

Notice of Revised Membership, Accounts and Account Services Agreement

Overview: Periodically, the credit union updates the Accounts & Services Membership Agreement to ensure the content is aligned with forthcoming changes in service offerings and changes to the rules and regulations that govern us. We have made changes to the Membership Agreement and this Change in Terms Notice is a recap of those changes.

What this means to you: Some of the changes clarify existing text. For example, text may be **bolded** to place emphasis on disclosures to help you make the right decisions about managing your account. Other changes include added text based on regulatory requirements.

Effective date: The revised Accounts & Services of Arizona Federal Membership Agreement will be effective July 24, 2006. You may obtain a copy of the revised agreement at any branch or by calling the credit union and requesting a copy be mailed to you.

Changes to the ACCOUNTS & SERVICES OF ARIZONA FEDERAL MEMBERSHIP AGREEMENT:

In the **Introduction** section, text has been added to inform you of our commitment to provide notification when we change or amend the **Membership, Account and Account Services Agreement**. Also added to this section is a statement about the **USA PATRIOT Act**. In the **Membership, Account and Account Services Agreement** section, text has been added to clarify your obligation to oversee and protect your accounts when you grant transaction authority to others. • In the **Membership Eligibility and Future Services** section, we state that biometric devices may be used for fingerprinting. • A new section has been added that describes **E-Checks** and your obligations if you or others with authority authorize an electronic version of a check payable from your account. • We have bolded the section **Transaction Limitations for All Share Savings and Money Market Accounts** to place emphasis on excessive withdrawal fees that you incur if share savings accounts exceed monthly transaction limits. • The **Overdrafts and Overdraft Protection Plan Agreement** section has been condensed to eliminate redundant information. • A new section, **Overdrafts and Government Benefits**, has been added to gain agreement about the use of funds in any of your accounts to pay overdrafts and debts, including government issued benefits when applicable. • The **Arizona Federal Overdraft Courtesy Agreement** section has been updated to reflect a change in the program eligibility requirements. • Text has also been added to the **Statements** section relative to the delivery of statements

to a fiduciary when applicable. You may now e-mail us through your CU Online account for **Address Changes**. • We have added a clause to the **Inactive/Dormant Accounts** section of the agreement to clarify dormant accounts and their association with other active accounts. • The section titled **Termination of Accounts and Services** has been enhanced to include text for bankruptcy, other insolvency, refusal to abide by the Agreement and violations to Credit Union policy, procedure, law, rules and regulations. • In the section **Information About Your Accounts and About You**, we have added a sentence about expediting transactions on your behalf by relying on requests from third parties. • Other additions include an agreement statement in the **Miscellaneous** section relative to account owner disputes and enhanced text about in the **Member Organization or Business Accounts** section about our reliance on the resolution document identifying the account owners. • The **Uniform Gift to Minors Act / Uniform Transfer to Minor Act** section has changed to clarify only one custodian and one beneficiary may be assigned per account and a requirement of the custodian to release the funds to the beneficiary. • The **Minor Accounts** section has been updated to disclose that only account owners have access rights to the account. • In the **Terms and Consent Applicable to Electronic Signatures, Contracts, Records, Mail, Facsimile and Other Services and Communications**, the Agreement section includes a statement about e-mailing us through your CU Online account. • Reference to Spyware has been added to the **Virus Protection** section. • In the **Electronic Records** section, an agreement statement has been added about our right to use electronic records versus original documents. • Added to the **E-Mail Communication** section is text about sending communications via facsimile and a statement about any account owner being able to change an e-mail address on your account. • An **Electronic Check Conversion** section has been added to provide you information about E-Checks. • The **Foreign Transactions** section has clarifying text about the International Transaction Fee. • We have added text in the **Service Limitations** section related to transaction restrictions from your share savings accounts and placed emphasis, again, on the excessive withdrawal fee. • In section three (3) of the **Funds Availability Disclosure**, we have clarified the term “repeatedly” relative to overdrawing an account.

Please refer to the revised Accounts & Services of Arizona Federal Membership Agreement for the specific terms and conditions, available after July 24, 2006.

Member Advantage

Vol. 7, No. 3 • July 2006



Feature article: **The credit union difference**

Also in this issue: Deposit rates are on the rise!
Defend yourself from identity theft

What is ‘the credit union difference’?

Why do you choose a credit union over a bank?

Did you know you *own* part of a local financial institution? As a member of Arizona Federal, you own a share of the credit union, much like a stock holder owns a share of a business. *But what does that mean to you?*

It means that, unlike a bank, you’re not a customer of Arizona Federal, you’re a member *and* an owner of *your* not-for-profit financial cooperative.

• **You have a voice regarding the direction of the credit union.** Each member is given an equal vote to elect our volunteer Board of Directors, regardless of the size of their account. The Board of Directors works to give money back to the members in the form of lower rates and higher dividends instead of worrying about stockholders.

• **We strive to reduce and eliminate fees, not add more.**



We no longer have membership fees, check cashing fees and low balances fees, just to name a few.

• **Each member-owner receives “preferred customer” treatment,** not just members with high balances. For example, we offer Visa® Platinum credit cards with rewards and no annual fee to *all* of our members.

• **Credit union members still enjoy conveniences** as well as a full range of products and services that banks offer. In addition, we strive to offer each member

personalized service the way *you* define it.

How can you continue to support “the credit union difference”? Recently, banks have been lobbying Congress to adopt legislation to restrict our services and subject credit unions to new taxes. It’s important for our members to understand the differences between a credit union and a bank and to choose to protect that difference.

Also, consider Arizona Federal your **first choice** for all of your financial needs. We offer everything for savings accounts and loans to mortgages and investment products. The more you use the credit union, the more all members — including you, our owner — benefit.

Visit ArizonaFederal.org or call us today at (602) 683-1000 to see how we can continue to help you reach your financial goals.

Looking for insurance? Now we can help!

As a member of Arizona Federal, you now have access to affordable, comprehensive insurance *plus* a team of experienced representatives to guide you to the coverage that fits your needs.

A bene“fit” for our members

Recently, we purchased The Arizona Group and formed **Arizona Federal Insurance Solutions** to serve our members’ insurance needs. As an established local insurance agency, **The Arizona Group** offers a full range of personal and commercial insurance services including:

- Auto Insurance
- Life Insurance
- Homeowners Insurance
- Business Insurance
- Boat Insurance
- RV Insurance
- And more!

Because you deserve it

Shopping around for the right insurance products is important, but it’s also a time-consuming and involved process. The Arizona Group is here to help you!

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

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*VAP = Volunteer Achievement Program designee

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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.*
2750 East Germann Rd. (Inside Wal-Mart)**

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.ArizonaFederal.org

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Defend yourself from identity theft

Most of us believe identity theft is something that happens to other people. Since it hasn't happened to us, we must already be doing enough to protect ourselves, right?

The unfortunate fact is identity theft can occur even if you *think* you've done everything to protect yourself. As Arizonans, **we live in the state that leads the nation in identity theft.** It's up to each of us to take extra precautions toward fraud.

Arm yourself

As an Arizona Federal member, you have access to valuable educational tools to help ensure you're practicing safe personal information handling.

Educating yourself is an important first step to protect yourself from fraud. Arizona Federal offers **free onsite educational seminars** (see page 3) and **several online articles in our Education Center at ArizonaFederal.org.**

Preventative action

You can take the first step toward added protection. Visit ArizonaFederal.org/IDefend to learn more about **IDefend** — an online identity theft program — and their comprehensive protection plan for purchase. You're also able to register for access to free educational



material.

The IDefend Plan provides participants with a comprehensive package of services including:

- Weekly credit monitoring
- A yearly credit report
- A personalized protection plan
- Fraud alerts
- A recovery assessment from a trained Recovery Advocate if victimized
- Up to \$20,000 in lost wage and expense reimbursement

You're able to purchase plans for individuals or families. The individual plan is only \$4.95 per month or \$49.99 a year (a savings of \$9.41 over the monthly rate). For the family plan, the purchase price is \$9.95 per month or \$89.99

a year (a savings of \$29.41 over the monthly rate). The Family Plan extends protection and recovery services to family members with the exception of the yearly credit report and monitoring.

Peace of mind

Just one criminal can do a significant amount of damage with relatively minimal effort. With minimal effort on *our* parts, we can protect ourselves and our credit.

Visit ArizonaFederal.org/IDefend to sign up for one of their protection plans today and feel confident that you're taking the next step in defending yourself from identity theft.

The Arizona Group offers insurance solutions to fit your needs

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The Arizona Group shares the same commitment to exceptional service that we do. Their agents are experienced, professional advisors that take a hands-on role in assisting members. They'll listen to your concerns, assess your needs and explain options to find you the right coverage.

You can relax while your agent is comparing the coverage and prices from

several insurance companies to find you the best value.

Additionally, The Arizona Group is conveniently based in the Valley, so they're already in your neighborhood and ready to serve you.

Let us do the work!

Learning more about the many insurance options available is as easy as logging into your computer. You can visit us online at ArizonaFederal.org and check

out our "Investment and Insurance" page to get an in-depth look into Arizona Federal Insurance Solutions.

Ready for a quote? At the bottom of each page you'll find, "To obtain a quote, click here." By filling in the provided form, you'll be contacting the agent who will actually be the person you'll work with. If you'd like to call, you can reach The Arizona Group at (480) 892-8755.

Keep your cool with Members' Auto Center

Summer in Arizona ... we all know it's HOT — but don't let that stop you from shopping for a different vehicle. You can stay off the hot asphalt and keep your cool with Members' Auto Center (MAC), your one-stop auto buying service at Arizona Federal!

Knowledgeable and friendly, our Members' Auto Center consultants will handle all aspects of your purchase or lease.

Your individual consultant will schedule time with you to review your priorities, personal needs and budget, then go to work — *for you*. They'll use their vast buying power to secure you the best value. There's no need to negotiate!

With Members' Auto Center, you can relax and let your consultant take care of you ... *and they'll even bring the vehicle to you!* *Now that's how to keep cool this summer!*



You don't have to sweat over the financing

With our online loan application at ArizonaFederal.org, you can submit your loan request and receive a response in as little as 90 seconds!

You can also apply for a loan by visiting your local branch or calling our loan line at (602) 683-1000, option 2 or 1-800-523-4603, option 2 (available 24 hours a day).

What are you waiting for? Visit MembersAutoCenter.com to view current inventory and contact a consultant. You can also reach a MAC consultant at (602) 683-1060.

News & Notes

Free education seminars in July

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

- **First Time Home Buyers (presented in Spanish)**
Monday, July 24; 6-7:30 p.m.
The preparation for homeownership begins long before the purchase actually takes place. This workshop covers pre-purchase issues such as budgeting; determining how much house is affordable; saving for down payment and other costs; credit reports; and debt-to-income ratios as well as the mortgage lending process.
- **Understanding Credit (presented in Spanish)**
Tuesday, July 25; 6-7:30 p.m.
Learn what lenders look for when approving credit, factors that impact your ability to qualify for credit, how credit is scored and the impact money management has on your future credit standing.
- **Identity Theft (presented in English)**
Wednesday, July 26; 6-7:30 p.m.
This presentation provides an overview of common identity theft practices, tools for preventing identity theft and specific steps for victims of these kinds of crimes to take in order to minimize damage.
- **Understanding Credit (presented in English)**
Thursday, July 27; 6-7:30 p.m.
See above description.

The seminars presented in Spanish (Monday and Tuesday) will be held at the Friendly House at 802 S. 1st Avenue in Phoenix. The seminars presented in English (Wednesday and Thursday) will be held at Arizona Federal's Operations Center at 333 N. 44th Street.

Space is limited; please register online at www.ArizonaFederal.org or call (602) 683-1556 at least seven days prior to the date to register.

Scholarship winners announced

Congratulations to this year's winners of the Bob Bresnahan Scholarship Award: **Yvette Herrera**, Pueblo Magnet High School; **Tamra Kasprzyk**, Gilbert High School; **Richard Madison Haynie**, Westwood High School; **Amanda N. Smith**, McClintock High School; **Gabrielle Winston-McPherson**, Mesquite High School.

Since 1992, Arizona Federal has awarded the Bob Bresnahan Memorial Scholarship to deserving high school seniors who are Arizona Federal members. Each winner will receive \$1,000 to be used for education expenses at an Arizona college or university.

This scholarship was established to honor long-time Arizona Federal board member and City of Mesa employee Bob Bresnahan, who passed away in 1991.



Yvette



Tamra



Madison



Amanda



Gabrielle

Watch for future editions of the *Member Advantage* to find out how to apply for the 2007 Bob Bresnahan Memorial Scholarship.

Election results

The results of the 2006 Board of Directors election were announced at the Annual Meeting held on April 26, 2006. Elected to three-year terms were Tim Black, Tom Burgess and Monroe Warren.

As a not-for-profit financial cooperative, Arizona Federal is managed by a volunteer Board of Directors who work to ensure that the interests of the members are being served and protected.

Officers for the coming year are: Cathleen Gleason, Chair; Kelvin Smith, Vice Chair; Monroe Warren, Treasurer; and J.R. Pooler, Secretary.

Deposit rates are on the rise!

Our Money Market rates increased by 0.75% APY on July 1! Our Money Market accounts are like our share savings accounts, but they earn higher dividends with average monthly balances of only \$1,000 or more. With no monthly fees, dividends paid monthly and a tiered rate structure, you can actually watch your savings grow! Additionally, our share savings and checking rates increased by .50%.

Holiday schedule

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

- **Independence Day - Tuesday, July 4, 2006**
- **Labor Day - Monday, September 4, 2006**
- **Columbus Day - Monday, October 9, 2006**

Improvements to your Visa® card means more convenience for you!

This August you'll notice some improvements to the way your Arizona Federal Visa® credit and debit cards work.

Your credit card payments and transactions will be processed instantaneously, rather than the next day as they currently are. This real-time processing gives you up-to-date information on your available balance.

You can also enjoy the convenience of **changing your PIN at an ATM** (if you know your current one), avoiding a trip into a branch to do the same thing.

We'll also keep you informed of other useful

improvements made to your Arizona Federal Visa cards in the future.

Visa logo gets facelift

Visa International has updated their famous blue, white and gold logo to a simpler image:



Over the next few years, our members will see more and more of the new logo as Visa check cards are issued. Whether your card sports the old logo or the new one, you can expect the same high standards and service.