

# Service means ... My personal financial information is protected.

We know that when it comes to your personal financial information, privacy is of the utmost importance. That's why we always respect your privacy by adhering to a strict privacy policy. But more than just telling you this, it's important that you know specifically what we're doing to keep our promise to you. Please take a moment to read this article outlining our current privacy policy. At Arizona Federal, service means that we handle *your* personal financial information with care.

## General Definitions.

The words "you" and "your(s)" mean every person that signs any Account Application or is authorized to make transactions regarding your account(s), including any account service(s). "We," "us," or "our" means the credit union.

## We respect the trust you place in us.

At Arizona Federal, we recognize that our relationships with our members are based on trust. As a member, you trust us with your financial and other personal information, and we are committed to respecting your privacy and safeguarding that information. We pledge to protect your privacy by adhering to the practices described in this section.

## 1. The Types of Information We Collect.

We only collect information about our members for lawful business purposes, or as otherwise required by applicable law.

We collect information about members from the following sources: (a) Applications for services, verifications, current and past employers, other forms and any communications you send to us including electronic messages from which we collect your name, addresses, phone numbers, social security numbers, financial data, birth date, gender and other information; (b) Transactions involving your accounts or services with us from which we collect information such as your name, account number, balance, payment history, parties to your transactions and credit card usage; (c) Consumer Credit Reports from which we collect information regarding your creditworthiness, credit history and account activity; and (d) Market Research Firms that provide us with a variety of information regarding our members such as the number of individuals in a household, home ownership, etc.

You agree that the telephone numbers, street and e-mail addresses provided in your Membership Application and Signature Card, or any other application or communication sent to us, are publicly available and will be used to provide notices, disclosures, statements, other communications (including but not limited to our responses to your e-mail communications) and offers for certain products or services.

## Arizona Federal's Web Site.

Use of our web site or linking to a site we sponsor requires the use of "cookies," which are small pieces of information a web site stores on a visitor's web browser to remind the site about the user the next time the site is visited. We do not store confidential or sensitive information through the use of cookies. Our use of cookies enhances our member's online transactions and eases navigation through our web site. For certain applications, such as online transactions, cookies are required to help protect the privacy of a member's transactions by, for example, terminating the session if the member forgets to log out. We collect e-mail addresses from members who request electronic services, and from users of our web site who choose to provide their addresses. We do not disclose cookie information to nonaffiliated third parties.

## 2. The Types of Information We Disclose.

We do not disclose any non-public personal information about our members or former members except as permitted by applicable law. To benefit our members, we share the

information described in Paragraph 1 within the credit union, and with certain trusted third parties described in this paragraph, who are obligated to maintain the confidentiality and security of your private information. We use the services of various third parties to assist us in offering financial services to our members. For example, we use the services of third parties for processing transactions using credit cards, checks, check cards, ATM cards and other access devices; for assistance in making loans, loan underwriting; processing loan applications; for appraising collateral and for processing our outgoing mail. We also work with companies that provide financial planning, investment services, extended automotive service contracts, personal and property insurance, credit counseling and retail automobile sales to members. *Fair and Accurate Credit Transactions Act:* The credit union may report information about your account(s) to third parties such as credit reporting agencies/bureaus. Late payments, missed payments, insufficient funds transactions or other defaults on your loan and share/draft account(s) may be reflected in your credit report.

We share information with our affiliate, Western States Financial Group, LLC. We may also share information when permitted by applicable law.

## 3. Security.

We are committed to taking every reasonable precaution to protect individual identifying information that you provide to us. We share non-public personal information about you only with employees who need to know that information to provide products or services to you. We also maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your non-public personal information.

## 4. Notices and Joint Relationships.

Except where expressly required by applicable law, we will provide all notices to the person (member) listed first on any application, agreement or other relevant document with us. The notice will be mailed to the address noted for said person on the application, agreement or other document. If this person (member) has agreed to receive notices and disclosures electronically, then we can send all such notices and notifications to the e-mail or Internet address provided by said person. All joint owners, borrowers and guarantors agree to the receipt and sufficiency of any notice or notification sent according to this paragraph.

## 5. Modification.

The credit union reserves the right to modify, change or amend this Privacy Policy and Agreement at any time without notice other than as expressly required by applicable law.

## 6. What Members Can Do To Help.

Protect your account numbers, card numbers, PINs (personal identification numbers) and passwords. In particular, never keep your PIN with your debit card or credit card, as that makes you vulnerable in the event you lose your card or your card is stolen. Use caution in revealing account numbers, social security numbers, etc. to other persons. In particular, if a caller tells you he/she is calling you on behalf of the credit union and asks for your account number, you should beware. Legitimate credit union staff would already have access to that information. It's important that the credit union has current information about how to reach you. If we detect potentially fraudulent use of your account, we will attempt to contact you immediately. If your address or phone number changes, please let us know.

## 7. Protecting Children.

We do not knowingly solicit or collect data from children and we do not knowingly market to children online. We recognize that protecting children's identities and online privacy is important and that responsibility rests with us and with parents.

# Member Advantage



Vol. 6, No. 2 • April 2005

Feature article: Gilbert Branch Now Open

Also in this issue: Is It Time for a Financial Check-up? Take a Vacation for Less

## Looking for an Easy Way to Access Extra Cash? Equity Line Offers Flexibility

A home equity line of credit (HELOC) is a perfect way to have easy access to money when you need it. A HELOC is simply an open-end, low-cost loan option for anyone with equity in their home.

### Why choose a HELOC?

Having a HELOC means that you can access the money you need, when you need it. You can borrow up to 100% of your home's value. Plus, Arizona Federal offers competitive HELOC interest rates, starting as low as 5.5% APR\*, to save you money.

### How can I use my equity line?

It's really up to you. Since it's a revolving line of credit, you don't have to use the funds for just one purchase. Some ways to use your equity line include:

- Home improvements
- Debt consolidation
- New or used vehicle
- Emergency fund
- College tuition

### What do I have to do to access my home's equity?

Opening your home equity line of credit is easy! Simply visit an Arizona Federal branch or call (602) 683-1736 and speak with one of our representatives. You can even visit [www.azfcu.org](http://www.azfcu.org) and click on "Apply for a loan online." There are *no* fees involved — no loan application, loan origination, document preparation or credit report fees. The entire application process only takes about 30 minutes!

### What other benefits are there?

Once you have opened your HELOC, you can draw from its funds over the next ten years. An Arizona Federal HELOC also no pre-payment penalties, which can help you reduce interest payments and avoid fees.

With tax season drawing to a close, you may be looking for ways to establish a tax break for next year. The interest on a HELOC may be tax deductible. Check with your tax advisor for details.

### What are you waiting for?

If you're looking for an easy way to access extra cash, come in, call in or click in today and learn more about how our home equity line of credit can work for you!

*\* Annual Percentage Rate. Rates are subject to change without notice. Certain conditions apply. Some loans may not qualify for no-fee product.*



Members' Auto Center Representative Anthony Torres greets members with popcorn.

## Nothing But Fun and Sun for Gilbert Grand Opening

After several weeks of uncommonly wet weather in the Valley, the sun decided to shine in Gilbert on the grand opening of Arizona Federal's 21st branch on Saturday, February 26.

Both members and non-members visited the new branch and enjoyed hot dogs, chips, popcorn and soda as they climbed the rock wall and entered a drawing for a plethora of prizes, including a \$250 savings deposit, a trip to Disneyland, various gift cards and a free pass to 24 Hour Fitness.

The Gilbert branch is located at 1675 E. Elliot Road, on the southeast corner of Val Vista Drive and Elliot Road.

With an emphasis on member convenience and fast, friendly service, the Gilbert branch offers a full-service branch, a four-lane drive-thru and two drive-up ATMs.

Branch hours are:

- 9 a.m. - 6 p.m. Monday - Friday\*
- 9 a.m. - 1 p.m. Saturday

*\* All branches open at 9:30 a.m. on Wednesdays.*

Visit the new branch the next time you're in our neighborhood!

## Member Advantage

Vol. 6, No. 2 • April 2005

is published quarterly for members of

Arizona Federal  
P.O. Box 60070  
Phoenix, Arizona 85082-0070

Editors: Kristin Leabo, Melissa Culbertson

### Audit Committee

Elizabeth Reynolds-Bissa ..... Chair  
Jeffrey Barton ..... Member  
Mary Modelski ..... Member

### Senior Management Team

Ronald L. Westad ..... President/CEO  
Ann Burns ..... Executive VP/COO  
Gary Ahlgren ..... Executive VP/CSO  
Amy Hysell ... Senior VP/Chief Lending Officer  
Dyan Mashman ..VP/Chief Technology Officer  
Therese Price ..... VP Research & Development  
Steve Kelley ..... VP Marketing

### Board of Directors

Jack Thomas ..... Chair  
Cathleen Gleason ..... Vice-Chair  
J.R. Pooler ..... Treasurer  
Kelvin Smith ..... Secretary  
Don Ayers ..... Director  
Tim Black ..... Director  
Tom Burgess ..... Director  
Roy Levenda ..... Director  
Monroe Warren, VAP\*, VLP\* ..... Director  
\*VAP = Volunteer Achievement Program designee  
\*VLP = Volunteer Leadership Program designee

## Branch Locations

### Phoenix

15625 S. 48th St.\*  
12401 N. Cave Creek Rd.\*  
2650 W. Ross Dr.\*  
7227 S. Central #1010\*  
300 W. Jefferson St.  
333 N. 44th St.  
5151 N. 19th Ave.\*  
2020 N. 75th Ave. (Inside Wal-Mart)\*\*

### Avondale

13055 W. Rancho Santa Fe Blvd.  
(Inside Wal-Mart)\*\*

### Chandler

1311 W. Chandler Blvd.\*

### Gilbert

1675 E. Elliot Rd.\*

### Glendale

5505 W. Bell Rd.\*  
5485 W. Northern Ave.\*

### Mesa

1457 W. Southern Ave.\*  
4403 E. Broadway\*  
1125 E. Southern Ave.\*

### Scottsdale

3396 N. Hayden Rd.\*

### Tempe

855 W. Baseline\*  
2700 West Baseline Rd. (Inside Fry's)\*\*

### Tucson

2900 E. Broadway, Suite 190  
1069 E. Silverlake Rd.

\*Saturday hours 9:00 a.m. - 1:00 p.m.

\*\*Saturday hours 9:00 a.m. - 5:00 p.m.

TouchTone 24: (602) 683-1234  
(1-800-523-4035)

[www.azfcu.org](http://www.azfcu.org)

© 2005 Arizona Federal



# Is It Time for a Financial Check Up?

Financial fitness is more than just having a savings account or being debt free — it's an overall concept that ranges from knowing how much income you need to achieve your goals to knowing how much money you will need to retire comfortably.

### Discover BALANCE

You don't have to be an expert to become financially fit. Practicing the basics of smart money management is all it takes for most people to reach their goals.



However, sometimes you have questions and you want to know that you are on track. That's why Arizona Federal has partnered with BALANCE Financial Fitness. The experts at BALANCE can help you identify the places in your financial "body" that need the most attention, then prescribe just what you need to become and remain financially robust.

As a benefit of Arizona Federal membership, you have access to the experts at BALANCE. Free budget and debt counseling is available Monday through Thursday from 5 a.m. to 8 p.m. (PST), Friday from 5 a.m. to 5 p.m. and Saturday from 8 a.m. to 5 p.m.

### Are you financially healthy?

Check your money management vital signs by asking yourself the following questions:

- Do you have financial

goals established? Are your goals current? Are you meeting them at the rate you would like?

- Are you setting money aside for emergencies?
- Do you have a positive net worth?
- Are your spending habits what you want them to be?
- Have you seen your credit report lately? Ever?

If you answered "No" to any of these questions, you may benefit from a financial check-up. Call BALANCE toll free today at 1-888-456-2227. Appointments are free, courtesy of Arizona Federal. You can also visit the Education Center at [www.azfcu.org](http://www.azfcu.org) for more information.

Arizona Federal will soon host two free education seminars presented by BALANCE. Seminar descriptions and registration information are in "News & Notes" on page 3.

## The Dictionary

Our quarterly feature focusing on *your* definitions of service.



The following excerpts are from letters we recently received that explain the way all of us at Arizona Federal are committed to providing service for the way *you* define it:

### Helping in a time of need

Many, many thanks to **Shirlee Hays, Lucy Guy and Kathy Rodriquez** at the **Bell Road branch**.

Early Monday morning on February 7, 2005 we received a phone call that my daughter, Merry, who lived in a small town in Texas was dying and might last only a few more hours.

After phoning for plane reservations and a rental car, I went to the Bell Road branch and got an emergency short term loan and traveler's checks. Shirlee and Lucy were so kind, giving me excellent advice and handling everything so quickly.

When I returned on Wednesday, I went back to the Bell Road branch and met with Kathy Rodriquez who put through a fast track 2nd mortgage to cover all of the expenses.

I am so grateful to these women for their expertise, extreme kindness and thoughtfulness.

- S. Bernstein, Glendale, AZ

### Consistently exceptional service

My husband and I (and now our children) have been members of Arizona Federal for approximately 10 years. In all of these years, I have had several occasions to contact your **Teleservices Department** for various questions or concerns.

*Without exception*, every time I have called, I have been treated with the utmost respect, courtesy and friendliness that make your institution the best I've ever done business with.

This morning I had reason to contact this department and spoke with **Gwen Carter**. Just like everyone else, she was friendly, gracious, responsive and pleasant. While Gwen is my most recent experience, this is not an exception, but the norm, when calling Arizona Federal.

In today's busy life, we sometimes forget to tell others when they have done a good job. Please pass my comments along and let your staff know they are appreciated and they are doing a wonderful job!

I could go on, but suffice to say, I am *very* happy with my association with your credit union and look forward to many years of the same.

- D. Harding, Mesa, AZ

*Do you have a service story to share?* Mail it to: Arizona Federal, Attn: Marketing Dept./Service Legends, P.O. Box 60070, Phoenix AZ, 85082; or fax to (602) 683-1946, or send an email to: [kristin.leabo@azfcu.org](mailto:kristin.leabo@azfcu.org), Attn: Marketing/Service Legends. Please include your account number and daytime telephone number.

## Highest Money Market Rates in Years

Our Money Market rates are the highest they have been in several years! To reflect changes in market rates and to increase returns to our members, our Money Market rates are increasing by 0.75%. These rates begin at 1.50% Annual Percentage Yield\* for average monthly balances of at least \$1000. \*Rates subject to change without notice.

# News & Notes

## Free Education Seminars in April

Two free member education seminars will be held this quarter presented by BALANCE:

- **Building a Better Budget**  
*Wednesday, April 20; 6:30 p.m. - 8 p.m.*  
*A budget is the most powerful personal finance tool. After identifying short-, mid- and long-term goals, participants learn how to design realistic spending and savings plans.*
- **Solving the Mystery of Credit Reports**  
*Thursday, April 21; 6:30 p.m. - 8 p.m.*  
*This seminar provides an overview of credit bureaus, credit scoring and the Fair Credit Reporting Act, as well as specific guidance on disputing inaccuracies, improving the credit score and dealing with identity theft and fraud.*

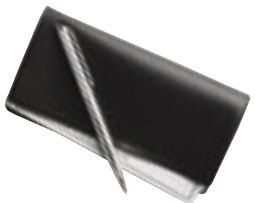


Both seminars will be held at Arizona Federal's Operations Center at 333 N. 44th Street. Light refreshments will be served. Space is limited; please call (602) 683-1032 at least seven days prior to the class date to register. For information about other services BALANCE provides to Arizona Federal members, see "Is It Time for a Financial Check-up?" on page 2.

## May is Direct Deposit Month

Along with other financial institutions across the nation, Arizona Federal is celebrating Direct Deposit Month this May. It's a chance to tell our members about the many benefits of participating in direct deposit. When you have your payroll or government-issued check deposited directly to your account, you don't have to wait in line to deposit your funds.

So why wait? If your company offers direct deposit, sign up today! Just give your payroll department your account number (from a voided check) and Arizona Federal's routing/ ABA number: 322172797. To have your Social Security check deposited, contact the Social Security department at 1-800-772-1213. It's that easy!



## Annual Meeting Set for May 25

The 2005 Annual Meeting will be held on Wednesday, May 25. Winners of the Board of Directors election will be announced. If you would like to attend this business meeting, please call Arizona Federal's Marketing Department at (602) 683-1032 for time and location information.

## Holiday Schedule

All Arizona Federal branches will be closed on the following dates:

- **Memorial Day**  
*Monday, May 30, 2005*
- **Independence Day**  
*Saturday, July 2, 2005*  
*Monday, July 4, 2005*

## Better Late Than Now: Defer taxes with a traditional IRA and make your money work for you

by **Daniel A. Mallen, CLU, ChFC**

Being late can be a good thing, especially when it comes to taxes — not late in paying due taxes, but in being able to *defer* your taxes.

There are several ways that the government allows you to defer taxes on your investments. In some cases you may even be able to withdraw money tax-free! The longer you can delay having to pay taxes, the longer your money is able to work for you.

This works especially well when you are planning for your retirement. In most cases, when you deposit money into a traditional IRA, you get an upfront deduction on your taxes. You'll pay taxes later when you use this money to supplement your retirement income; however, since you won't have a paycheck, you may be in a lower tax bracket.

Assume you are 30 years old and you make a \$4,000 contribution each year until you are 65. With an account that is taxable, your money grows to \$460,002, assuming an 8% return and a tax rate of 27%. If that money can grow tax-deferred, it will be worth \$585,218 — a total difference of \$125,216. It's well worth the time and effort to save money on a tax-deferred basis!

Is your money working as hard as you are? Start saving today for your retirement and let the IRS help you with tax deferrals.

Arizona Federal's investment representatives\* can help you plan your financial future by offering assistance with a wide range of financial options. To contact a representative, call (602) 683-1000 or 1-800-523-4603.

*\*Not NCUA insured- not insured by the credit union- may lose value.*

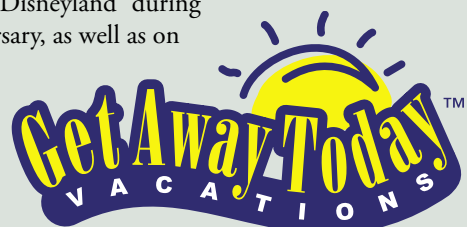
## Take a Vacation for Less!

Arizona Federal has partnered with Get Away Today Vacations™ to offer members discounted rates on vacation packages.

Get Away Today Vacations can help you save up to 50% on your next family vacation to Disneyland® during its golden 50th Anniversary, as well as on many other vacation destinations in San Diego, San Francisco, Hawaii, Las Vegas and Orlando.

Ask for a brochure at your Arizona Federal branch or visit their website at [www.getawaytoday.com](http://www.getawaytoday.com) to learn more about their great vacation packages for 2005.

When booking through Get Away Today Vacations, a portion of your vacation is donated back to local charities in your community. Call Get Away Today at 1-866-349-8747, or visit their website to book your vacation!



## New and Improved Rate Raiser Certificate

Beginning May 1, 2005, Arizona Federal will offer a new 48-month rate raiser certificate. This new certificate allows the rate increase option to be activated without additional funds being deposited or the need for a coupon. For more details on our certificates, call (602) 683-1000, stop by a branch or visit [www.azfcu.org](http://www.azfcu.org).