

Update

OWNER'S

Fall 2009

What Does The New Credit Card Law Mean To You?

On August 20th, the first phase of the Credit Card Accountability Responsibility and Disclosure (CARD) Act became law, requiring some card issuers to make significant changes to current practices.

The August rules require that statements be mailed at least 21 days before the payment due date, a 45 day advance notice before increasing interest rates and an opt out clause that allows you to decline the rate increase by canceling the card and paying off the balance at the old rate.

Two more phases become effective in February and August of 2010. Here's a rundown of some of the new rules to come:

- ✓ Double-cycle billing will be banned
- ✓ No rate increase during first year
- ✓ No penalty rates until you're 60 days past due
- ✓ Introductory rates must last at least

six months

- ✓ No late fees if the issuer delays crediting your payment
- ✓ Consumer must opt in to over the limit fees
- ✓ No cards to minors without an adult co-signer
- ✓ No on-campus promotional giveaways or other inducements
- ✓ Issuers must disclose consequences of making only minimum payments
- ✓ No penalties for not using your card

The CARD Act was passed by Congress with overwhelming consumer support and is designed to create fairness and transparency in the credit marketplace. If it works as planned, the new law should curb many of the unfair practices many cardholders have complained about for years.

Some argue that the law will restrict access to credit, but qualified consumers should not expect negative

consequences from these changes.

There are plenty of issuers in this competitive industry, and those who mistreat their customers will likely suffer lost business because of it.

Finally, we'd like to remind you that your credit union has always offered low-cost credit cards without unfair fees and penalties — with service from the employees you know and trust. Perhaps it's time you give us the chance to prove that.



Check Out What's Inside:

- ✓ Quick and cheap personal loans
- ✓ What's the Rule of 78s?
- ✓ Vehicle shopping on the web
- ✓ New vs. used SUVs
- ✓ Holiday Closings
- ✓ Statistical update

Arrowhead Branch Construction Restarted

Things are happening again at the new Arrowhead branch building site, and we now anticipate a February 2010 opening. As noted in our last newsletter, the project was delayed several months after our decision to redesign the building.

The new design is all about making member service our top priority. The new S Cliff branch which opened in August has many of the same elements you'll see at Arrowhead branch. Thanks for your patience as we look forward to opening day.

South Cliff Branch Pictures Online

Have you seen the new South Cliff branch? Check out our gallery of pictures by visiting our web site and clicking on the What's New link.

Quick Cash Without The High Price

Short on cash? Need a couple hundred dollars to get you through to payday? You have choices, but do you know the true cost?

Payday lenders want you to think that the fees they charge are minimal compared to overdraft and late fees, but they won't compare their fees to traditional loans. So we will —

Let's say you need \$300. The typical payday lender fee for such a loan is \$17.50 per hundred, so that's \$52.50. If you can't pay the loan back in two weeks (and the payday lender is betting you can't), then you will need to pay up to \$52.50 more to "roll over" the loan for two more weeks.

Now take out a *Signature* loan for \$300 from your credit union at a rate of 11.9% APR*. You have the option of making small monthly payments, but let's assume you pay the loan off in 30 days. There are no loan fees, just interest charges — so your total cost to use that loan for 30 days is \$2.93.

An even more convenient option is to sign up for a *DraftTopper* overdraft protection loan. You simply write a check on your Sioux Falls Federal Credit Union checking account, and before the draft clears, we'll transfer the money and clear the check. No loan fees here either, just simple interest charges — and at 15% APR*, the total cost for 30 days is \$3.70.

Everybody needs at least a few hundred dollars in savings for emergency expenses. But if you have to borrow, then you should compare loan costs before resorting to expensive payday lenders.

We have many low-cost loan options designed to help you, and that includes taking care of your quick cash needs. And once you establish a *Signature* or *DraftTopper* line of credit loan with us, getting your money is as easy as calling us or writing a check.

No fee, low interest loans accessible at your convenience — now that makes sense!

*Annual Percentage Rate

Explaining the Rule Of 78s

One thing you can rely on when you borrow money from your credit union is a fair way to compute your interest charges. It's called simple interest financing, and means that you pay interest only on the amount you owe for the time that you owe it.

Be aware that not all lenders use such a fair method of calculating interest charges. One of the more common alternatives is often referred to as an

"add-on interest" loan, because the lender computes the interest for the entire loan and adds it to the balance when putting the loan on the books.

This method allocates a certain amount of interest for each month's payment, regardless of how early you make it.

These loans carry an unstated prepayment penalty because they're designed to capture over half the total interest within the first half of the loan term.

Prepayment penalties are expressed as a percentage of the original loan amount, as a percentage of the payoff amount, or as a stated dollar figure. If you pay off your loan early, the lender adds this charge to the cost of your loan.

When you think about it, most consumer loans get paid off early, so it's to your advantage to always insist on simple interest loan financing.

Come And Get Your Christmas Club Funds!

You've been diligent all year and faithfully made those deposits to your Christmas Club account — either in-person or through payroll deduction.

Well now it's time for your reward! Yes, those funds are now available for you to enjoy the holiday season in any way you wish. Just stop by any office or give us a call and let us know how

you want your cash. And if you don't have a Christmas Club account, now is the perfect time to set one up and begin saving for the next holiday season! Stop by or call for details today.

Win One Million CUREwards Points In Our 4th Quarter Sweepstakes!

If you carry a Sioux Falls Federal Credit Union Platinum Visa credit card, then you'll want to make it the card of choice this holiday season. Every time you use your card from October through December, you have another chance at winning a million rewards points or other prizes in the CUREwards 2009 "Endless Possibilities" sweepstakes. So remember: use the credit union credit card when you shop. Good luck!

Shopping For Cars On The Web

Almost two-thirds of new car buyers do homework first on the Internet, and that number is likely to grow. But where do you start? Here are some tips:

✓ Explore your choices. If you have an idea of what you want (sedan, SUV, truck, etc.), start by visiting a site like Edmunds.com for choices and list prices.

✓ Check safety records. The Highway Traffic Safety Administration gives crash results on it's web site at nhtsa.gov. You can also see how vehicles fared in 40 m.p.h. crashes at the Insurance Institute for Highway Safety (iihs.org).

✓ Find out the real price. Auto manufacturer and dealer sites give the list price, which they work down from in negotiations. Instead, you want to know the dealer's invoice price and negotiate up from there. From our web site, click on the *Chrome Carbook* graphic and you can build the vehicle of your choice, learn the invoice price, review standard equipment lists, technical specifications and see

what current rebates are available.

✓ Locate that vehicle near you. Find a local dealer's web site by putting the name into a search engine like *Google.com* or *Yahoo.com*. Most dealers now post their inventories on web sites.

✓ Research our Auto Library. Click the Auto Library link from our home page and review our entire suite of information on how to research, negotiate and finance your purchase.

✓ Get financed online too. From our home page, select Loan from our applications quick list and submit your application securely at any time of the day or night.

Of course if you prefer to deal with our staff directly, we'll be happy to assist you with our in-person expertise and in-branch Auto Libraries.

Either way, you can rely on us to help you navigate the process, get the vehicle you want at the right price and take advantage of some of the best auto loan rates in town.

We're here to help you with as much or as little as you want.

If You Really Need An SUV, Think Used

Even with lower fuel prices, the idea of buying gas-thirsty (and expensive) SUVs puts off many people these days.

But if you really need a large four-wheel drive vehicle because you tow a boat or trailer, haul lots of gear or kids, or need to get through the snow — then consider buying a used SUV instead of new.

When gas prices spiked last year, resale values on many used SUVs plummeted — and haven't fully recovered yet, presenting you with

the opportunity to get a very good deal right now.

Many dealers are offering "certified" used SUVs that have gone through additional inspections and may even carry an extended new vehicle warranty.

As with any used vehicle purchase, be sure to ask us for a *Carfax* history report to avoid any hidden problems. We'll also give you an NADA retail valuation and low-rate financing too. Stop by or call our loan staff today.

Insurance Matters

If you've watched the news lately, you know that health care is a hot button topic in our country. Whether you believe the government should be involved in health care or not, the discussion has brought to light the financial disaster that being uninsured may bring an individual.

Uninsured individuals who suffer from an injury or illness may find themselves in financial stress or even bankruptcy. Individuals who are healthy often choose not to insure themselves because they do not see an immediate need or fear that the expense will be too great. Healthy individuals can get health insurance to cover them for any future illness, but once an illness is diagnosed it may be too late to get coverage. The best time to get health insurance is when you are healthy!

Dakota Financial Services offers health insurance through the two major competitors in South Dakota, Wellmark Blue Cross & Blue Shield and Dakotacare. There are a variety of health plans available with surprisingly affordable rates. Many members have even saved significant amounts of money by writing individual plans for their children or spouses instead of adding them to the coverage offered at work.

Don't let yourself or your family become a statistic, call Jason at 977-8341 to get covered today.

Dakota Financial Services is a Credit Union-owned insurance agency, created to serve the insurance and investment needs of Sioux Falls Federal Credit Union members and their families.



Jason Young



DAKOTA FINANCIAL SERVICES
INSURANCE & INVESTMENTS

Credit Union Services

Regular Share Accounts
 Christmas Club
 Super Shares
 Share Certificates
 Individual Retirement Accounts
 Health Savings Accounts
 Share Draft Checking
 Commercial Checking, merchant card and ACH processing
 U.S. Savings Bonds
 Direct Deposit & Payroll Deduction
 Overdraft Protection
 Advantage ATM & Check Cards
 Money Orders
 Cashier's Checks
 Wire Transfers
 Safe Deposit Boxes
 Night Depository
 Insurance:

- Auto, Home, Health & Life through our Dakota Financial Services agency
- Credit Life & Disability
- Vehicle Service Contracts
- Guaranteed Asset Protection
- Travel Accident

Loans:

- Cars, Trucks & Vans
- Motorcycles & Rec Vehicles
- Home Mortgages
- Home Equity
- Home Improvement
- Commercial
- Signature Line of Credit
- Visa Credit Cards
- Student Loans

Reloadable prepaid Visa cards
 Anytime TellerPhone
 Online Visa credit card access
 e*Branch home banking
 e*Pay bill payment
 e*Statements
 Googolplex online youth magazine
 Money Mix online magazine for young adults
 Personal Finance Resource Center online magazine
 Auto Library
 New & Used Car Price Guides
 Carfax Vehicle History Service
 Home Buying Guides
 Notary & Copy Service

Statistical Update

As of September 1, 2009

Members.....22,211
Shares.....\$123,303,696
Loans.....\$103,154,723
Assets.....\$139,117,195

Holiday Closings

Wednesday, November 11th

Veteran's Day

Thursday, November 26th

Thanksgiving

**Thursday December 24th @ 2PM
 and Friday, December 25th**

Christmas

Friday, January 1st

New Years Day

Celebrating Credit Union Day

Please join us on Thursday, October 15th to celebrate International Credit Union Day, with this year's theme "Your Money, Your Choice, Your Credit Union."

Your money is hard-earned, and in a time of economic uncertainty, it's safe at Sioux Falls Federal Credit Union.

Credit unions don't belong to shareholders hoping to turn a profit from your cash. Credit unions are member-owned, and any earnings are returned to you in the form of better rates and fewer fees. Take

full advantage of your credit union membership by meeting your savings and borrowing needs with our member-friendly, low cost services.

In honor of International Credit Union Day, we'll be serving refreshments at all locations and highlighting our consumer information resources designed to help you improve your financial life.

It's your money, and we want to thank you for trusting Sioux Falls Federal to take care of it. We have only your best interests in mind, and that's why credit unions like ours have prospered for so many years.

**Sioux Falls
 Federal Credit Union**
 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: 3405 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

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

