

Ahwatukee branch celebrates Grand Opening

Arizona Federal celebrated its newest branch on Saturday, December 13 with a huge Grand Opening and a warm welcome from the Ahwatukee community.

The branch officially opened its doors Monday, December 8. The following weekend hundreds of people gathered at the branch for food, fun and entertainment. Many people took time out of their busy holiday schedule to stop by and enjoy the celebration.

94.5 Kool FM broadcast live from the branch while Arizona Federal employees served hot dogs and soft drinks to attendees. Kids could play in a moonbouncer or sit for a face painting from Patti-Cake the Clown.

All attendees could enter to win a \$250 deposit into their savings account, tickets to the Phoenix Symphony or four pairs of tickets to ASU men's basketball.

The **Ahwatukee branch**, our eighteenth branch, features four drive-thru lanes as well as two

drive-up ATMs. A panoramic photograph of the Ahwatukee foothills is featured behind the teller line to represent the branch's community focus. The branch is also the first to feature our new branch layout, with an emphasis on member convenience.

"We are excited about the opportunity to extend our service to members and potential members in the Ahwatukee community," said Steve Kelley, Assistant Vice President of Marketing. "We're thrilled to already see such a

great response from the community."

The next location with this new branch design will be the **Deer Valley branch** at 27th Avenue and Ross (just south of Rose Garden Lane) near I-17 and Loop 101, which is expected to open mid-summer 2004.

A **Gilbert branch** at Val Vista and Elliot will follow and is targeted for the end of 2004. New convenient locations are just another way Arizona Federal strives to provide service the way **you** define it.



COO Ann Burns and Branch Services Supervisor Tim Johnson celebrate the Grand Opening by cutting cake for attendees.



The Ahwatukee branch is the first to feature our new branch layout that emphasizes member convenience.

Start investing early with a Roth IRA

As you prepare for retirement, it's a good idea to become familiar with all of the investment vehicles available to you.

Historically, retirement investors have been limited to contributing to a traditional Individual Retirement Account (IRA) or company sponsored 401(k) plans. However, in 1998 the Roth IRA burst onto the scene as a third option for investors looking to make their retirement years more comfortable.

Why should you consider investing in a Roth IRA?

In the case of the traditional IRA, contributions may be deductible. In addition, investors are not required to pay taxes on contributions or earnings growth as long as the money stays in the IRA. Contributions can be made to a traditional IRA until the

account owner is age 70, at which point he or she must begin taking mandatory distributions.

A Roth IRA, on the other hand, allows earnings on contributions to accumulate tax free for as long as desired. Investors in a Roth IRA will never have to pay taxes on the earnings portion of their contributions, provided the account owner is older than age 59 at the time of withdrawal.

Who is eligible?

Almost anyone who is actively employed is qualified to contribute to a Roth IRA. In general, single people with an adjusted gross income (AGI) of less than \$110,000 and married people with a combined AGI of less than \$160,000 are eligible to make at least partial contributions each year.

The maximum contribution to a Roth IRA for 2004 is \$3000 per year. However, if you

are at least 50 years old, you are eligible to make additional catch-up contributions of \$500 each year.

Is a Roth IRA right for you?

- A Roth IRA may be right for you if you:
- Participate in a 401(k) with limits on matching company contributions or with no matching company contributions.
 - Already make nondeductible contributions to a traditional IRA and have an investment horizon greater than 10 years.
 - Want tax-free payments to a beneficiary.
 - Want tax-free retirement income.

How do you get started?

Sit down with a SunAmerica Securities investment representative at your Arizona Federal branch to discuss your current situation and retirement goals. They can help you decide which type of IRA might be more effective in helping you fund your retirement.

To contact a SunAmerica representative, call (602) 683-1000 or 1-800-523-4603.

News & Notes

File your taxes online

Coming soon, you can again file your taxes online using Turbo Tax[®] for the WebSM from www.azfcu.org. Visit the website for pricing and availability.

Filing online can save you time and a headache. You can also have your refund deposited directly to your Arizona Federal account. To do so, you will be asked to provide Arizona Federal's routing number, which is 322172797.

TurboTax is a registered trademark and TurboTax for the Web is a service mark of Intuit Inc.



Keep your year-end statement

Your year-end statement contains important dividend information that you may need for tax purposes. Be sure to keep it and any other records in a safe place.

Scholarship applications due in April

We are now accepting applications for Arizona Federal's Bob Bresnahan Memorial Scholarship, a \$1,000 scholarship awarded annually to at least three graduating high school seniors.

The Bresnahan Scholarship is named in memory of the late Bob Bresnahan, who was a member of Arizona Federal's Board of Directors for more than 10 years.

To be considered for the scholarship, a graduating senior must:

- Be an Arizona Federal member in good standing
- Have a cumulative GPA of at least 2.5 on a 4.0 scale
- Plan to attend a college, university or community college as full-time student
- Submit a completed application and two letters of recommendation from instructors or employers by **April 5, 2004**.

Applicants will be reviewed by a committee of Arizona Federal volunteers based on GPA, financial need, understanding of credit union philosophy, community service and letters of recommendation.

To receive a scholarship application, visit any Arizona Federal branch or our website, www.azfcu.org or call (602) 683-1032.

Apply for a grant for your volunteer organization

Arizona Federal members who volunteered at least 25 hours for a single nonprofit organization during 2003 may be eligible to apply for a grant for that organization through Arizona Federal's Community Partners program.

Grant applications must be received by **March 1, 2004**. Applications are available in any branch, at www.azfcu.org or by calling (602) 683-1032.

Holiday schedule

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

- **Martin Luther King Day**
Monday, January 19, 2004
- **Presidents' Day**
Monday, February 16, 2004

For your convenience, branches with Saturday hours (see back page for locations) will be open on Saturdays during holiday weekends.

Board of Director petitions due Feb. 5

According to the bylaws of Arizona Federal, members who have joined the credit union by December 31, 2003, are eligible to run for election to the Board of Directors.

Candidates may be selected by a nominating committee or by submitting a petition signed by at least 500 Arizona Federal members. Biographical information on nominees selected as of December 31, 2003 is printed below. For petition information, call (602) 683-1031. The deadline for submitting a petition is February 5, 2004.

Donald D. Ayers*

An Arizona Federal member for 18 years, Don has served on the Board of Directors since 1991. Don is a Certified Public Accountant with an M.S. in Accounting from ASU. He served as the City of Mesa's Finance Director for 13 years. For the last five years, Don has served as the City of Mesa's Director of Tax and Licensing/Customer Service. Previously with the City of Tempe, Don has 40 years of accounting/management experience with public and private entities.

Having served on the Personnel, Finance and Executive committees for Arizona Federal, Don also served as Chairman for past three years. If re-elected to Arizona Federal's Board of Directors, Don says he would stress continued sound financial management and increased service to members by increasing the number of branches and ATMs available for the convenience of members.

J.R. Pooler*

A member of Arizona Federal for 37 years, J.R. Pooler has spent more than half of that time on the Board serving terms as Treasurer, Vice-Chairman and Chairman. He has seen Arizona Federal experience incredible growth in assets, service capacity and technological advancement while maintaining an emphasis on safety and soundness. That emphasis resulted in loan interest refunds to members of more than \$6 million over the last 5 years.

J.R. recently completed a 30+ year career as Engineering Manager for the City of Tempe. He has put his facilities expertise to work for the credit union by assisting in the strategic planning of expansion of our branch and ATM network, which will improve member service.

J.R.'s goals for the credit union include continued asset growth accompanied by increased investment in members through expanded services, simplified processes and applied technologies. He is committed to Arizona Federal's philosophies of "People Helping People" and "Safety and Soundness."

Kelvin D. Smith*

Kelvin Smith has been involved with credit unions for 34 years. He began his membership at Arizona Federal when he purchased a car and wanted to take advantage of credit union financing. Kelvin is heavily involved in community volunteer service by coaching children's soccer, baseball and basketball teams. He is a member of the Dean's Council for Extended Education at ASU. He has also served four years as a captain of a volunteer fire company in Pennsylvania.

Kelvin has been involved in serving the public for over 31 years and has just recently started his own business to provide financial guidance and management assistance to communications companies. If re-elected to the Board, Kelvin says he will continue to seek input from the members on current services and their desire for new services. He believes that by encouraging member input, we will be a credit union for the way the members define service, making Arizona Federal the best in the state. "My focus always has and will continue to be the safety and soundness of Arizona Federal as we continue into the next millennium. It is important that credit unions remain member oriented."

Raymond C. Temple Jr.

An Arizona Federal member for over 23 years, Ray's background includes a Bachelor of Science degree in Accounting, with over 24 years at the City of Phoenix. He has worked for the City Controller, Budget and Research, and spent the past 21+ years at the Fire Department. In his current position of Financial Services Manager, he oversees the Budget, Payroll and Ambulance Transportation Sections.

For several years, he volunteered and participated in the Arizona Federal Rep Program recruiting new members until he was appointed to the Arizona Federal Supervisory/Audit Committee in July 1992. Volunteering in this capacity the past 11 years, he gained valuable insight about credit union operations, functions, and NCUA rules and regulations, while assuring the "safety and soundness" of Arizona Federal.

The credit union and our members face tremendous challenges brought about by today's economy. Ray feels his financial background and extensive credit union service experience can be a valuable asset to Arizona Federal Board of Directors in its endeavors to improve the credit union and services to the members.

Clarence K. Walth

A member of Arizona Federal since 1986, Clarence was the Assistant Supervisor of the Appraisal Section, Right of Way Bureau for the Montana Department of Transportation, before being employed by the City of Mesa in their Real Estate Department in 1986. Clarence retired from Mesa in January of 1998 as the Property Acquisition Supervisor. In these positions it was necessary for Clarence to be knowledgeable in the Appraisal of Real Estate and the ability to negotiate with landowners and the public. Clarence also retired from the military after serving in Desert Storm.

With the increasing membership and expanding geographical location of its members, it will be necessary for Arizona Federal to provide additional branches, in order to better serve the members. If elected to the Board of Directors, Clarence feels that his Real Estate expertise would be an asset to the membership.

*denotes Incumbent

Protect your child's education at no cost to you

When it comes to laying the foundation for a child's success, there is no substitute for education. At Arizona Federal, we are pleased to tell you about a free program that could ensure coverage for the education of your children. For those who qualify, LifeBridge offers free life insurance coverage for the benefit of their children's education.

The Massachusetts Mutual Life Insurance Company (MassMutual) is offering free life insurance to cover an insured parent or legal guardian for a period of 10 years. Under the LifeBridge program, if the insured passes away during the 10 years of coverage, \$50,000 will be paid into a trust and used to further the education of his/her children. MassMutual pays the premiums for you.

For more information regarding the program and its eligibility requirements, call MassMutual at 1-800-272-2216.

THERE IS NO COST TO YOU OR YOUR CHILDREN, NOW OR IN THE FUTURE.



The Dictionary

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

Mailbag

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:

"On numerous occasions, **Becky Penne-Pack [Support Services]** has given me valuable information and answers regarding my IRA account and helped me with understanding the transfer of my 401(k). She is always very pleasant, available and knowledgeable. Her knowledge is not just on IRAs but covers all aspects of banking... She has been my lifesaver and I really appreciate her help. Thank you, Becky, for going out of your way to provide service to the members. This appreciation is way overdue!"
—*K. Stoops; Phoenix, AZ*

"I want to acknowledge the immediate response that was given to my request for help with training refugees on banking services. **Duryan Durocher** from the **Marketing department** of the credit union provided me with materials and information that I was able to use to educate new arrivals to the country on how to use our forms of money management and savings. He made a point of delivering materials to the closest credit union location to me so that I could quickly receive and use the materials in less than a week's time. This type of response is why I stay with Arizona Federal."

—*S. Mattson; Tempe, 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) 683-1907, or send an email to: melissa.culbertson@azfcu.org, Attn: Marketing/Service Legends. Please include your account number and daytime telephone number.

Member ADVANTAGE Vol. 5, No. 1 • January 2004

is published quarterly for members of
Arizona Federal
P.O. Box 60070
Phoenix, Arizona 85082-0070

Editors: Melissa Culbertson, Jennifer Moore

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




















































Audit Committee

Irene Morales Chair
Gary Gross Member
Monroe Warren Member

Senior Management Team

Ronald L. Westad President/CEO
Ann Burns Executive VP/COO
Jason Paprocki Senior VP Quality Service
Amy Hysell Senior VP/Chief Lending Officer
Dyan Mashman VP/Chief Technology Officer
Therese Price VP Research & Development

Branch Locations

| | | | |
|--|---|---|---|
| Ahwatukee 15625 S. 48th St. Phoenix, AZ 85044 Manager: Patri Sutton-Betzer |    | Greenfield 4403 E. Broadway Mesa, AZ 85206 Manager: Christy Hall |    |
| Baseline* 855 W. Baseline Tempe, AZ 85283 Manager: Kathy Steinert |    | In-Store (Inside Fry's) 2700 West Baseline Rd. Phoenix, AZ 85283 Manager: Tyrone Smith |    |
| Bell Road* 5505 W. Bell Rd. Glendale, AZ 85308 Manager: Danielle Miner |    | Mesa* 1125 E. Southern Ave. Mesa, AZ 85204 Manager: Tina Freeman |    |
| Cave Creek Rd.* 12401 N. Cave Creek Rd. Phoenix, AZ 85002 Manager: Shelly Visser |    | 19th Avenue* 5151 N. 19th Ave. Phoenix, AZ 85015 Manager: Kerstin Hamblin |    |
| Chandler 1311 W. Chandler Blvd. Chandler, AZ 85224 |    | Scottsdale 3396 N. Hayden Rd. Scottsdale, AZ 85251 Manager: Cathy Daniels |    |
| Downtown 300 W. Jefferson St. Phoenix, AZ 85003 Manager: Suzanne Kinslow |    | South Mountain 7227 S. Central #1010 Phoenix, AZ 85040 Manager: Kathy Steinert |    |
| Fiesta Mall 1457 W. Southern Ave. Mesa, AZ 85202 Manager: Paul Whetten |    | Tucson 2900 E. Broadway, Suite 190 Tucson, AZ 85716 Manager: Virginia Ortiz-Corona |    |
| Gateway 333 N. 44th St. Phoenix, AZ 85008 Manager: Jean Ogden |    | Tucson Community 1069 E. Silverlake Rd. Tucson, AZ 85713 Manager: Virginia Ortiz-Corona |    |
| Glendale 5485 W. Northern Ave. Glendale, AZ 85301 Manager: Anna Medrano |    | | |

 - Members' Auto Center  - ATM  - Drive Thru

* Saturday hours 8:30 a.m. - Noon

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

www.azfcu.org

© 2004 Arizona Federal



Vol. 5, No. 1 • January 2004

Member ADVANTAGE

Cover feature:

Pay bills online for free

Featured on page 4:

Free life insurance program

Also in this issue:

Board of Directors petitions due

Ahwatukee Grand Opening

Investing in Roth IRAs

Easy... convenient... free!

Arizona Federal announces free online Bill Pay

Forget writing checks and stamping envelopes. Online Bill Pay from Arizona Federal takes the hassle out of paying your monthly bills by allowing you to pay them online. Bill Pay has always been easy and convenient, but now it's also free.

Enjoy the comfort of knowing you're in

- **Schedule payments with ease.** Add both one-time and recurring payments.
- **Maintain flexibility.** Set Bill Pay to pay both fixed amount bills such as loan payments and variable amount bills such as your electricity bill.

If you're concerned with security, there is no need to worry. Your Bill Pay account is secure and your personal information is kept private.

Not only is Bill Pay convenient and secure, it also saves you time and money. There's no more wasting time writing out checks each month. You'll also save money by paying bills with a click of the mouse, instead of stamping envelopes.

Bill Pay paired with CU Online is the perfect way to stay organized in managing your finances.

complete control of your financial picture. Just tell us who, when and how much you want to pay. We'll make sure they get paid on the dates you specify. No sooner, no later. With online Bill Pay you can:

- **Pay anyone with a U.S. mailing address.** Set up payments whether it be a company or individual.
- **Create a payee list.** Keep track of all your payees, including account numbers and addresses.
- **Pay at your convenience.** Pay your bills whenever and wherever it's most convenient for you.

With CU Online you can view summaries of all your accounts, transfer funds from one account to another and even check your stocks! Add Bill Pay and you have complete online control of your finances.

Signing up is as easy as paying your bills! If you already have access to CU Online, just click the Bill Payment button to access the registration form. If you do not have access to CU Online, call (602) 683-1000 or 1-800-523-4603.

Start saving money and time by signing up for free Bill Pay today!

Vehicle financing features options, convenience

Financing a vehicle through Arizona Federal keeps getting easier. If you find yourself at a dealership ready to buy a vehicle, you can



now request Arizona Federal financing at many dealerships in Arizona!

Cruising into a dealership is the newest way Arizona Federal makes it easy for you to purchase a vehicle. When you've found the vehicle you're ready to buy, you can get Arizona Federal financing in three convenient steps:

1. Request Arizona Federal financing for your vehicle.
2. The dealer submits your loan to Arizona Federal and receives a decision while you wait.
3. If approved, simply sign your documents at the dealership and drive off the lot in your new vehicle!

Look for the Credit Union Advantage logo for Arizona Federal financing or view a list of participating dealerships online at www.creditunionadvantage.com.

Arizona Federal also offers options to simplify your car buying experience. Members' Auto Center saves you the time and inconvenience of visiting a dealer. Consultants act as your personal shopper, finding the vehicle of your choice and negotiating pricing. For more information on Members' Auto Center call (602) 683-1060 or visit www.membersautocenter.com. Save time by getting pre-approved for your loan by coming into any branch, calling (602) 683-1000 or clicking into www.azfcu.org. Whether you come in, call in, click in or now *cruise in*, Arizona Federal can finance your dream car!