

Board of Directors

Sam Dispenza	Chariman
Fred Allen	Vice Chairman
Ron Gilkey	Recording Officer
Billie Fortenberry	Financial Officer
Claudia Hurst	Member
Torris Pelichet	Member
Rehnea Sharp	Member
Joey Albert	Member
Keith Dantin	Member
Chip Arnould	Member
Gerrie Ashley	Member

Supervisory Committee

Angela Brewster	Shaw Group
Joyce Buchanan	Government St.
Jack Hatcher	Essen Lane

Member Representatives

Cheryl Dispenza	Government St.
Debbie Dodson	Nelson Station
Rodney Whitley	Riverbend
Tim Williams	Riverbend
Bill Stuart	Riverbend
Lisa Creekbaum	Riverbend
Cindy Ibert	North Blvd.
Dana Boyd	Sterlington
Roy Hodgeson	Willow Glen
Gary Kling	Louisiana Station
Ruebin Gourley	Louisiana Station
Dana Woods	Choctaw
Gwynne Tullier	Choctaw
Judy Israel	Choctaw
Sherri Eschete	Choctaw
Lloyd Brandon	Hammond
Mary S. Moore	Denham Springs
Lena Moran	Essen Lane
Ella Kirby	Port Allen
Larry Myers	Port Allen
Gwen Triplett	Zachary
Brenda Juneau	Lake Charles
Pam Romano	Reserve
Sharon McAdams	Denham Springs
Candace Daigle	Ferris Engineering
Theresa Coleman / Deborah Moran	Vector Electric
Paul Blouin	LA One Call
Jan Norris	Power & Control Systems
Judy Hergruder	East Jordan Iron Works
Valerie Deshotels	Cox-Walker
Terry McGarity	Englobal Engineering
Mary Beth Harris	Spectrum Engineering
Lisa Baker	Sunland Fabricators
Christy Cassells	Wampold Companies
Lisa Burgess	Shaw APP
Simone Landry	Shaw Group
Mary Poole	Shaw Group
Nikki Jordan	Shaw Group
Shannon Chapman	Shaw Group
Darryl Jones	Michoud
Michael Allen	Magnolia
Mac Leger	Lafayette
David Martinez	Little Gypsy
Rhonda Ramirez	Sunland
Heather Duncan	Highlines Construction Company

REMEMBER...

Immediate family members of our sponsor companies and retirees including spouse, child, sibling, parent, grandparent, grandchild, stepparents, stepchildren, stepsiblings and adoptive relationships can become Breco FCU members!

LOCATIONS AND HOURS

Main Office 1850 S. Sherwood Forest Blvd. Baton Rouge, LA 70816 (225) 273-1529 (225) 273-4697 Fax Toll Free: 1-800-361-1631 Loan Line: (225) 381-5790	North Blvd. Branch 446 North Blvd. Baton Rouge, LA 70802 (225) 381-5791 8-555-5791 Inside Entergy (225) 381-5783 Fax
	Shaw Satellite Office Office, 225-932-5859 (225) 932-5860 Fax

Hours: Monday - Friday 9:00 am - 5:00 pm
 Drive-Thru Hours - 8:00 am - 5:00 pm
 Website address: www.brecofcu.com

ATMs:

Main Office (Drive thru) • Riverbend Nuclear Plant
 Shaw Building
 Sur-Charge Free ATM location can be found at
www.selectatm.com and www.cu24.com

Credit Union Service Centers

Baton Rouge - 7018 Siegen Lane
 Harvey - 1520 Westbank Expwy.
 Metairie - 5500 Veterans Blvd. #100
 Shreveport - 5804 Line Ave
 Mandeville - 1291 N. Causeway Blvd, Suite 3.

Monday - Friday 9:00 am - 7:00 pm
 Saturdays 9:00 am - 5:00 pm

Other outlet locations available nationwide.
 Call for the location nearest you at 1-800-919-2872
 or www.cuservicecenter.com

Staff

Main Office:

Ronnie Stephens, *President & CEO*
 Cheryl Kirby, *Asst Manager*
 Melissa Firmin, *Loan Officer*
 Yolanda Gilmore-Sampson, *Head Teller*
 Courtney Gatlin, *Teller/Member Services Representative*
 Michael Averett, Jr., *Accountant*
 Lori Vige, *Operations Assitant*
 Carla Saenz, *Teller*
 Erin Temple, *Teller*
 Brandy Sibley, *Electronic Funds Specialist*

North Blvd.:

Kim Falgout, *Branch Manager & Senior Lender*
 Brenda Simpson, *Loan Officer*
 Mary Tillmon, *Member Services Representative*
 Keely Guest, *Teller*
 Ginger Deroche, *Teller*

Shaw Satellite Office:

Ina Kendall, *Asst Manager*



Quarterly Notes



Mission Statement:

"To Improve Our Members' Financial Position"

For Members of Breco Federal Credit Union

Fourth Quarter 2006

Breco's Main Office to Become Service Center Outlet

Sometime early in the 1st quarter of 2007, Breco Federal Credit Union's Main Office located at 1850 S. Sherwood Forest Blvd. Baton Rouge will become a Service Center Outlet. This means we will be able to service members of other credit unions that belong to the service center network. As you hopefully have discovered by now, the network of service centers and outlet locations in Louisiana and throughout the United States offers you hundreds of convenient locations where you can transact business on your Breco accounts. For a complete listing of these locations, go to our website at www.brecofcu.com and click on the About Us link.

Home Banking Security Upgrade

Our home banking will soon undergo some regulatory mandated upgrades to improve its overall security. The first step will be to split the initial logon process into 2 screens. The first will ask for your account number and PIN. If these are entered correctly, the second screen will ask for your password.

The next phase of this project will add additional protections that will allow you to be sure you are logging onto our site and us to be sure it is you that is logging on. We will provide more information on the second phase in the near future.

Breco Announces Launch of GoodMoneyHabits.com

In partnership with The Shobe Financial Group, Breco is proud to announce the launch of GoodMoneyHabits.com, an interactive online financial education program that provides lessons and tools to help you to take charge of your money and reach personal goals! It is unlike any other program available, with lessons designed to help you maximize your money.

BRECO members can receive FREE ACCESS! Simply sign-up using the promotional code that has been provided to you OR call us at 273-1529 and let us help you get started.

Five things to know about the Pension Protection Act

The recently passed Pension Protection Act (PPA) is the broadest piece of pension legislation in 25 years. Designed to strengthen and stabilize the corporate pension system and promote individual savings, the new law makes permanent a number of important rules passed in 2001 that were set to expire in a few years and includes a range of changes that make it easier for you to save for retirement.

What do these changes mean to you? When considered individually, few of the PPA's hundreds of provisions seem significant. Yet, with the financial responsibility for retirement steadily shifting from corporations to consumers, these types of retirement legislative changes can have a big impact on your specific situation and financial future. As you assess your financial and tax plans, consider these changes in five key areas.

1. Higher limits for retirement contributions made to IRAs and qualified plans - including catch-up contributions - are now permanent

The PPA made permanent numerous rules that were enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and set to expire at the end of 2010. A few examples of the rules made permanent include increased annual limits for retirement contributions and catch-up contributions for people over age 50.

Whether you contribute to your own IRA or a plan sponsored by your employer, consider saving up to the increased limit to help ensure you achieve your retirement goals. If you're

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Holiday Closings:
New Year's Day - January 1st
Good Friday - April 6th

SAVINGS RATES

Regular Shares, IRAs and Christmas Club: 1.74% (1.75% APY) – Rate paid during last quarter. Dividends declared at end of each quarter.

*Must maintain minimum average daily balance of \$25.00 to earn dividends.

Checking Accounts: .100% (1.00% APY)
- No monthly service charge, no per check fee, direct deposit available, free debit card
*Must maintain minimum average daily balance of \$100.00 to earn dividends.

Term Share Certificates

(\$500 Minimum)

6 months – 4.65% APY (4.55%)
12 months – 5.06% APY (4.94%)
18 months – 5.11% APY (4.99%)
24 months – 5.16% APY (5.04%)
36 months – 5.16% APY (5.04%)
48 months – 5.20% APY (5.08%)
60 months – 5.25% APY (5.12%)

(\$10,000 Minimum)

6 months – 4.75% APY (4.65%)
12 months – 5.15% APY (5.03%)
18 months – 5.20% APY (5.08%)
24 months – 5.25% APY (5.13%)
36 months – 5.25% APY (5.13%)
48 months – 5.30% APY (5.17%)
60 months – 5.35% APY (5.22%)



APY = Annual Percentage Yield. Rates subject to change without notice. Penalty for early withdrawal

LOAN RATES

New Auto & Motorcycle: Up to 100% financing, .25% discount for 10% down, .50% discount for 20% down
4.99% - 12.99% APR, Terms from 24 - 72 months (72 month term available ONLY on loans over \$25,000)

Used Auto & Motorcycle: Up to 100% financing, .25% discount for 10% down, .50% discount for 20% down: (Loans up to NADA Retail Value)
4.99% - 12.99% APR Terms from 24 - 72 months (60 month term available ONLY on loans over \$10,000, 72 month term available ONLY on loans over \$15,000)

Signature: Borrow up to \$15,000 for personal needs.
9.50% - 18.00% APR - Terms from 24 - 60 months

Student Tuition: Borrow up to \$15,000 for school tuition.
6.95% - 13.95% APR - Terms from 9 - 12 months

Share & Share Certificate Secured: Borrow against funds in your regular share account or share certificate
Share Secured - 4.00% APR
Share Certificate Secured - 2.0% APR above certificate rate

Home Equity: Borrow on the equity in your home. Up to 100% Loan to Value.
6.50% - 15.00% APR - Terms from 5 - 15 years

Home Equity Line of Credit - Up to 100% Loan to Value. Credit card and check access to your line.
8.25% APR – Adjustable rate

1st Mortgages: 15, 20, 30 and 40 year fixed rates and adjustable rates available. Call 1-800-366-6041 to pre-qualify or go to www.homeloancu.com
Call us for current rates

Visa Platinum: 9.9% - No annual fee, 25 day

LIKE IT?
Let Us Finance It For You

grace period
Visa Classic: 12.9% - No annual fee, 25 day grace period

Personal Computer: Finance the purchase of a new PC, 90% financing
8.75% - 16.50% APR - Terms from 18 - 36 months, borrow up to \$5,000

New Boats, 4 Wheelers, Jet Skis, Lawn Tractors: Up to 100% financing, .25% discount for 10% down, .50% discount for 20% down
5.75% - 13.25% APR - Terms from 36 - 72 months

Used Boats, 4 Wheelers, Jet Skis, Lawn Tractors: Up to 75% financing
7.75% - 15.25% APR - Terms from 36 - 60 months

New Motor Homes / Travel Trailers: Up to 100% financing, .5% discount for 20% down
6.75% - 15.75% APR - Terms from 5 - 10 years

Used Motor Homes / Travel Trailers: Up to 80% financing
9.25% - 18.00% APR - Terms from 5 - 10 years

Land Loans: Purchase acreage or raw land
7.00 - 14.50% APR - Terms from 10 - 12 years, 80% LTV financing

APR = Annual Percentage Rate. Loans granted on approved credit. Rates, terms and loan limits determined by credit criteria. Rates are subject to change. Call for current rates.

Win a \$50 deposit into your account!!!

Congratulations to our latest winner Trina Gaines. Simply answer the questions at right and send your completed entry to L-SHER-BCU or 1850 S. Sherwood Forest Blvd., Baton Rouge, LA 70816. The answers to all of the questions are found in this newsletter. A winner will be drawn from among all of the correct and completed entries. Our next drawing will be Feb. 1, 2007

1. How much does GoodMoneyHabits.com cost Breco members?

2. List one change from the recently passed Pension Protection Act?

3. What is the longest term now available on Used Auto loans?

Name:

Phone #:

Five things to know about the Pension Protection Act

Continued from page 1

age 50 or older, catch-up contributions can boost your progress toward savings targets by enabling you to put extra monies aside for the future. You may want to increase your 401(k) or 403(b) contribution or make a larger contribution to your IRA before this year's tax deadline.

2. New rules broaden distribution, withdrawal, rollover and charitable giving options for retirement plans

The PPA makes numerous changes to IRAs and employer-sponsored retirement plans that expand the choices for you and your heirs. Highlights include:

Starting in 2007, non-spouse beneficiaries (children, parents, domestic partners, other family members and friends) who have inherited assets from employer-sponsored retirement plans like 401(k)s may directly roll them over to inherited IRAs. Inherited IRAs typically enable designated beneficiaries to stretch their distributions - and the taxes owed on them - over many years (the length of time may depend on the age of the deceased or the beneficiary) if they meet IRS requirements.

If you're age 70 or older, you can now make a "qualified charitable distribution" of up to \$100,000 directly from your IRA to a qualified charity during the 2006 and 2007 tax years. Qualifying distributions are free from federal income tax and count toward satisfying your required minimum distribution from your IRA for that year.

Also effective in 2007, 401(k) and 403(b) participants may be able to take hardship distributions on behalf of their designated beneficiaries' hardships. The plan participant must pay taxes on the distribution as well as the 10% early withdrawal penalty, as applicable. Although this option could help your heirs in emergencies, it also usually comes at a cost: lost retirement savings opportunities in addition to the increased tax liability.

For plan years after 2006, a new PPA provision allows traditional pension plans to make in-service distributions (retirement payments made to employees while they are still working

for their employers) to workers starting at age 62, if their plan is amended to allow it. Under prior law, in-service distributions were only allowed after employees reached the planned retirement date, typically age 65 under most plans. The new rule enables employees to create phased retirements by combining income from part-time work and in-service distributions from their pension.

3. Tax advantages for 529 education savings plans are now permanent

The law now permanently provides that distributions from 529 education savings plans are federal income tax free when used for qualified higher education expenses. If you are saving for your children's or grandchildren's educations, consider investing in a 529 plan; this savings vehicle offers many attractive features and benefits, including gifting options and tax-deferred growth potential.

4. Enhancements to employer-sponsored retirement plans safeguard and encourage savings

The PPA includes numerous improvements to employer-sponsored plans that are designed to strengthen retirement security and savings. Some key changes include:

The law creates financial safeguards to help ensure that company pension plans can pay promised benefits to employees and retirees. For example, under a new PPA rule, if your pension plan is under-funded it may not be able to offer lump-sum distributions until the plan reaches a certain level of funding.

Workers must be allowed to diversify their retirement plan investments from employer stock. Employers are encouraged to automatically enroll employees in and increase contributions to 401(k) and other defined contribution plans, and to provide for faster vesting of employer contributions.

Rules allowing contributions to Roth 401(k)s/403(b)s are now made permanent.

5. New rules impact tax deductions for charitable donations
The new pension law tightens the

rules for donations of cash, clothing and household items to charities in two areas:

- Effective in 2007, you must substantiate all cash donations, regardless of the amount, with a cancelled check, other bank record or a receipt from the charity.
- For deductible donations of clothing and household goods made after Aug. 17, 2006, items must now be in "good used condition or better." If an item isn't in good condition but is worth more than \$500, a deduction is allowed with a qualified appraisal.

Some rules remain the same

Additionally, what didn't change under PPA may be as important to you as what did change. Unless lawmakers pass new legislation, reduced income tax rates and estate tax changes introduced under EGTRRA will revert to their pre-2001 status after 2010, potentially impacting you if you have a taxable estate over \$1 million.

Your financial advisor can help

This is a simplified explanation of a few key provisions. Many of the new pension law's provisions are subject to further regulatory guidance and interpretation and may evolve over time. Qualified financial and tax advisors can provide you with additional information, help you determine how the new law will affect you and look for new savings and planning opportunities.

Provided by Gregory A. Fulcher, CFP®, CSA, CERTIFIED FINANCIAL PLANNER™ practitioner, 1-888-723-9223, Gregory.a.fulcher@ampf.com.

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