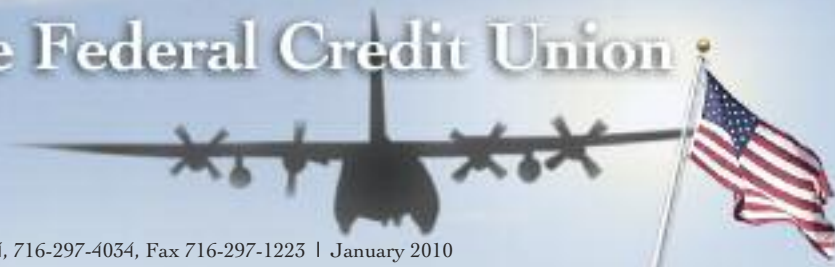


Niagara Falls Air Force Federal Credit Union

"Your Primary Financial Institution"



WINTER QUARTERLY

www.Niagarafallsafcu.com | 2420 Olmstead Street, Niagara Falls, NY 14304, 716-297-4034, Fax 716-297-1223 | January 2010

ATTENTION: MEMBERS OF THE NIAGARA FALLS AIR FORCE FCU

SUBJECT: *The Credit Union in Review*

The credit union has experienced many changes this past year with the merger of the 107th and 914th. The merger strengthened our net worth and allowed growth in our service area (i.e Home Banking). It proved to be a very positive move during these difficult economic times.



In March 2009, the credit union was required by the National Credit Union Administration (NCUA) to help stabilize a part of the credit union system that was under stress due to the dislocations in the mortgage market. These actions resulted in all federal credit unions writing off a portion of their deposit in the National Credit Union Share Insurance

Fund (NCUSIF). Unfortunately, the stabilization program has again (December 2009) disclosed a retained deficit with our own corporate credit union (Members United). We have been asked to deplete our invested capital to help eliminate this deficit. It's important to know that our compliance is necessary to ensure your funds are backed by the full faith and credit of the United States Government, up to at least \$250,000 per account. Despite these requirements placed on the credit union, your credit union remains sound and has retained our net worth.

In light of the above circumstances, our annual meeting will be held at the Falcon Club on Friday, February 26th, 2010 (4:00 PM - 6:00 PM). Appetizers and drinks will be served during the meeting. Please respond to the credit union if you think you will be attending. (Any nominations for a position on the Board of Directors, should also contact the credit union).

Thank you for your support and patronage throughout the year. We will continue to take all necessary steps to preserve a safe and sound credit union.

Board of Directors
Niagara Falls Air Force FCU

NEWSLETTER ON THE WEB



Effective first quarter 2010 we will not be sending our newsletter out with quarterly statements. This has become a very costly expenditure for the credit union. Our newsletter will be posted on our site www.NiagaraFallsAFCU.com for you to read at your convenience. If anyone has a problem accessing the newsletter, please contact the credit union.

READY OR NOT: THE TAX MAN COMETH

April 15th is just around the corner so avoid that last minute panic by getting information you need to file organized now. Gathering information over time means you are ready to tackle your taxes and will experience less stress. For your convenience, the credit union will have a minimal supply of tax forms in the lobby.

If you have your refund going directly into your account, please verify your routing and account information with the credit union before submitting your return.

OUR SERVICES

- Home Banking Service
- Share (Savings) Account
- Share Draft (Checking) Accounts
- Holiday Club Accounts
- Youth Accounts (\$50.00 Balance)
- Scholarship Program
- Certificates of Deposit
- Money Market Accounts (Monthly Dividend)
- Visa Debit Cards & Visa Gift Cards
- Money Orders
- Certified Checks
- Automatic Loan Payments
- Wire Transfers
- Postage Stamps
- Overdraft Loans
- ATM Machine-Lodging Bldg. & MEPS Bldg. (FREE TO MEMBERS)
- Notary Service
- Home Equity Loans (Fixed & Variable)
- Voice Response System
- Home Mortgages

HOURS AND CONTACT INFORMATION



Office Hours

Monday - Thursday
9:00 A.M. - 3:30 P.M.
Friday 9:00 A.M. - 4:00 P.M.
UTA's 9 A.M. - 1 P.M.

Office Location

2420 Olmstead Street, Niagara Falls, NY 14304
Fax 716-297-1223

Phone Lines

236-2085 298-1533
236-3184 297-4034

VRU

297-4447 297-4448
1-800-795-3912

HOLIDAY CLOSINGS Mon., Jan. 18 - Martin Luther King, Jr. Day • Mon., Feb. 15 - Presidents Day

SAVINGS RATES

LAST QUARTER

Dividends are paid quarterly on accounts with an average daily balance of \$250.00 or more.

CERTIFICATES OF DEPOSIT

Minimum balance required = \$1,000.00

Refer to our website (www.Niagarafallsafcu.com) for the most current savings rates paid on all deposit accounts.

LOAN RATES

***All Rates advertised as low as*

Shared Secured – 4.40% (24 Months)

Unsecured Personal – 8.45% (24 Months)

Overdraft Line of Credit – 17.9%

Home Equity – 5.99%

Vehicle Loans (Auto, Trucks, Motorcycles, RV's, Mobile Homes, Air Planes, Boats)

New Vehicle – 4.59% (60 Months) Until 3/31/10

Used Vehicle – 5.59% (60 Months) Until 3/31/10

(** Interest rate determined by credit score)

6 TIPS FOR SAFE ONLINE SHOPPING (BANKRATE.COM)

At \$100, the laptop you just found online makes for an amazing deal. Good thing you finally left those big retail Web sites and searched on smaller ones whose domain names you've never heard of. Otherwise, you would have never discovered this incredible price.

The website looks legitimate, too. Its checkout page has legal disclaimers and asks for the usual billing and shipping information. It says it's secure.

But is it?

If you don't know from whom you're buying, and are simply praying for good luck after sending your payment over the Web, you're setting yourself up—and not just for losing money. You risking your personal information, and it's time for a rude reality check.

It makes sense that security is not always a bedfellow of convenience. Open 24 hours a day from anywhere in the world, online shopping sites entice consumers with an array of come-ons such as free shipping, comparison pricing, bargain deals and extra security features. Saving gas, and being able to shop on your schedule, adds more to the online shopping appeal.

Yet the question remains for the leery: Can online shopping be done safely?

The Internet security experts we spoke with say "yes"—on the condition that consumers abide by some basic safety tips.

- 1. Bigger names equal better protection.** "Go with reputable companies you've heard of" says Jim Stickley, co-founder, CEO and vice president of engineering at Trace Security, a company that works with financial institutions to better their network security systems to deter identity thieves.
- 2. When in doubt, check it out.** If you go with an unknown merchant or Web site, contact someone there who can verify the company's privacy policy before you make a purchase. Ask if they'll send you a catalog. "If they don't list phone numbers and only have an e-mail address, that's a huge red flag," Stickley says. "Call the phone number and see if it goes to voice mail. Anyone can have voice mail set up.
- 3. Encryption doesn't equal security.** One of the first things you should do before typing in your credit card info is look for the "plural URL." That is, when you go to the site's checkout page, the "http" in the URL should change to "https". A closed padlock or key should also appear on the page, letting you know your personal information will be encrypted or scrambled. If you don't see either of these "locked" icons or a change in URL, log out and shop elsewhere.
- 4. When sharing is a bad thing.** Shared computers, such as ones available to multiple strangers at computer centers, are a big no-no, says Branigan, founder & president of Cyanline and author of "High Tech Crimes Revealed". The danger is hackers can insert a key logger into the back of the keyboard, a device that looks like a harmless adapter. This device captures everything you type before it's encrypted.
- 5. Pay with a credit card.** Credit cards are the safest method for online purchases.
- 6. Suspect the suspicious.** If you're at the checkout and the site asks for your date of birth and social security number, be very careful. This combination can give people enough information to start applying for new credit cards in your name.

Consumers who research companies before making purchases, watch for warning signs of fraud, use credit cards for purchases and keep receipts, should be relatively safe.

f.y.i.

FEE CHANGES

Effective January 1, 2010 the following fees will change:

Wire Transfers - \$10.00 increasing to \$15.00

Replacement Debit Cards - more than two \$5.00/each.

Thank-you for Using Your Credit Union

Your participation in the credit union is what makes us the safe and strong financial institution that we are. Thank you for your support. We literally would not exist without you. The only reason for our being is service to our members. Remember, no matter where you are on your life's journey, we look forward to helping you achieve your financial goals in 2010 and beyond.

Update Your Membership Cards - Please contact the credit union to make sure your beneficiary information, address and phone number is up to date on your account.

Sign up for Home Banking - Join our members already on-line utilizing our home banking service. Access your account 24/7 to check balances, make loan payments and transfer funds between accounts. Download a signup sheet, complete and fax to 297-1223 and we will activate your account.

Start your 2010 Christmas Club Today - Is your holiday list and expenses increasing every year? If so, a holiday savings account at your credit union will help. It's much easier to save all year long than to worry about your holiday expenses. Your holiday club can be opened any time during the year and for any dollar amount you choose.

TRAVEL LIGHT WITH YOUR DEBIT CARD



Still carrying around your checkbook or a wallet full of dead presidents? Lighten up with a debit card from your credit union. A debit card allows you access to your credit union checking account at ATMs as well as most merchants who accept credit cards. It looks like a credit card, but acts like a check. That means you just need to account for your withdrawal by subtracting the amount from your checking account balance. And, there are no worries about paying interest on a credit card transaction. With your debit card from the credit union, you have the convenience of using a credit card, without its consequences. It's safer than carrying cash or your checkbook, too, because there are consumer protections available to you. To find out more about getting a debit card, contact the credit union.