

MONEYtalk

CONSUMER LOANS 101

Let DLFCU Help Navigate You Around Life's Unexpected Road Blocks

It happens to all of us. We plan and budget down to the penny, and just when we think we are on our way to financial stability, we get hit with some unexpected expenses. While the expenses themselves usually aren't completely unexpected, the dollar amounts can be. Adding in large ongoing expenses can completely throw off a sound financial plan if you aren't careful.



Continued on page 3

For those who expect more.

 **Dow Louisiana**
Federal Credit Union
www.dowlafcu.org

HOLIDAY closings

Memorial Day
Monday, May 31

TABLE of contents

- 2 Momentum • Refinance Your Mortgage Today and Save Big
DLFCU FAQ
- 3 Consumer Loans 101 • Commercial Lending • IRA Contributions
- 4 A Fresh New Look at Bonds • Invest in America
Is Your Signature Worth \$1,000?



REFINANCE YOUR MORTGAGE TODAY AND SAVE BIG

Everyone is always looking for the right coverage at the right price on their auto and homeowners insurance. Now you can stop looking and simply come into your credit union. Momentum Financial Services has the coverage you want for all of your insurance needs.

Affordable Prices

We shop your insurance with more than 10 different national and regional carriers to be sure we offer you the best rate and the most comprehensive coverage. You can compare the options and customize your protection to meet your specific needs and your budget.

Outstanding Service

You'll receive the service you've come to expect from your credit union. We partner with carriers who provide excellent service every time—all the time.

Easy Payment Options

Our payment options are designed to fit your lifestyle. You can have your payment withdrawn automatically from your credit union account, pay it monthly by check or even by credit card—you choose what's right for you.

Call one of our licensed agents toll-free at (866) 910-8509 to receive a free, no-obligation quote and begin saving today.

Insurance Products and Services are offered through Southwest Business Corporation (SWBC). Each insurance quote is based on individual circumstances. Rate quotes are not guaranteed. Dow Louisiana Federal Credit Union is not affiliated with SWBC. SWBC is not NCUA Insured.

If you bought a home a few years ago, you might be feeling a pinch in your budget. Whether you have an adjustable-rate mortgage that has jumped to a higher rate, or bought when rates were several points higher, you might benefit from refinancing your current mortgage.

DLFCU offers mortgage products for most every situation, all at great, low rates:

Rate Refinance. This is a good option for anyone who might have purchased or refinanced when rates were higher. This option will lower your rate which will save you interest over the life of the loan and reduce your monthly payment.

Lower Term. This option will reduce the number of years you will pay on your mortgage which will in turn save you lots of money in interest over the life of the loan.

Cash out Refinance. This option will give you money to do home improvements, pay off debt or take care of any other obligations you may have. With rates currently being so low you may also save money on your monthly payments.

As a free service to you, our knowledgeable team of Home Loan Consultants will review your current mortgage and determine whether a refinance makes sense for you. Give us a call today at (888) 369-2207 or visit www.dowlafcu.org to learn more.

DLFCU FAQ:

Q. HOW CAN I GET MY STATEMENTS QUICKER?

A. eStatements are a great way to receive your statements quicker while freeing up space in your filing cabinet and keeping your financial information more secure. eStatements are electronic versions of your financial statements which are archived on Dow Louisiana Federal Credit Union's secure online banking system. eStatements are easy to view and can also be printed or saved to your computer. Each month, you will receive an e-mail notification that your e-Statement is ready for viewing via e-pal Online Banking. You simply log in to the secure site and download your eStatement. Sign up to receive eStatements today at www.dowlafcu.org/MemberServices.

Q. I THINK I'M READY TO BUY A HOUSE, BUT IT'S A MAJOR COMMITMENT AND I DON'T KNOW WHERE TO BEGIN. WHERE SHOULD I START?

A. You're right, buying your first home is one of the biggest decisions you will make! While it can be very exciting, it can also be very overwhelming for some. Fortunately, a DLFCU Mortgage Consultant will be there to help you with each and every step, making the process as seamless and exciting as it should be.

you can afford to spend each month on housing. That includes your mortgage payment, property taxes, homeowners insurance and a fund for maintenance and upkeep. The Mortgage Team at DLFCU can help with this step as well.

Getting preapproved for a mortgage is a good next step. It can help you focus your home search, because you'll know exactly what price range you can afford. Additionally, as a first-time homebuyer you may be able to take advantage of the First-Time Homebuyer Tax Credit which has been extended through June 2010. This could give you a tax credit of up to \$8,000.* This is also beneficial to determine early on. Once you find a home, it's smart to have it professionally inspected. You'll learn about the home's condition and find out how to take care of it.

Finally, you'll need to choose a mortgage that fits your budget and your plans for the future.

A DLFCU Mortgage Consultant would love to walk you through the process of shopping for and buying a home, step by step. Contact us at (888) 369-2207 or visit us online at www.dowlafcu.org.

*Consult your tax advisor. Normal credit restrictions apply. Please see a DLFCU Representative for more details. Other restrictions may also apply. For more information on the Homebuyer Tax Credit, please visit www.irs.gov.

Looking at your budget is a good place to start. Figure out how much

CONSUMER LOANS 101

Continued from page 1

YOUR OLD CLUNKER FINALLY CALLED IT QUITS ON YOU

A lack of transportation would hinder most of us. DLFCU can help you get back on the road with an Auto Loan. DLFCU's low rates, flexible terms and speedy process take the added stress out of getting the most affordable vehicle loan and let you get back to your life quicker. We can also make the shopping less stressful with our Auto Shopping Assistant. The DLFCU Auto Shopping Assistant offers explanations of loan payment options and protection plans; new and used auto value guides; safety and prevention website links; fuel economy guides; helpful links and articles.

YOU'RE WORKING 60 HOURS A WEEK, HAVEN'T HAD A VACATION IN YEARS

DLFCU says it's time for a vacation! Not only have you earned it, but studies show time away from the job is important for your physical and mental health. Evidence shows that vacations reduce stress, help lift depression and contribute to longer lives. People who don't take regular vacations are more likely to develop heart disease, have a heart attack or suffer from sleep problems.* DLFCU can help you get to your destination faster with a variety of Vacation Loans for your well-deserved vacation.

YOUR INTEREST RATES ARE OUT OF CONTROL, IT'S TIME TO CONSOLIDATE

Based on 2007's consumer debt numbers, the average American owes around \$8,500 (excluding mortgages)—and almost half of that is high-cost credit card debt. This can get out of control quickly. In fact, if you were to charge \$5,000 on your credit card every year and make only the minimum payments over 30 years, you'd have blown nearly \$1 million in interest fees—and you'd still owe some \$74,000! But it's not too late. DLFCU can offer you a Debt Consolidation Loan that will lower your monthly payments, pay off those bills, save you the hassle of writing multiple checks and, for most of you, you'll pay less total interest in the end.



YOU ARE PAYING YOUR WAY THROUGH SCHOOL

This is one of those expected expenses with the unexpected price tag which continually increases. According to recently released reports from the College Board, most students and their families can expect to pay, on average, from \$172 to \$1,096 more than last year for this year's tuition and fees, depending on the type of college.** If this is where you find yourself, don't worry, DLFCU can offer you an Education Loan at a great low rate.

Find your way around your unexpected roadblock today and get back on the road to financial stability. Call your DLFCU Representative today at (888) 369-2207 for more information or visit us online at www.dowlafcu.org to take advantage of DLFCU's exceptionally low rates, flexible terms and quick online approvals.

*Sources: The Framingham Heart Study and the American Psychosomatic Society.

**Note: Cost and aid figures are from the College Board's Trends in College Pricing 2009, Trends in Student Aid 2009, and Education Pays 2007. Learn more online at our Trends in Higher Education website.



*simple, convenient
and affordable.*

For many small businesses, obtaining a business loan can mean the difference between success or failure. So where do you find the right small business loan and how do you get approved? DLFCU is the solution you are looking for whether you simply need a small loan to cover everyday expenses, or need financing for multi-million dollar construction projects; we're equipped to meet your needs with a variety of business loans.

Three great reasons to choose DLFCU include:

- DLFCU offers 30 year real estate loans
- DLFCU Business Checking Account offers no fees on balance transfers, maintain \$2,500 and there is no monthly service charge and dividends will be paid
- DLFCU Business Credit Cards offer no fees on balance transfers, cash advances and no annual fee

Choose DLFCU as your business lending partner and let us provide the essential solutions for your business. To get started, simply schedule an appointment with one of our business lending professionals by calling (888) 369-2207 or by visiting any Financial Resource Center.

IRA CONTRIBUTIONS ARE DUE BY THE 15TH

Tax time is here—don't miss your annual opportunity to invest for retirement.

Member Services

DEPOSIT ACCOUNTS

Personal Savings Accounts
Personal Checking Accounts
Interest-Bearing Accounts
Holiday Club Accounts
Hi-Yield Money Market Accounts
Certificates and IRAs (Regular & Jumbo)
Business Checking Accounts

CONSUMER LOANS

New & Used Cars, Trucks & SUVs
New & Used Boats
Motorcycles, RVs & ATVs
Secured & Unsecured Loans
Educational Loans
Full Line of VISA® Credit Cards

MORTGAGE LOANS

Conventional First Mortgages
Construction – Perm Financing
Fixed & Adjustable Rate
Second Mortgage Loans
Home Equity Lines of Credit
Land, Lot & Acreage
Mobile/Manufactured Homes

BUSINESS LOANS

Commercial Real Estate
Lines of Credit
Working Capital for Inventory
Fleet Vehicle Financing
Business Titanium VISA®
SBA Approved Lender

BUSINESS SERVICES

Tiered Checking Accounts
Monthly Earnings Credits
Same Day Credit on Deposits
Business Checks & Accessories
FREE Online Banking
Full Line of Merchant Services
Currency Management
Business Rewards Program
Local Support & Service

ONLINE SERVICES

FREE Online Banking
FREE e-Statements
FREE Online Bill Pay
View Cleared Checks Online
Visa® Online Statements
Online Mortgage Account Management
Electronic Account Alerts
Secure Messaging
Scheduled Transfers
Check Reorders

FINANCIAL SERVICES

Investments – Mutual Funds, Annuities, Stocks, Bonds
Estate Planning
Brokerage Accounts
Retirement Plans
Individual Retirement Accounts
Insurance Products
Financial Planning for Businesses

CONVENIENCE SERVICES

Instant-Issue Debit Cards
Extended Hours of Operation
Multiple FRC Locations
Full-Service Call Center
Fee-Free ATM Network
Western Union Partner
Free Debit Card Issued Instantly
24-Hour Telephone & Online Access
Direct Deposit
Night Deposit
Notary Service
Money Orders
Certified Checks
Wire Transfers
Overdraft Protection
American Express® Travelers & Gift Checks



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LOST/STOLEN DEBIT CARD

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MONEY SENSE: A Fresh New Look at Bonds

By Martin Mauro of BofA Merrill Lynch Global Research



Merrill Lynch

An improving economy will affect fixed-income investments. Revisiting your allocations can help prepare you for the risks and potential opportunities to come. During 2008, as the stock market meltdown captured widespread attention, fixed-income investments were suffering their own quiet downturn. Sure, Treasury securities, whose backing by the U.S. government* makes them a reliable choice for mitigating risk, did relatively well. But virtually every other kind of bond suffered losses, with the lowest-quality bonds faring worst.

Despite the likelihood that a full-fledged economic recovery is still some way off, it may be time to look at how it could affect bond performance. Now that the biggest threats to the economy appear to have passed, investors willing to build more growth into their portfolios might consider looking at lower-quality fixed-income investments to provide them with the opportunity to capture more competitive yields than those available from U.S. Treasuries.

Inflation often rises when business and consumer activity picks up, and that could lead the Federal Reserve to increase the interest-rate targets it controls, although we do not think such action is imminent. Also, higher inflation reduces the value of interest income from bonds, and when newly issued bonds offer higher yields, existing bonds become less popular, depressing their prices. Moreover, some investors may have a greater appetite for risk in an improving economy, and that can benefit lower-rated bonds at the expense of higher-quality investments.

These shifts could affect your choices for a fixed-income portfolio. Cautious investors may continue to prefer Treasuries, but there appear to be good opportunities among higher-quality investment-grade bonds. And municipal bonds, another fixed-income option, may also deliver higher after-tax yields than comparable Treasuries offer. However, income for some investors may be subject to the federal Alternative Minimum Tax (AMT). Five-year municipals rated AAA* traded in mid-October 2009 at a yield of 1.9%, the equivalent of a taxable bond yielding 2.9% for someone in the 35% federal income tax bracket.**

Keep in mind that an improving economy, with rising inflation and interest rates, could hurt the value of all kinds of fixed-income investments. Bond laddering can provide needed flexibility. This strategy involves an investment in Treasuries, municipals, corporates or CDs with staggered maturities of, say, one, three and five years. When one bond matures, you can use the proceeds to buy another at the long end of the maturity spectrum. The strategy allows for greater diversification as well as the opportunity to reinvest at higher rates if yields rise.

Another way to prepare for higher interest rates and accelerating inflation might be to hold Treasury Inflation-Protected Securities (TIPS). Like most other bonds, TIPS pay a fixed coupon rate—the nominal yield if the bond is held to maturity—but if the consumer price index rises, the principal amount of the securities also adjusts upward, increasing the amount of interest investors can receive. For instance, if you invest \$1,000 and inflation is 2%, the principal amount would be \$1,020 at the end of the first year.

There is no guarantee that inflation will rise soon, and experts disagree about the outlook. But by holding a diversified fixed-income portfolio that includes TIPS and other higher-quality bonds, you may be more prepared for whatever challenges—and opportunities—tomorrow's markets present.

Martin Mauro is a Fixed-Income Strategist for BofA Merrill Lynch Global Research

*Any guarantee by the U.S. Government, its agencies or instrumentalities applies only to the payment of principal and interest on the guaranteed security and does not guarantee the yield or value of that security.

**The credit quality ratings represent those of Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") credit ratings. The ratings represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The security's credit quality does not eliminate risk.

Is Your Signature Worth \$1,000?

Your signature, not your PIN, is the key to earning CASH rewards for your Visa® Debit card purchases.*

- SWIPE your DLFCU Visa® Debit card.
- CANCEL the PIN option and select "credit."
- SIGN your sales receipt or screen. In some cases (e.g. at the gas pump), you won't need to sign anything! Simply choose "credit" and you'll receive the same benefits.
- Choose CREDIT and SAVE! DLFCU will deposit your cash rewards back into your savings account each quarter.* Where else can you go to spend and save at the same time?
- And now when you choose CREDIT, you're on your way to a chance at winning \$1,000! Just press CREDIT instead of debit for each purchase you make with your DLFCU Debit Card.



So next time you're asked 'debit or credit?' always choose credit to earn your CASH rewards and start saving today!

*One (1) \$1,000 cash prize will be awarded to two DLFCU members drawn randomly from qualifying members. To qualify, you must make \$1,000 or more in qualifying purchases using the credit option with your DLFCU Visa® Debit card. Cash prizes will be awarded each calendar quarter. DLFCU reserves the right to change prize amount or cease prize drawing at any time. Quarterly cash back rewards as follows: \$1,000 to \$2,499 in credit purchases = \$3 cash back reward; \$2,500+ in credit purchases = \$5 cash back reward. Member must be in good standing to qualify for cash back rewards and quarterly prize drawing. Quarterly deposit will be made in the following month after the end of each calendar quarter. Account must remain open to receive cash back rewards. \$1,000 in qualifying purchases must be made each month to remain eligible for rewards in that quarter. Qualifying purchases include only signature based and credit transactions. PIN based purchases do not qualify. Cash back based on member number, not household. All Visa® Debit Card qualifying purchases on eligible accounts will be combined to calculate qualifying purchase amount. All members with a DLFCU Checking account and a DLFCU Visa® Debit card are eligible for Debit Rewards. New accounts opened during contest period are eligible. Normal credit and other restrictions may apply. Please see a DLFCU Representative for details.

Invest in
America

Your credit union is a proud participant of Invest in America, a discount program that brings our members valuable savings on the things they use most. Credit union members can save big with trusted U.S. companies through various discounts. So, whether you're looking to save on something as large as a new vehicle or something as small as a bouquet of flowers, and many of the other things you need and use on a daily basis – Invest in America and your credit union have you covered!

Start saving today with these fantastic discounts! Visit LoveMyCreditUnion.org for more information.