

notes bearing INTEREST

The Quarterly Newsletter
for Palisades Federal Credit Union Members Q-1 2005

LISTEN! WE'VE GOT BIG NEWS

If you **APPLY NOW** at Palisades Federal Credit Union (PFCU) for a mortgage or mortgage refinance you will be entered into CUC's Home Decorating Sweepstakes where you could win a free design consultation from Ethan Allen and free furniture which is valued at \$5,000.00*. **WOW!**

PFCU always goes the extra mile to offer our members mortgages and Home Equity Loans with choices, more flexibility and exceptional service. We provide many options, with lots of benefits, designed to meet each member's unique needs and if you apply for any one of our mortgage products between now and October 5, 2005 and you'll be automatically entered into the home decorating sweepstakes.

We offer:

- First Mortgages
- A competitive less than Prime** Home Equity Line of Credit
- 5, 10, and 15 year Fixed Home Equity Loans
- 1 and 2 year Variable Home Equity Loans
- No Equity Home Equity Lines of Credit
- No Equity Home Equity Loans
- 3, 5, 7, and 10 year Home Equity Balloon Loans
- An interest only 5 year Balloon Home Equity Loan

So apply today. Call our ANY HOUR Loan number (24/7) at 877-230-PFCU (7328) or visit us online at www.palisadesfcu.org. For more information about any of our Equity Loan Products you can call us directly or visit one of our Financial Sales Representatives.

* Sponsored by CUC Mortgage, sweepstakes starts April 1, 2005 and ends October 5, 2005. See official contest rules for additional details. Official contest rules are available at either office location or you can call to receive your own copy of the contest rules. No purchase necessary.

**Prime is a variable rate which means that Prime will change during the life of the loan.

ARE YOU UPSIDE DOWN?

BY BARRY LEVINE, PRESIDENT — CAR BUYERS HELPLINE

Are you upside down? Are you turned around? Are you buried in your car? All of these terms refer to owing more on your car than it is worth. The correct term is negative equity. Negative equity has become an epidemic in this country. Many people are buying new and used cars and financing 100% of the price plus the sales tax. We can pretty much count on these people being in negative equity for as long as the car is financed. The problem with negative equity is that it makes it difficult to get out of the car before the loan terminates. The other problem is that if a car is totaled in an accident or is stolen, the insurance company may not give you enough to pay off the loan. You will have to make up the difference. However, there is an insurance policy that can protect you against the negative equity. That is called Gap insurance. It will pay the difference between the amount you get from the insurance company and the amount you owe on the loan. This would be a must on any loan where you will have negative equity. It is available at the Credit Union.

The easiest way to avoid negative equity is to put money down at the time of the purchase. To be safe, I would recommend 10% of the purchase price plus the sales tax. Unfortunately, many of us cannot afford to do this. We should at least try to pay the sales tax up front if at all possible. Another way to avoid being upside down is to wait until you have paid off the loan on your trade-in before you get another car. If you can't wait until the end of the loan, try to trade out of the car in the last year of the loan. You should at least break even with the value of your car or maybe actually have some equity in it.

Another way out of the old car and sometimes the only way out is to look for a new vehicle with a large rebate. The rebate could make up the negative equity. I am not a big fan of buying the car with the largest rebate. I believe we should try to buy the car that best fits our needs. However, sometimes necessity is the mother of invention.

Sometimes, especially for people with good credit, you can take your negative equity and roll it into the new loan. That will get you into a new car. However, it also digs a deeper hole and makes it much harder to do it the next time. Sooner or later you will be trapped in a car you cannot get out of until the loan is paid off. This is what dealers are doing when they say they will pay off your loan no matter how much you owe.

If you would like an accurate unbiased appraisal of your situation, find out what cars will fit your needs and help you get out of your current car at the best price and under the best terms for you, call the Car Buyers Helpline @ 800 836-4333. We are consumer advocates, partnered with your credit union to help you decide what is best for you in your current situation and get you the best possible price. If you finance your new car with the credit union, our fees are reimbursed making us **FREE!** Call today! ■

OUR MEMBER PRODUCTS & SERVICES

Savings Accounts • Basic Checking Account • Premium Checking • Holiday Club • Vacation Club • Home Banking • **EPay** • **eStatements**
Term Certificates of Deposit • Individual Retirement Accounts • Money Market Account • First Mortgages • Home Equity Loans and Lines of Credit
No Equity Home Equity Loans • Adjustable Rate Mortgages • Auto Equity Loans • Visa Classic, Gold, and Platinum Credit Cards
Secured (Savings, Term Certificate, Stock) Loans • New/Pre-Owned Vehicle Loans • Balloon Auto Loans • Personal Loans
Overdraft and Personal Lines of Credit • Federally Guaranteed Student Loans • Boat Loans • Family Membership • Money Wiring Service • Savings Bonds
Any Hour 24-Hour Loan Service • **TAP** (Automated Telephone System) • International and Nationwide ATM Access • Allpoint No Surcharge ATM Network
Payroll Deduction • Direct Deposit • Automatic Loan Transfers • Free Notary Service • Signature Guarantee • Liberty Mutual Insurance Payment Plans •
Loan Protection Insurance • Credit Disability Insurance • Money Orders • Certified Checks • Courtesy Pay • American Express Travelers and Gift Checks
The Negotiator's, Inc. Car Buyers' Helpline • Enterprise Car Sales • Members Financial Services Program • Mechanical Repair Insurance Guaranteed Asset Protection

BITS AND PIECES

April is Credit Union Care for Kids Month

Credit Union Care for Kids is when PFCU members donate money to support local organizations and institutions that provide needed services to the children of Rockland County; and this April we start our annual campaign.

We are always appreciative of the generosity of our members during this event. This year, besides taking monetary donations, we will also be selling an assortment of lovable, warm and fluffy stuffed animals, including "Jesse" the giraffe.

If you like to bowl you can join us at our annual bowling fundraiser on Saturday, April 16, 2005 at New City Bowl. Please contact Mr. Mark Welshoff at (845) 602 – 2113 for further details.

Last year's donations totaled \$1,400.00 and were distributed to three local area hospital pediatric wards. Thank you for your continued support.

Auto Show Raffle Winner

Congratulations to Mr. Harry Rigos (pictured at right). He is the winner of a Toy Hummer that PFCU raffled away at this year's Auto Show.



Limited Time Offer-5% Yield

PFCU is offering a 5 (five) year IRA (Traditional, Roth, Coverdell, conversion) yielding a dividend of 5% with a minimum deposit of \$2,000. Hurry to get yours now before this offer goes away.

Save These Dates

Mr. Thomas Josephs of the Members Financial Services Center located at PFCU will be conducting a Clear Direction for a Confident Retirement seminar on **Wednesday, April 13, 2005**. This seminar will cover topics like: A discussion of retirement goals; Addressing the decisions facing retirement; Assess new risks during retirement; and The challenge of retirement income streams.

On **Wednesday, April 20, 2005** Mr. Barry Levine, President of the Negotiator's Inc. Car Buyer's Helpline will be giving his Car Buying Seminar. Topics to be discussed will include: The best times to purchase a new or used car; How to negotiate your best deal; The real deal on zero percent financing; and more.

Both seminars will be held in the Main Office's Cullen Conference Room starting at 5:30 p.m. The seminars are approximately 60 minutes in length. All seminars are free to members and the community at large, but seating is limited. To reserve your seat(s), please call (845) 602 – 4242.

VISA®. THINK BIG. BIG SWEEPSTAKES, BIG EXCITEMENT.

Starting May 1, 2005 through July 31, 2005 Palisades Federal Credit Union (PFCU) members who sign up for either a VISA® Credit Card or VISA® Debit Card will be automatically entered into VISA's Think Big Sweepstakes. Winners will be drawn from all entrants of all participating financial institutions. Three grand prizes will be awarded in all. See Customer Sweepstakes Official Rules for details. See us for your new VISA® Credit or Debit Cards. Good luck.

Spread the Word

Simply remind your family, friends, co-workers and Rockland County neighbors that they too can join Palisades Federal Credit Union. Remember, now it only takes \$5.00 to open a savings account and to take advantage of all our other great products and services.

Important FEE Information Updates – Please take note...

Starting June 1, 2005 the following fees adjustments will apply (when applicable):

- EPay: \$6.95 if not used within a 60 day period
- Checking Account Fee: Overdraft to Savings \$ 3.00 per occurrence
- Home Banking Fee: \$2.00 if not used within a 60 month period
- American Express Travelers Check fee: \$ 1.00 per \$100.00
- American Express Gift Check Fee: \$ 2.50 per check

PFCU DATES TO REMEMBER

April 13Clear Direction for a Confident Retirement Seminar
April 16Care for Kids Bowling Event 4 p.m. — New City Bowl
April 20Car Buyer's Seminar
May 10Annual Meeting Nanuet Mall, Community Room, Nanuet, NY
May 30Memorial Day Branch Office Closed, Main Office Closed
July 4Independence Day Branch Office Closed, Main Office Closed

WHEN AND WHERE TO REACH US

Mon –Wed	9:00 a.m. – 3:30 p.m.	Main & Branch Offices
Thursday	9:00 a.m. – 6:30 p.m. 9:00 a.m. – 5:00 p.m.	Main Office Branch Office
Friday	7:30 a.m. – 5:00 p.m. 7:30 a.m. – 3:30 p.m.	Main Office Branch Office
Saturday	9:00 a.m. – noon	Main Office
Main Office	300 N. Middletown Rd., Suite 6 Pearl River, NY 10965 FAX (845) 602-4444	
Branch Office	401 N. Middletown Rd., Bldg. 140 Pearl River, NY 10965 FAX (845) 602-4455	
Phone Numbers	(845) 602-4242 OR (800) 438-7415	
TAP Line	(845) 602-3TAP OR (800) 333-TAP3	
Any Hour Loan Service	(877) 230-PFCU (7328)	
Car Buyer's Helpline	(800) 836-4333	
VISA® Customer Service	(800) 876-9119	
Lost VISA® Checkcard	(800) 472-3272	
Home Banking/EPay	www.palisadesfcu.org	
Web Address	www.palisadesfcu.org	

PFCU ANNOUNCES NO Monthly Charge to use EPay*

We are pleased to offer **EPay**, PFCU's bill payment system, to all our members with no monthly charge if you when you sign up and use this service.

EPay is the efficient, fast and very interactive way to pay your bills online. It's convenient to set up and convenient to use. It lets you schedule payments in advance or lets you set up reoccurring payments like your mortgage, rent, utility bill and like items. It saves you money because there are no stamps or envelopes to buy, it will cut down on your cost of buying checks and now we won't charge you a monthly fee if you use it. Here's another reason to sign up for **EPay**, you'll automatically receive **eStatements**. Ask a Financial Representative today about **EPay** and **eStatements**.

* All previous terms of signing up for EPay will change effective June 1, 2005 to: a fee of \$6.95 when you don't use EPay within a 60 day period.

A Special Notice to the Membership

Palisades Federal Credit Union has a long tradition of offering our members rock bottom loan rates and high yields on savings. Time and again, this is what our members tell us they want. To continue meeting this commitment, we are making some changes to help better manage our expenses and align services with your needs. Effective June 1, 2005, all coverage provided by the Loan Protection and Life Savings Policies will be canceled. Please destroy any CUNA Mutual Loan Protection and / or Life Savings Certificate(s) of Insurance you may have in your possession at that time.

We have taken steps to make quality alternative insurance protection available to our members.

With low cost MEMBERS CHOICE™ Term Life Insurance, which replaces the current Loan Protection Policy, Palisades Federal Credit Union will afford you the opportunity to protect each of your eligible loans up to \$30,000. This is a greater benefit than currently offered with the Loan Protection.

For replacement coverage on the Life Savings policy, which was provided at no direct cost to you on eligible savings accounts, members may convert coverage to a member-pay whole life policy up to \$4,000.

Requests for further information regarding the change to these two programs, please contact our Call Center at (845) 602 – 4242 or outside the (845) area code (800) 438 - 7415. Thank you.



OPEN A SAVINGS ACCOUNT FOR YOUR CHILD during **National Credit Union Youth Weeks April 10 through April 23, 2005** and we will make the initial deposit of five dollars (\$5.00)*.

*Better banking,
better solutions.*

*Bring this ad with you. Five dollar deposit is for newborns to sixteen year old children only. Savings account must remain open for 180 days. If there is no activity in the account during that time the credit union reserves the right to close the account before it goes dormant. Savings Accounts earn dividends on account balances equal to or greater than \$50.00.

NEED A GREAT LOAN DEAL? *Ask Your House!*



**Always Competitive –
Currently Less Than Prime Rate!**

Home Equity Loans

Fixed Rate As Low As

4.875% APR*

60-Month Term

Home Equity Line of Credit**

Variable Rate

5.40% APR*

**Receive a \$50 Gift Card†
to The Home Depot®**

*APR = Annual Percentage Rate. Principal residence only in New York and New Jersey. Rates quoted as of 3/18/05 and are subject to change without notice. Some restrictions may apply for refinancing PFCU loans. Some restrictions and closing costs may also apply. Contact the credit union for complete loan information.

**Our Home Equity Line of Credit is always a competitive, less-than-Prime rate. Prime is a variable rate which is subject to change without notice. Prime rate is 5.50% as of 3/18/05.

† Receive a \$50 Gift Card to The Home Depot® with your approved Palisades FCU Home Equity Line of Credit of \$25,000 to \$100,000 at loan disbursement; receive a \$100 Gift Card to The Home Depot® with your approved Palisades Federal Credit Union Home Equity Loan or Home Equity Line of Credit greater than or equal to \$100,000 at loan disbursement.

EQUAL OPPORTUNITY
LENDER