



Member News

CARTER FEDERAL CREDIT UNION

3rd Quarter 2004

Our Mission: To improve our members' financial well-being

Online

Access your account information
www.carterfcu.org

Local Access

Telephone Numbers

24 Hour Audio Response System
(318) 382-1109

Magnolia, AR area
(870) 234-1964

Mansfield, LA area
(318) 872-2711

Minden, LA area
(318) 382-8400

Monroe, LA area
(318) 388-8858

Shreveport, LA area
(318) 688-3620

Springhill, LA area
(318) 539-3502

Toll free
(800) 367-5026

Branch Locations

Seven full service branches
to serve members

- 100 W. Church St., Springhill
- 6885 Bert Kouns, Shreveport
- Bayou Walk - Kroger
6652 Youree Dr., Shreveport
- 1204 Polk St., Mansfield
- 3210 Concordia Ave., Monroe
- 45 Hwy 79 N., Magnolia
- 918 Homer Rd., Minden

THE RIDE OF A LIFETIME

50 Fabulous Years and Counting!



Carter Federal Credit Union has been faithfully serving our members since 1954. Can you believe it's been five decades?

Part of the secret of our success is the wide array of consumer-friendly services offered by Carter Federal and the loyalty and dedication of our members.

New and Used Auto Loans

As low as **4.25% APR***
for up to **72 months**

**Checking Accounts with FREE Checks,
a FREE VISA Check Card and
Low or NO monthly fees.*****

Ask about Business Checking and
other business related services.

**High-Dividend Certificate Accounts
3 year certificate special
2.80% APY****

*Annual percentage rate. **Annual percentage yield.
*** Free checks are only available with Carter Gold and Plus Checking Accounts.
Members must apply and be approved for Carter Federal's Free VISA Check Card.

Home Equity and Mortgage Lending

Ask about a Carter Federal
Home Equity Line of Credit

- College education
- Dream vacation
- Debt consolidation
- Home improvements

Win a Traxter ATV!

This incredible four-wheeler has the greatest pulling capacity of any quad available today; with an easy-to-operate, 5-speed thumb-shift transmission.

We're also giving away several 21" remote control Traxter ATVs, a smaller version of our full size Traxter.

Register at any branch location or from our web site at www.carterfcu.org.



BREAKING NEWS

Carter Federal Opens New Branch

Carter Federal is pleased to announce the opening of our second Shreveport branch. Located inside Kroger at the Bayou Walk Shopping Center.

See page 4 for more information.

A Message from the President



Janice Hollar

President & CEO

Your Credit Score is Important

Many people take their financial affairs for granted. Depending on the circumstances going on around us, sometimes we pay more or less attention to how quickly we pay our bills.

Well that can make things expensive when we want to make a new purchase. Today, many lenders will make loans to people with less than perfect credit, including Carter Federal Credit Union, but we want you to know how to get the best rate possible.

Credit scoring is widely used in financial institutions today. It helps a lender assign risk fairly, without bias to everyone, based on the same criteria. Credit scoring does not consider race, religion, age or where you live.

If you have a poor credit score, it causes you to pay more for credit, because the statistics show lower scores result in more risk for the lender. Almost weekly, I see inaccurate information about credit scoring in the media. We dedicate a good portion of our lending staff time to helping our members understand their credit score, and how to improve it. We want to give you the best rate possible!

At CFCU we use a FICO scoring model, the most widely used in the industry. Here's a broad overview of how it works:

About 35% of your score is based on your track record.

That is — how timely do you make your payments? It's one of the most important factors in your score.

Next, is how much is owed, which is worth 30% of your score. Some of the factors here include the ratio of how much credit you have to how much you owe. Also, the portion of installment loans still owing is considered. (For example have you paid down 80% of the last car loan, or only 10%?)

The length of credit history is worth 15% of your score. If you have had a credit card for 10 years, that's great — pay it on time and keep it open even if it has no balance. If you're just starting out, it takes time to build long-term relationships — but your credit union will help!

Next, the amount of new credit is worth about 10%. The score takes into consideration how much new debt you are taking on by looking at the amount of new debt, how many new accounts you've opened, and how long its been since you've opened a new account.

And finally the mix of credit is worth 10%. This measure includes what kinds of accounts you have and how many of each do you have.

If you would like to do some research on your own, visit www.myfico.com.

Please take the time to speak to your favorite CFCU lending staff member about your credit score. The best way to be sure you won't have to wait is to call and schedule an appointment, but of course you are welcome ANY time!

Check 21 and You

Check clearing will soon become more efficient.

Here's what you should know about it.

Starting in October 2004, federal law will recognize a new type of payment document called a "substitute check" that will be used for clearing and settlement. The Check Clearing for the 21st Century Act, the law that makes this possible, will permit quicker processing of checks by allowing the receiving financial institutions to treat an electronic image the same as the check itself. The government, media and industry call this new ability, Check 21.

More Efficiency, Better Service

With Check 21, credit unions can now fully implement the efficiency of electronic transmission by taking a picture of the check or creating a legal "substitute check," then transferring it electronically rather than transporting it via truck, train or plane. This new efficiency will have many significant benefits:

- Checks will clear faster
- Check fraud will decrease
- Security will increase
- Check processing will cost less



Here's What to Expect

- Members who request an original check can expect to begin receiving substitute checks. The substitute check will contain an image of the original check and will bear the legend; "This is a legal copy of your check. You can use it in the same way you would use the original check."
- Substitute checks are required to accurately represent all the information on the front and back of the original check.
- Substitute checks are the legal equivalent of an original check for all purposes, including any provision of federal or state law.
- Members who believe a substitute check was not properly processed may be entitled to a credit for the amount of the check pending an investigation.
- Check 21 will significantly reduce the amount of time required to move money out of your account and pay recipients of your checks. So your checks will clear faster and you will need to keep closer tabs on your accounts to make sure funds are available on time.

For more information on Check 21 and what its implementation will mean for you and your family, call or drop by any Carter Federal location.

Carter Federal Implements New Call Center

Did you know your credit union receives over 12,000 calls per month? That's a LOT of calls! If you've been a regular caller, I guess you already know we were having some difficulty managing the call volume! We were doing our best at having the same employees answering your phone calls and helping you in the branch, but it was frustrating for everyone.

To better meet your needs, Carter Federal has implemented a new state-of-the-art Call Center, managed by veteran employee Peggy Matthews. It's the first of its kind in Louisiana!

What is so state-of-the-art about this Call Center? It is a 'virtual' call center; connecting employees through our new computer system. Rather than spend precious credit union resources on a facility to house new employees in one location, we have assigned some of our best employees from six different cities to staff the call center from their normal home branch.

Now when you call, the software routes your call to the next available representative, wherever he or she is. Only employees who are the most knowledgeable, competent, and highly trained are selected to work in the call center, because it is our goal to answer ALL questions and handle almost any transaction via the call center representatives.

"Since its inception, the new call center has been very popular with staff and members alike" says CEO Janice Hollar. "It's so easy — press 4 for a teller or 5 for a lending representative. Employees feel that it has given them the opportunity to give members who come into the branch their undivided attention, with little or no phone interruptions. And members using the call center recognize they are speaking to a qualified Carter Federal employee who can handle their transactions quickly, accurately and efficiently."

When you call Carter Federal, you will choose from the following options menu:

OPTION	SERVICE
3	24 Hour Audio Response System
4	Teller Services & Account Info
5	Apply for a Loan
6	Collections or Past-Due Loans
7	Report Lost/Stolen VISA <i>Check Card</i>
8	Report Lost/Stolen VISA <i>Credit Card</i>
9	Merchant Verification

Get a Loan Fast!...*By Phone*

Choose option 5 from the main greeting to speak to someone in Carter Federal's Loan Department.

The Loan Representative will work with you to complete the application and you will get a decision within 24 hours.

No matter where the Loan Representatives is, your paperwork and funds will be at the branch you choose. In many cases, your signature is not needed at all.

All Carter Federal members can apply for a loan by phone. So, if you need a loan FAST, give us a call!

SHREVEPORT AREA:	318-688-3620
MINDEN AREA:	318-382-8400
MANSFIELD AREA:	318-872-2711
SPRINGHILL AREA:	318-539-3502
MONROE AREA:	318-388-8858
MAGNOLIA AREA:	870-234-1964

Call us using any of the local numbers above.

NO LOCAL NUMBER? CALL TOLL FREE! . . . 800-367-5026

Clip and Save!

Carter Federal Credit Union: Your New Home for Home Loans

You count on Carter Federal to provide you with great financial services such as checking accounts, auto loans, and savings instruments. Now we're your single source for home financing as well.

Through our relationship with CU Members Mortgage, a leading supplier of mortgage services to credit unions in the nation, you now have access to more than 150 different home loans for every stage and style of life — all with great rates and terms. Plus, you may be able to take advantage of special offers other mortgage lenders don't have, like real estate commission rebates to save you hundreds of dollars when you buy or sell a home.*

Whether you're a first time home buyer, are moving up, are looking for investment or vacation property, or just want to refinance your current mortgage at a lower rate, Carter Federal can help.

We make the application process easy, from pre-qualification to final closing. You can apply two ways: in person at one of our branches or online at www.carterfcu.org and receive a firm loan decision in just minutes. You'll also find helpful tools like refinance and payment calculators, loan comparisons, rent vs. buy calculators, and a helpful glossary of mortgage terms. We offer the most advanced online application in the industry, as well as round-the-clock online access to your mortgage account to check payment history, escrow balances, tax and other important information.

At Carter Federal, our goal is to meet your needs, now and in the future.

We're pleased to add home loans to our wide portfolio of financial services, and look forward to helping you realize the dream of home ownership with the widest choice of loan programs and added values available today.

*Rebate not available in all states.



Newest Carter Federal Branch Opens

Carter Federal's newest branch is now open to serve members. Located in the **Bayou Walk Shopping Center Kroger at 6652 Youree Drive**, this full service branch provides another location for members in the Shreveport area, and another option for non-members looking for a strong, consumer-friendly financial cooperative.

The branch hours will be **9 a.m. to 6 p.m., Monday through Friday**. Walk-in access is also available on **Saturdays from 9 a.m. to 3 p.m.** Since the Bayou Walk Kroger is a 24-hour location, a full service walk-up Carter Federal ATM is available when the branch is not open.

Carter Federal also recently opened a magnificent new full service facility in Magnolia, Arkansas, which replaced a temporary location.

The next time you're in either area, stop by and visit Carter Federal's newest branch.



New Shreveport Branch
Kroger at Shreveport's Bayou Walk • 6652 Youree Drive
MON-FRI 9 am to 6 pm • SAT 9 am to 3 pm

Protect Yourself from Financial Liability

For most families, a vehicle represents their second largest investment and financial obligation. So it makes sense to take every measure possible to protect that investment, and the financial liability that can accompany it.

That's why Carter Federal offers several consumer-friendly plans that help do just that. Before you purchase an extended warranty, GAP coverage or credit/disability insurance, contact your credit union for a no-cost analysis.

Mechanical Repair Coverage

Often called an extended warranty, Mechanical Repair Coverage kicks-in after the vehicle manufacturer's warranty expires, helping you avoid costly repairs and maintenance.

There are three levels of coverage (Silver, Gold and Platinum), each providing the most comprehensive coverage.

Remember, Mechanical Repair Coverage must be purchased **BEFORE** the last month **AND** last 1,000 miles of your manufacturer's warranty. For more information, contact the credit union.

GAP Insurance

Guaranteed Asset Protection (GAP) pays the difference between your primary auto insurance carrier settlement and any outstanding amount remaining on your auto loan if your vehicle is stolen or declared a total loss. For instance, if your vehicle is totaled and you owe more on your auto loan than the insurance company awards you, GAP will cover the difference.

Check with a Carter Federal loan representative for more information. This low-cost coverage can easily be added to your monthly auto loan payments.



Payment Protection Insurance

Often referred to as Credit Disability, payment protection insurance makes a member's loan payments, up to the maximum coverage limits, should they become totally disabled due to sickness or injury while insured.



Carter Federal also offers Credit Life insurance, which pays-off a member's outstanding loan balance, up to the coverage limit, if the member dies while insured. Your credit union loan representative has all the details.



Get Away For Awhile...



From Your Monthly Auto Loan Payments

Rates as low as

4.25%

APR*

up to 72 Months

And DEFER
your first payment for up to
90 DAYS!*

Drive a New or Used Vehicle with an Auto Loan from your Credit Union

Stop worrying about how rising gas prices and that broken-down family car is going to affect your summer vacation. Carter Federal Credit Union can help you find the cash to fund a little fun this year.

Take advantage of some of the lowest vehicle financing rates in nearly 40 years. It doesn't matter if you are shopping for a new or used vehicle, or want to refinance an auto loan from another institution, Carter Federal has a deal that will get you rolling!

Are You Paying Too Much At Another Institution?

When you finance a new or used vehicle, boat, RV, camper, motorhome, motorcycle and more...with your credit union... or refinance an existing auto loan from another institution with Carter Federal, you can wait 90 days before making your first payment!

Get the same low rate on new or used cars, trucks, vans, or SUVs...and even motorcycles, boats, campers when you refinance your loan from another institution. Then, take 90 days to make your first payment. Take the cash you would have used to make your first payments and add some action to your summer!

Don't Get Left Behind This Summer!

Call Carter Federal to learn more about financing a new or used vehicle, and taking a vacation from your loan payments. You can also apply online at www.carterfcu.org, or stop by any Carter Federal branch and visit with a member service representative.



SAME LOW RATE FOR...

- New Car Financing
- Used Car Financing
- Refinancing from another lender

Including:

- Cars
- Trucks
- Vans
- SUVs
- Boats
- Recreational Vehicles
- Campers
- Motor Homes
- Motorcycles



* Annual percentage rate. Membership eligibility required, along with approved credit. Your interest rate and term will be determined by your credit qualifications. Special three month deferral offer applies to vehicles not already financed at Carter Federal Credit Union. Not every member will qualify for the lowest rate. Visit with a CFCU loan associate to determine your rate. Hurry, this offer may be withdrawn anytime. Interest will continue to accrue during 90 day deferral period.


JUNE 2004 STATS

Assets	\$116,257,327
Shares	\$99,442,095
Loans	\$90,250,798
Members	18,439

HOLIDAY CLOSINGS

Labor Day	Monday, September 6, 2004
Columbus Day	Monday, October 11, 2004
Veterans Day	Thursday, November 11, 2004
Thanksgiving	Thursday, November 25, 2004
Christmas	Saturday, December 25, 2004

NCUA Each account is insured up to \$100,000 by the National Credit Union Administration, an agency of the federal government.

 We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act



BE WARY OF *Pay Day Lending*

Need a loan? Whether it's a matter of tapping the value of your toaster, your paycheck or even the equity in your home, look carefully at payday loan terms before you sign.

Payday loans, also known as a deferred deposit service, are loans issued against a paycheck. These are short-term, small loans that typically range from \$100 to \$500.

To get one, you write a postdated check for the amount desired, plus a fee. The check casher or payday lender holds the check until you are paid. On payday, you take cash to the lender and exchange it for your postdated check, or you allow the lender to deposit the check. If you do not show up with cash, the lender cashes the check.

To have the lender hold the loan for another pay period, you pay the fee a second time and the loan rolls over. Therefore, if you pay a \$15 finance charge, the loan carries an annual percentage rate of 391%.

and you roll the loan over three times, you wind up paying \$60 to borrow \$100, according to the Federal Trade Commission.

"Once they've got you hooked it's really hard to stop," says Jean Ann Fox, director of consumer protection for the Consumer Federation of America in Washington, D.C.

Payday lending laws vary from state to state. New England states have the strictest laws, and some southern and western states have no caps on how much lenders can charge in interest and fees. Some companies have gotten around restrictive state laws by teaming up with national banks that operate under the laws of a different state.

The national average annual percentage rate for two-week payday loans is 474 percent, according to a "Show Me The Money" report issued by the Washington-based U.S. Public Interest Research Group and the Consumer Federation of America.

Before you consider using a payday lender, the Federal Trade Commission recommends that you compare the loan fees, interest rate and other costs, of payday loans to other credit offers, like a signature loan from your credit union.

Branch Management Team

- Springhill**
Vickie Kinchen, *Manager*
- Shreveport**
Herb Doughty, *Manager*
Melissa Dale, *Asst. Manager*
- Mansfield**
Scott Gannon, *Manager*
- Monroe**
Lynn Allen, *Asst. Manager*
- Magnolia**
Tina Audirsch, *Manager*
- Minden**
Sandy Bounds, *Manager*
- Call Center**
Peggy Matthews, *Manager*

Senior Management Team

- Janice Hollar
President/CEO
- Lisa Lewis, CCUE
Vice-President of Operations
- Earl Hodgkins
Vice-President of Lending
- Sherrell Matlock, CCUE
Vice-President of Finance
- Laurie Griffith
Marketing Coordinator

Board of Directors

- Roy Spence, Jr. *Chairman*
- Joyce Butler
- Frankie Craig
- Phillip Day
- Jim Hodge
- Robert Hood
- Kathleen Lindsey
- Robert Lyons
- Rachel McDonald