Dear Member,

I am pleased to report to you that 2010 has been a pleasant surprise for your credit union. We are both growing and being more profitable than I had budgeted for! I would expect that trend to continue for the remainder of the year.

We are still in a very troubled and volatile financial market. Mergers, consolidations and liquidations continue to increase at an alarming pace for both banks and credit unions. I am afraid that this trend will continue for several more years. I hope the pace slows down, but the trend will continue!

The Corporate Credit Unions remain a troubled area also. Our corporate, Members United, has had to discount our shares deposited with them by about 90%. That means that we will have approximately a hit to our bottom line of around $181,500 that will be discounted in the next 90 days. After that happens, we will have only $22,500 that they can take from us at a future point in time. Just remember that ALL credit unions that are associated with Members United will take the same percentage of hit to their shares. It is nothing we did wrong or had any control over, it is just the way it is and is a direct result of their investment portfolio being devalued. The good news surrounding this is that we have already made $382,398 of net income in the first 5 months of 2010. We can absorb the hit and still stay in the positive net income for the year. I have also been setting aside $15,000 of net income each month in preparation of the NCUSIF assessment that NCUA will make sometime later this year. That amount does not show up as net income, so we are doing very well so far this year! These 2 issues illustrate how unsteady the financial market is!

Your credit union is doing well! We want to be your anchor through these difficult financial times. Check us out and see what we can do for you! As always, we want to be your one stop financial center!

Sincerely,

Doug Thompson, President/CEO

Aberdeen Federal Credit Union Privacy Policy

At Aberdeen Federal Credit Union your privacy is our top priority. This notice describes how we protect the privacy of your personal information. Aberdeen Federal Credit Union collects nonpublic personal information about you from the following sources:

• Information we receive from you on applications and other forms.
• Information about your transactions with us.
• Information we receive from consumer-reporting agencies.

We DO NOT disclose any nonpublic personal information about you to anyone, except as permitted by law.

If you decide to terminate your membership or become an inactive member, we will adhere to the privacy policies and practices described in this notice. Aberdeen Federal Credit Union restricts access to your personal account information to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic information.
Update on New Regulation Changes
Effective August 15, 2010, we will no longer charge members for NSF fees incurred by using your ATM/Debit Card.

In our previous newsletter we stated that we would be mailing an “opt-in” form for all members to sign if they wished to have their accounts handled as they have in the past. This form will not be necessary, as we have decided that the best option for our members is not to charge fees for ATM/Debit card purchases that would overdraw their accounts. We want to stress, however, the importance of keeping a good record of ALL transactions on your account and subtracting them from your balance. If you have overdraft protection set up on your checking account, this will continue. If you would like to update your elections or apply for an overdraft protection loan, please contact the credit union today.

Aberdeen Federal Credit Union Relay for Life Team Makes Bronze Status
Aberdeen Federal Credit Union raised a total of $4,457.82 this year to earn a Bronze Team Status. Thank you for supporting our members and for an overdraft protection loan, please contact the credit union today.

New changes with It’s Me 247 Online Banking
A new security feature has been added to It’s Me 247. If you do not log in to your account at least every 90 days, your password will become disabled. Please contact the Credit Union to have your password reset.

Overdraft Protection Transfer Notices
Effective July 12, 2010, we will be sending our Overdraft Protection Transfer Notices in the mail or by e-Notice. A great feature is available on It’s Me 247 Online Banking called e-Alerts. There are several e-Alert options to help you manage your accounts, such as: Account Balance Notices and Loan Payment Reminders. You can set up an e-Alert to send a message via email or by a home banking message. To sign-up for e-Alerts, log into your account in It’s Me 247 and click on the Mail Center and then select e-Alert Subscriptions. We will still be sending out Non-Sufficient Funds Overdraft Notices in the mail or as e-Notices.

Tips on Using Your Debit Card
When you are going to pay for something at a business, you usually have several options of what form of payment you would like to make. For example, debit card, credit card, cash, check, etc. Every business is different on how they accept payment. That’s why it is always a good idea to carry a couple methods of payment, especially if you are traveling.

Both debit and credit cards have their own advantages when using for payment, but it is important to know the right place to use them. A debit card is a quick and convenient form of payment that comes directly from your checking account. A credit card is not linked to your bank account and there are different terms and conditions to each card. A credit card may also offer different protections, such as extended warranties or additional insurances on purchases. But it is also easy to rack up your credit card balance and to leave the worrying of paying for it later. If you don’t pay off your credit card each month, you will have to pay interest on what you owe and you will end up paying more money for your purchases.

When you are shopping online, use a credit card. When you use a debit card, it is linked to your checking account and you have potential for vulnerability if you don’t have a credit card, AFCU has a great product called Debit Pass, which is a re-loadable debit card that is not linked to any accounts. You simply re-load the card as you go. It is a Visa card, so you can use it anywhere Visa is accepted.

When you are checking into a hotel, make sure you use a credit card. Hotels will place a hold on your account to cover incidental fees. If you are using fund will be available to you and will not become available for a few days. When you are paying for gas, be careful when paying at the pump. Some gas stations will put an automatic hold for $75.00 or more on your card. Go to the cashier to purchase instead.

When you are at a restaurant, this is a tricky situation, because you have to let your card leave you in some instances. Try not to let your card leave your sight and see if you can go with the cashier to make payment. Some other problems faced with restaurants are debit card holds. Some places will put a hold on your account for more than your purchase, in case you leave a tip. That hold could freeze your funds in your account for a few days until it falls off.

Phishing Scams
What is Phishing? Is it going out on a boat trying to land a big one and having the tale of a lifetime? Well if that is what you are hoping for, you are wrong in this case. Phishing is a technique used by scammers all over the world. Scammers attempt to steal information that holds some sort of important value. The information scammers want to gather are credit card numbers, debit card numbers, social security numbers, user names, and passwords in the attempt to steal your identity. One of the ways they attempt to do this is by Phishing. Like fishing in a river or lake these scammers phishing over the Internet with bait that is similar to other sites. Scammers who Phish will attempt to duplicate a site in hopes that you will enter your personal information and send it to them. The sites used are typically identical to the site you would normally visit. Now you may ask yourself the question, “How would I get to the scammers site?” Scammers will get you to bite their email through instant messaging and Social Media. Scammers are also getting involved with social media, by becoming people’s friends and sending links for users to visit in hopes to direct them to a phishing site. When scammers send out emails it will usually say something about your account needing to be re-submitted. When you click on the link to fill the information out you are taken to a fake site that has been set up to steal whatever information you are about to input. This is how scammers get your personal and financial info. It may even just erase the form in an attempt for you to input the information again. VeriSign has recently sent out a link to see how many people can identify a Phishing site. Please take the time to look at this survey and see what you can learn about how to be looking for in order to know you are secure on the web. This is a great way to protect your information on the Internet. Don’t be caught by someone who is phishing, visit https://www.phish-no-phish.com/today/!

Is your Child Ready?
Is your child ready to handle their financial future? Probably not yet, but with your help and help from your Credit Union they will be well on their way. The first step is to open a membership for your child. It is never too early to teach your child about relationships with the Credit Union. A $5.00 deposit gives your child ownership in the Credit Union. For our youth member’s ages 0-12, we call it a Pee Wee Savings Account. They will receive a newsletter quarterly and be invited to fun activities throughout the year! When your child is ready, a checking account may be great option for them to open. Your youth member’s new account is a great opportunity to show your child how to learn how to manage their money. AFCU also offers for our Gen Y member’s ages 13-25 a Gen Y Certificate of Deposit. To open this certificate you only need a deposit of $200.00 and your child will continue to add to the certificate in increments of $25.00. This is a great tool to teach your child the value of saving money. Stop by the Credit Union today to get your child started! Remember, it is never too early to teach your kids financial responsibility!