



Update

OWNER'S

Summer 2007

ATM & Check Card Safety Tips

Cardholders — here are some things to think about when using your Advantage ATM & Check Card:

Guard your PIN...

Don't let strangers in line behind you see your PIN, and don't give it to friends or family members, even "just once". Never let a store clerk enter your PIN for you on a sales transaction, and always ask for the receipt.

Guard yourself at the ATM...

Take a look around. Be sure no one is nearby when you drive or walk up to the machine. Avoid late night trips to ATMs in poorly-lit and remote areas. If someone follows you, go to a crowded, well-lit area immediately and call the police.

If it doesn't feel right...

Look for possible fraudulent devices attached to an ATM. If the ATM itself looks altered or has something that appears to be attached to it, or if your card doesn't slide easily into the slot, don't use it.

Guard against online fraud...

Look for secure transaction symbols when shopping online to ensure that your personal and account information are protected. Such symbols include a gold padlock icon in the lower-right area of the screen and a web address that begins with "https" rather than "http".

Never provide your PIN for an online transaction, and always log off from a site after you make your purchase.

Beware of unsolicited e-mails...

E-mail is a common channel for fraud. If anyone asks for your PIN over the telephone, online or through e-mail, don't provide it. No financial institution or legitimate merchant will ask for your PIN, so assume any request for it is an attempt at fraud.

Monitor, monitor, monitor...

Read your statements and match it to your receipts. Frequently check your accounts online or by phone so you can spot fraudulent activity right away. And tell us as soon as you suspect anything wrong.

Kids... Here's How You Deal With the Spending Game Called "FADS"

Ever spent a ton of money on something that you thought was lame two weeks later?

Karen found really cool shoes at the mall. She bought them and wore them to school. Everybody loved them. In two weeks, 16 girls had the same shoes!

Karen bought the shoes to be cool, and once everyone had a pair, they weren't so special anymore.

Follow these tips to avoid everyday obsessions, rip-offs, and splurges:

· You have a choice — instead of the expensive item, treat yourself to something smaller.

- Wait a few days and get a clearer picture of why you want to buy something.
- Think about whether you would keep on wearing something if your friends thought it was dorky or lame.
- Change your mind and save the money.
- Decide you'll buy whether it's a fad or not. You'll be happier with your purchase.
- Use creativity to enjoy fads inexpensively: Make up a character that does all of the trendy fads. Draw a picture of this character and decorate it with latest fads copied or cut from magazines. Change the cutouts as the fads change. Write a story about your character and the fads he creates.



Check Out What's Inside:

- ✓ Exotic Mortgages: good for you?
- ✓ Hybrid vehicles and resale values
- ✓ Another credit union difference!
- ✓ Insurance matters
- ✓ Statistical update & Holiday closings

President's Corner

EARL
STONE



As announced in our last newsletter, the 72nd annual meeting of your member-owned cooperative was held on Tuesday, June 19th. Minutes were approved, people introduced, reports presented, and an election was held. Not many members attended, and we hope that's a sign that everyone is happy.

But the number of people showing up is much less important than the fact the meeting was held. It's part of what makes us different from most other financial institutions, and drives home the point that when you're a member here, you're an owner.

We also held our annual member appreciation barbecue on June 27th, and it was really a pleasure to see so many of you stop by for some food and a visit. Our staff always looks forward to that day every year.

Being a part of the greater community we live in is important to us, and your credit union is proud to sponsor two events this summer that benefit children: the Sioux Falls Police Department Kids Camp, and the Sioux Falls Fire & Rescue Crawl, Drag and Squirt Kids Firefighter Challenge.

These events promote child safety, character building, teamwork and physical conditioning — with a bit of fun to boot. It's our pleasure to support such programs, and perhaps we'll see you at one of them.

'Exotic' Means 'Riskier' When Talking Mortgages

The word exotic may seem better suited to describing a faraway locale for a "Survivor" episode than a mortgage. But if lenders were to call these "riskier mortgages" instead, they might not attract as many consumers.

Their appeal to borrowers is that they offer lower monthly mortgage payments, even if only for a while. Payments go up later, perhaps doubling or more.

Still, with today's high home prices in some markets, some borrowers see an exotic mortgage as their only route to home ownership — or as a way to buy more house than they otherwise could afford.

Other consumers refinance out of their traditional mortgage, lured by the low monthly payments. They, too, will get hit by spiraling payments. And they can't escape from the mortgage without paying thousands of dollars in penalty fees.

Whether first-time home buyers or refinancing homeowners, these consumers end up in the same dire situation. They no longer can afford their mortgage payments. And they face losing their homes and ruining their credit standings.

Exotic mortgages include two major types:

Interest-only...

Your monthly mortgage payment includes interest only, no principal, for a set period, usually three to 10 years. But the principal doesn't just vanish. Eventually you have to pay it, and your payments jump. Plus, you typically have an adjustable

interest rate, so your payments can jump higher still.

Payment-option adjustable-rate...
This is an ARM that allows you to choose from among several payment options month to month. You could, for instance, pay interest only. Or you could pay even less than the interest amount.

The interest you don't pay gets added to the total amount you owe. You could end up owing more than you borrowed in the first place, a condition known as "negative amortization."

Payment-option ARMs typically start out with extremely low interest rates, and then rates can rise.

The common trait in these two loan types is payment shock. Payments can rise by 30% to 100%, perhaps even more.

These loans are difficult to dissect and understand. It's "buyer beware," experts say. Your best safeguard is to work with a lender who will answer all your questions and fully disclose information about mortgage options.

Turn to our mortgage experts at the credit union. You can count on us to look out for your best interests, and we have plenty of traditional mortgage options to help meet your specific needs.

Contact us today at 334-2471 and let us show you the lower fees and better service brand of mortgage lending that your credit union is known for.

Do Hybrid Vehicles Have Good Resale Value?

Although hybrids were introduced in the U.S. in 1999, they're just starting to generate a lot of buzz — no doubt due to the price of gasoline lately.

You've heard both sides of the gas-saving vs. cost-saving debate more than a time or two. But what's the scoop on hybrid resale value?

Experts disagree about whether hybrid vehicles will have higher or lower resale values than non-hybrid counterparts. The primary reason for dissention is lack of history.

Some argue that because hybrids have higher sticker prices, their values will depreciate faster than other non-hybrid models.

Others point to the hugely popular Toyota Prius, whose used models, so far, often sell for as much or more as a new car.

Hold Down Costs When Purchasing a Vehicle

Whether you're buying a new or used car, careful research and planning will help you get the right vehicle without the one option nobody wants: onerous monthly payments. A few tips:

Check on reliability...

Nothing can torpedo a budget like unexpected repair costs. The annual Consumer Reports survey of mechanical problems with different models, available in the magazine's April issue each year, cites both overall ratings and specific problems. We stock this magazine in our Auto Libraries in all four office locations.

Look at continuing costs...

Although insurance and gasoline

Technologically speaking, regenerative braking — a feature unique to hybrids — should reduce wear and tear and ultimately reduce maintenance costs.

The majority of new cars, hybrid or otherwise, lose several thousand dollars in value as soon as they're driven off the lot. Because hybrids are so new and there's no experience with them, most experts agree that depreciation is a subject for caution.

The ultimate answer to the depreciation question lies in the attitudes and actions of future used-car buyers.

The safest course is to assume the value of hybrids will depreciate faster than non-hybrids. That way, you won't be disappointed if it's true, but there's a good chance that you may be pleasantly surprised.

costs are continuous, new-car depreciation—the value it loses each year—is a major factor. A vehicle that costs less to buy now than a competitor may in fact cost more to own over a five-year period.

Negotiate hard...

Reduce your new vehicle purchase price by looking for the dealer cost or "invoice price" on our *Chrome Carbook* service. Then aim for a selling price before any rebate of no more than a few hundred dollars over the invoice price.

While you're visiting our Auto Library, talk to us about getting preapproved for your auto loan before you even start to shop.

Insurance Matters

Summer Is Here!

This is the time of year many South Dakotan's enjoy the most. Whether you spend your time boating on the lake, camping in the great outdoors, or on the open road with a motorcycle, you'll want to make sure you are properly insured.

Enjoying these activities can sometimes leave gaps in liability coverage. For example, liability coverage on a 5th wheel camper is covered by the vehicle pulling it, but what happens when the vehicle is unhooked? Are you still covered by your vehicle liability coverage if someone were injured?

Don't put your home, retirement, or financial future at risk. Call our insurance specialist Jason Young at 977-8341 or stop by his office at our 700 E 14th St. location for a quote on your summer recreation vehicles and to make sure you are properly covered.

Dakota Financial Services is a Credit Union Service Organization (CUSO) created to serve the insurance and investment needs of Sioux Falls Federal Credit Union members and their families.



DAKOTA FINANCIAL SERVICES
INSURANCE & INVESTMENTS

Your Volunteer Officials

Board of Directors:

- Roger Van Noort - Chairman*
- Richard Boe - Vice Chairman*
- Gus Rysavy - Secretary*
- Paul Stenholtz - Treasurer*
- Phyllis Breuer* *Gregg Helms*
- Kris Mark* *Wayne Stoffers*
- Lester Tieszen*

Supervisory Committee:

- Tyson Rehfeld - Chairman*
- Michael Arch Shantel Jennings*
- Connie Kramer Paul Peterson*

Three directors reelected at annual meeting:

At the credit union's 72nd annual meeting on June 19th, the following three directors were reelected to three year terms: Roger Van Noort, Gregg Helms and Paul Stenholtz. Congratulations — and thank you for your service.

It Pays To Be A Member!

Compared to banks, credit unions charge less for loans, pay higher dividends on savings and charge fewer and lower fees.

In addition, competition from credit unions keeps bank fees, interest rates, and dividends more favorable than they otherwise would be — not just for credit union members, but for the general public as well.

Recent studies have shown that the annual savings for an "average" credit union household adds up to big money: several hundred dollars when you consider all the above factors.

Of course we charge less/pay more because your credit union is a not-for-profit consumer cooperative, run for the benefit of its members.

And logically, when consumers get a better deal they tend to be happier customers. That's why credit unions have consistently ranked as one of the best liked financial service providers in the country for many years now.

We stress the *lower fees, better service* benefit of membership in our marketing message — and we do it because it's the truth.

Statistical Update

As of May 31, 2007

Members.....	20,119
Shares.....	\$93,602,296
Loans.....	\$70,455,134
Assets.....	\$106,208,200

Holiday Closings

Monday, September 3rd
Labor Day

Monday, October 8th
Columbus/Native American Day



Owner's Update is a quarterly publication of Sioux Falls Federal Credit Union

MAIN OFFICE: 700 E 14th St.

Lobby: M-F 9 am to 5 pm

Drive Up: M-F 7:30 am to 5:30 pm

MEADOWS: 2517 S Louise Ave.

Lobby: M-F 9 am to 5 pm

Saturday: 9 am to Noon

Drive Up: M-F 7:30 am to 5:30 pm

Saturday 9 am to Noon

SOUTH CLIFF: 5028 S Cliff Ave.

Lobby: M-F 9 am to 5 pm

Saturday: 9 am to Noon

Drive Up: M-F 7:30 am to 6pm

Saturday 9 am to Noon

SANFORD HOSP: 1305 W 18th St.

Lobby: M-F 7:30 am to 5:00 pm

PHONE NUMBERS:

All our office locations can be reached by dialing one of the two numbers below...

334-2471

outside local calling area

1-800-568-5711

Anytime TellerPhone: ... 334-5422

