Variable rate based on prime plus or minus an index which is determined depending on loan to value & adjusted quarterly or semi-annually as the prime rate changes. Loans limited to NJ & PA owner occupied 1-2 family dwellings. **Consult your tax advisor.



HAS YOUR BANK TURNED "FREE" CHECKING INTO FEE CHECKING?



If your checking account is at a bank, you've likely noticed that if it was free, it isn't any longer. Among the big banks that in the past three months announced fees to their checking accounts are Wells Fargo, Bank of America and Chase.

There is a better solution at Atlantic Federal where free checking is alive and better than ever. We even make the transition easier with our Online Switch Kit which provides all the forms and letters you need to make the switch. Atlantic Federal Checking Accounts feature:

- **No monthly fees**
- **No minimum balance**
- **Free automatic overdraft** from available funds in savings to cover checks. (Reg D limitations apply. See our website for details.)
- **Automatic Courtesy Pay** coverage to cover NSF checks. (Some limitations apply. See our website for details.)
- **Overdraft Line-of -Credit** for added protection can be added
- **Surcharge-free ATM Withdrawals** at 28,000 CO-OP ATMs.
- **Free Trial of Benefits Plus** which offers discounts and savings on restaurants, movie tickets and more.

Go to our website and click on "Deposit Accounts," then "Checking" for an application and the Switch Kit.

E-STATEMENT PROMOTION BEGINS FINAL MONTH



If you don't already receive E-Statements, you have until the end of October to enroll and be eligible for our \$25 drawings every time 10 members sign up.

We've awarded \$600 to 24 members so far during our E-Statement promotion. On November 1, we will hold the final drawings.

E-statements provide all the same account information as paper statements. The previous 12 months of statements are always available at our website, reducing the need for you to save them. Plus, you'll get your statement faster - usually by the second or third business day of every month.



OUR STUDENT LOANS HELP MAKE PAYING *for* COLLEGE EASIER

To help families finance the escalating cost of their students' college educations, Atlantic Federal now offers private student loans.

The Credit Union's loan is intended to fill the funding gap between federal loans, grants and scholarships a student secures and the cost of attending college.



Students can borrow up to \$30,000 per year and use the funds for any qualified expense, including tuition,

room and board, books, computers, even past due tuition.

Our student loans feature:

- Competitive interest rates and with good grades, get even lower rates
- 1% interest rate reduction once you repay 10% of the loan
- 30-day no-fee return policy to cancel the loan if you find a better option

Go to www.atlfedcu.com for more information and to apply for a loan.



GET COLLEGE PLANNING ADVICE FROM an EXPERT

To provide valuable information on the college admission process and funding options, we offer a College Resource Center at our website. Hosted by Ken O'Connor, a former financial aid officer at Fairleigh Dickinson University, the site offers a wealth of information on relevant topics such as:

- Types of federal and private loans and grants available
- College admission and financial aid timeline
- Full explanation of the borrowing process
- "Weekly College Planning Night" webinars where students and parents learn about funding solutions

Visit www.atlfedcu.com and follow the link from the "Need more money for School" banner on the right side of the page.

**Earn Some Cash:
SIGN UP & USE
@nytime Fast Pay**

**BILL PAY
MyWay**

Bill Pay My Way is the theme of our bill payer promotion that runs to November 30th and incents new users \$10 in both October and November for paying 3 bills each month, plus a \$1 bonus for every additional bill paid. To learn more and sign-up, click on the banner toward the bottom of our home page.

try mobile banking &
You Could Win
\$10,000
or, one of five \$1,000 prizes



Starting October 13th, every time you use Mobile Banking you'll be entered in a sweepstakes for one of six prizes.

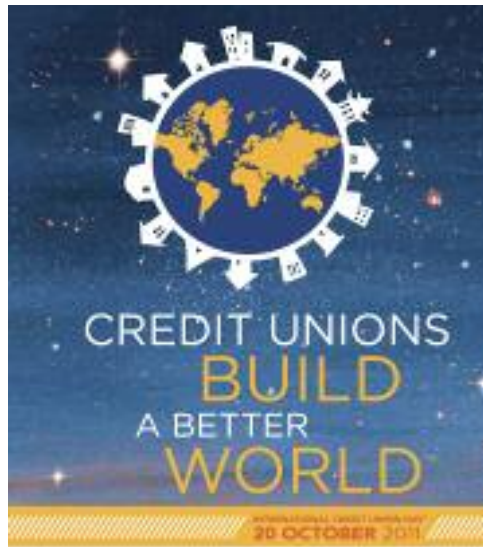
If you haven't already tried this fast, easy way to pay bills and monitor your accounts when you're on the go, this is the time. Current users 90100 will be automatically entered in the drawings each time they log in. See our website for further details. Promotion runs to December 31, 2011.

Celebrate International Credit Union Day

Thursday, October 20th is International Credit Union Day. This year's theme is "Credit Unions Build a Better World."

Atlantic Federal will join the more than 177 million credit union members worldwide in celebrating the occasion. Members are invited to stop in any of our branches for special treats that day.

International Credit Union Day has been celebrated on the third Thursday of October since 1948.



Open a 2012 Holiday Club

Do you come up short on holiday cash every year? Open a Holiday Club so you can save a little each payday for holiday expenses. Open a Club for any dollar amount. To open one, go to: www.atlfedcu.com or give us a call at 1-800-222-1329. If you have a Club(s) maturing this October, you will automatically be enrolled for next year's Holiday Club.

Holiday Clubs Mature

2011 Holiday Clubs will mature on October 11. Proceeds with interest will be transferred to your Savings Account for withdrawal via ATM, @nytime Teller or by faxing a request to the Credit Union.

Holiday Toy & Coat Drive

Join us in helping the less fortunate in our area this season by donating to our Holiday Toy and Coat Drive. Drop your gently worn coats, hats, gloves, scarves and/or unwrapped gifts off at any Atlantic Federal branch.

HOLIDAY CLOSINGS

October 10 – Columbus Day
 November 11 – Veteran's Day
 November 24 – Thanksgiving
 December 26 – Christmas

Rewards- \$25 - \$100

Find your Account Number in this issue of The CU's News & call: (908) 245-1750, ext. 7512. \$25 will be added to your Share Savings Account. \$100 will be added if you have a Checking Account which had activity in the past 30 days.

Deadline to claim your reward November 10, 2011.



**ATLANTIC FEDERAL
CREDIT UNION**

"Service Excellence All the Time"



Atlantic Federal supplements the federal NCUA insurance with an additional \$250,000 coverage from ESI, the nation's leading private insurer.

Phone: (908) 245-1750

Toll Free: 1-800-222-1329

Fax: (908) 245-0680

Kenilworth: 37 Market Street
Kenilworth, NJ 07033

Hours: M-F 8 am till 5 pm / Thurs. till 6:30 pm
Sat. 9 am till Noon

Newark: 570 Broad St., Suite 127, Newark, NJ 07102

Hours: M-W 8:30 am till 4:30 pm / Thurs. & Fri. till 5 pm

Elizabeth: Trinitas Hospital -
210 Williamson St. Elizabeth, NJ 07201

Hours: M-F 9 am till 4 pm

Serving Only Verizon Wireless Employees:

Bedminster: 180 Washington Valley Rd. 2nd Floor
Bedminster NJ 07921

Hours: Tuesdays & Fridays 8:30 am till 4 pm

Orangeburg: 2000 Corporate Drive
Orangeburg NY 10962

Hours: Monday - Friday 9:30 am till 2:30 pm

Warren: 30 Independence Blvd.
Warren NJ 07059

Hours: Monday, Wednesday, Thursday 8:30 am till 4 pm

▪ **Web Site - www.atlfedcu.com**

▪ **E-mail - info@atlfedcu.com**

▪ **@nytime Teller - (908) 245-0404**

Or press 1 after calling the C.U.'s main number.



**Last Call
to Shop or Dine
On Us When
You Refer Family,
Friends & Co-Workers
to the Atlantic Federal
Credit Union.**

Use this coupon or go to www.atlfedcu.com to sign up referrals. New accounts must be opened by October 31, 2011 to qualify. Then you'll both receive a \$25 Gift Card. Refer as many as you like!

New Member Referral Coupon

Please print. Photocopy for more names.

Name of Person You're Referring

Their Mailing Address

City

State

ZIP

Your Name

Your Credit Union Account #

Your Phone #

Return to: Atlantic Federal Credit Union
37 Market Street, Kenilworth, NJ 07033

Or fax to: (908) 245-7876 / Or submit at: www.atlfedcu.com

Employees and officials of Atlantic Federal Credit Union and their families are not eligible.