

Views from Katahdin

Summer 2004

A Quarterly Publication for Members of the Katahdin Federal Credit Union

Scholarships

KFCU is pleased to announce the 2004 KFCU scholarship recipients. Scholarships totaling \$8,200.00 were awarded to local high school seniors:

Stearns:

Erica Busque
Charles Cox
Kelly Dinsmore
Laura Donley
Brad Fitzgerald
Crystal Levesque
Caitlyn Mahoney
Joseph Manzo
Alicia Martin
Leslie Osborne

Schenck:

Ryan Albert
Sarah Fiske
Laura Davis

Southern Aroostook HS:

Dustin Brooks
Crystal Cameron
Alicia Hartin
Nathaneal Porter

Katahdin High School:

Lacey L. Perkin
Samuel Cyr

Penquis Valley High School:

Jennifer Hussey



Congratulations Graduates!

Whether you are going to college, joining the service or just moving on, make sure you take the benefits of membership with you! We offer a full array of affordable financial services such as:

- Share accounts (savings)
- Share draft accounts (checking)*
- Maine Advantage Student Loans
- ATM cards for world-wide access, 24 hours a day – 7 days a week
- Money Connection telephone audio response system
- Student VISA® Cards**
- Web Site loan/membership application
- Nationwide toll-free number 800-451-9145

Plus, for a limited time, qualified year 2004 high school graduates will receive a free box of 50 checks when opening a share draft account.

Don't think of it as leaving home, think of it as taking a little bit of home with you!

** If this is your first checking account and you are unsure on how to maintain one, a financial service representative will guide you through the process.*

*** subject to credit approval*

Trivia Questions

Delores Gagliardi was the first 50's trivia winner!

Congratulations!

Summer Fragrances

For those of you who have been waiting patiently for the new candles, your wait is over! We have just received a shipment of Village Jar Candles and Car fresheners scented in delectable summer fragrances. You can choose from Summer Slices, Berry Delight, Ocean Serenity, and Citrus Herb. The candles sell for \$8.00 each and the car scents sell for \$2.00 each. All proceeds will be donated to the Ending Hunger Campaign in Maine.

50th Anniversary

The date may have been March 25, 2004 —but if you happened to visit the credit union on that particular day you may have thought you had stepped into the “Happy Days” of the fifties. The sights and sounds of the fifties permeated the lobby. Everywhere you looked, you could see poodle skirts, cat-eye glasses, saddle shoes, Marilyn Monroe, James Dean, 50's memorabilia and even an occasional enthusiastic hula hooper! Hot dogs, popcorn, cake, soda, giveaways and retro candy added to the fun! Some lucky members even went home with a \$50.00 bill in their pockets!

During the year, we will be bringing back the spirit of the fifties by sponsoring various events and promotions. Watch for details as they are released.



KATAHDIN
FEDERAL
CREDIT UNION

A financial institution with a clear vision

A Financial Institution with a Clear Vision

Reflecting on the Past....

Looking Forward to the Future

On May 14, approximately two hundred members and guests celebrated 50 years of service and commitment to the Katahdin region by attending the annual meeting of the Katahdin Federal Credit Union. A number of \$50.00 cash drawings were awarded and giveaways were presented. Members were treated to a scrumptious buffet, prepared and served by the Daughters of Isabella.

During the business meeting, **Richard Saucier**, **Gary Dumas** and **Bernadette Friel** were elected to three-year terms on the Board of Directors.

Donald Lynch was the lucky winner of the 50/50 drawing, which netted \$101.00 to benefit the local Ending Hunger Campaign.

National Savings Winner

During National Credit Union Youth Week, April 18-24, 2004, credit unions around the country sponsored the first ever National Youth Saving Challenge. The challenge was designed to encourage America's youth to set goals and save for the challenge week and throughout the year. Credit unions tallied deposits, new accounts, and total number of deposits made by young members during the week to demonstrate the importance of saving. One hundred forty three credit unions reported that 15,958 young members under the age of 18 deposited over \$1,300,000 and 1857 youth members opened accounts.

On a national level, CUNA randomly awarded 10 participating credit union members with \$100 each. Justin Charette, a member of KFCU was chosen as one of the National Savings Challenge Winners.

Wanted

TEDDY BEARS AND OTHER STUFFED ANIMALS FOR THE BEAR HUGS FOR KIDS PROGRAM

BRING A SMILE TO A CHILD'S FACE WHEN THEY VISIT THE HOSPITAL OR ARE FACING OTHER TRAUMA BY BRINGING A NEW TEDDY BEAR OR OTHER STUFFED ANIMAL TO KFCU. ALL COLLECTED STUFFED ANIMALS WILL BE DONATED TO THE LOCAL HOSPITAL AND FIRE DEPARTMENTS TO GIVE A YOUNG PERSON A LITTLE COMFORT IN DIFFICULT SITUATIONS

Bangor Lumberjacks



The Bangor Lumberjacks, your local AA-minor league baseball team, would like to invite you to take part in the Lumberjacks Credit Union Night on Saturday, August 14th at the John Winkin Baseball Complex located on the campus of Husson College. This special night will entitle all Credit Union members, employees and family members to \$2 off reserved seating for the Lumberjacks game.

The game begins at 6:30 PM with the gates opening one and a half hours before game time. Ticket prices for members are \$3.00 for adults and \$1.00 for children and seniors. There will be a pre-game autograph opportunity for members, reserved tickets to the game and pre-game festivities. If you would like to join the fun, please contact KFCU before August 2, 2004.

KID CARE

Missing children have become an increasingly urgent national problem. For this reason, the credit union teamed up with the Millinocket Police Department to sponsor a KID Care event during Millinocket Regional Hospital's Health and Wellness Fair. KID Care is a national child safety and standardized photo ID program. During the fair, credit union staff processed over 70 ID photos and the police officers fingerprinted the children. The photo IDs / and fingerprint cards are given to parents to assure that they have accurate and up to date identification information in the case of an abduction. Kits are designed to be updated annually.



Inside KFCU

We are pleased to announce two promotions within the credit union. **Nancy Dickey** has been named Chief Financial Officer and **Nancy Pineau** has been named Internal Auditor.

Nancy Dickey, Certified Public Accountant, earned her Bachelors Degree in Accounting from Husson College. She joined the credit union in 1999 as Financial Analyst. Prior to working at KFCU she was an accountant at a local public accounting firm. As CFO, she will oversee the accounting department, be responsible for all financial statements, risk analysis, budgeting and forecasting. Her extensive accounting background and expertise make her a valuable contribution to the management team.

Nancy Pineau, a 28-year veteran in the financial services arena, has been named to the new position of Internal Auditor. She has been with the credit union for over 21 years holding the positions of Teller, Collector, Loan Officer, Lending Supervisor and most recently Financial Services Special Projects Coordinator. Her vast credit union experience will assist her with her new duties, which include working closely with the Supervisory Committee validating and auditing credit union records, reviewing policy, and verifying compliance.

Equity Line vs. Equity Loan

Today most homeowners know that they can use the equity they have in their home to borrow cash. Home Equity Loans and Lines of Credit, the two major options, are very popular not only because they provide funds for important needs, but also are tax-deductible in most cases. *(Consult a tax advisor)*

When consumers decide to take out an equity loan, however, they are faced with the choice between a single lump sum loan and a credit line. Which to choose? The answer to that question depends on how you want to use the money.

A *Home Equity Line of Credit* typically is a good deal for those who want a lower rate up front and access to money at unpredictable times—for emergencies or unexpected expenses, for example. With an equity line, you use some funds and are obliged only to pay for the amount you use.

A *lump-sum Home Equity Loan* is better suited, however, to those who need a specific large amount of money with payment stability. That is, you get your cash, then count on making the same monthly payment until the entire balance is paid off.

Both loans use your house as collateral. A property appraisal is often used to help lenders determine how much they are willing to lend you. At KFCU, you can borrow up to 80% of the appraised value minus existing mortgage obligations.

For example }————→
We suggest you first talk to us about an equity loan or line of credit as you weigh your options.

Appraised Value	\$100,000
multiply by .80	x .80
equals	80,000
Less first mortgage bal.	- 50,000
Home equity Loan	\$ 30,000

KFCU NOW OFFERS FIXED RATE HOME EQUITY LOANS WITH TERMS UP TO 10 YEARS!

From the President

I would like to thank those of you who took time out of your busy schedules to help us celebrate our 50th anniversary. It was a day to remember! The credit union was honored with a Proclamation from the State Senate and House of Representatives acknowledging the credit union on its 50th anniversary. Recognition was also received from CUNA & Affiliates at the Maine Credit Union League Annual Convention. Thank you for your continued support—we couldn't have done it without you!

On a more serious note, we have been alerted that the FBI's Internet Fraud Complaint Center reports an increase in complaints involving unsolicited e-mails. These e-mails direct members to "false member service" Web Sites or directly ask for confidential member information. One type of Internet fraud, "phishing", involves sending an email requesting confidential member information. This is usually done using legitimate appearing graphics, logos, and web links. The request for confirmation of member information looks official and can often be misleading. You can be assured that the staff at KFCU would not ask you to confirm or verify personal information by email. If you feel that you have been a victim of "phishing" or identity theft, call us at once. Time is of the essence as these criminals act quickly to commit identity theft.

For more information on the risks associated with phishing and identity theft, you can read the following brochures distributed by the Federal Trade Commission.

"How Not to Get Hooked by the "Phishing Scam"

published in July 2003, which is available at:
<http://www.ftc.gov/bcp/conline/pubs/alerts/phisingalrt.htm>

"ID Theft: When Bad Things Happen to Your Good Name"

published in September 2002, which is available at:
<http://www.ftc.gov/bcp/conline/pubs/credit/idtheft.htm>

As always, we are here to help so if you have questions or concerns, let me hear from you.

Don Caske

When Hot Is Not

How often do hot investment tips really pan out?

Stock market uncertainty of the past few years has left many investors anxious for the potential gains that have been frequent in past rebounds. But be wary of acting on the latest investment tip. Hot advice that goes cold can send long-term investors astray. Working with me to ensure modifications to your portfolio are in line with your long-term objectives is key as the market climate changes. Consider this advice:

Maintain a regular investment program.

Even experts cannot consistently predict when prices will be low or high; therefore, the best plan is typically to invest a set amount every month. Like any other strategy, this approach cannot protect from loss or guarantee a profit, but it can help lower the average cost of investing.

Reinvest your returns.

By reinvesting dividends and interest, you may be able to increase your account balances over the long term by making money on your earnings.

Maximize tax-advantaged retirement plans.

When possible, invest in an employer-sponsored retirement program, such as a profit sharing plan or a 401(k) or contribute to an IRA. Most retirement plans allow pre-tax contributions and tax-deferred account earnings.

Prepare for the long haul.

Follow the plan. Don't be tempted to overreact to short-term market fluctuations. Chasing "hot" tips can spoil a long-term strategy.

Schedule regular portfolio checkups.

Investment portfolios generally need to be adjusted as lifestyles change, so periodic reviews are important. Major life events, such as marriage, a new job or early retirement, usually require immediate attention.

For help in discerning the hot from the not, to make sure your portfolio is well positioned for achieving your objectives or to discuss the current market climate, please contact me today.

Thomas W. Duff – Single Source Financial Centre

Securities offered exclusively through Raymond James Financial Services, Inc., Member NASD/SIPC, an independent Broker/Dealer, and are: Not NCUA Insured. Not Guaranteed by Katahdin Federal Credit Union. Subject to Risk and May Lose Value.

Vehicle Loans are now available for up to 84 months on new vehicles financed over \$25,000.

Services

Savings

- Share Accounts
- Club Accounts
- Share Drafts
- Share Certificates
- IRA Accounts
- Roth IRA Share Accounts
- Coverdell Education Savings Acct.
- IRA Certificates
- Roth IRA Certificates

Loans

- New, Used & RV Loans
- Real Estate-Home Equity
- Student
- Share Secured-Certificate Secured
- Streamline (Line of Credit)
- Unsecured Loans
- VISA® Classic Card
- VISA Gold Cards
- Merchant VISA/Mastercard Processing
- CU24SM VISA Check Card
- ATM Cards
- Direct Deposit
- Payroll Deduction
- Money Orders
- Travellers' Checks
- Wire Transfers
- Night Deposit
- Safe Deposit Boxes
- 24-Hour ATM
- Notary Public
- CUSO Single Source Financial Centre
- CUSO-Katahdin Gateway Insurance LLC

Locations

Katahdin Federal Credit Union
1000 Central Street
Millinocket, ME 04462
207-723-9718
207-451-9145
Fax 207-723-8426

Crystal Road
PO Box 330
Island Falls, ME 04747
207-463-3661

www.katahdinfcu.org

Hours

8:00 am - 5:00 pm Drive Up
9:00 am - 5:00 pm Lobby



WIN \$50.00

Win \$50.00 by giving us your opinion and thoughts on current services and future technology. The results will assist us in better serving you in the future. Because the answers are important to us, the survey will be distributed online and in the lobby also. Only the name of the winner will be published in the next newsletter, individual responses will not be published. Please fill out this survey and submit it to the Credit Union by August 15 to be eligible to win. The winner of the last newsletter drawing was Charlene Taylor. The question was "Who was the first treasurer of KFCU?" The answer was Mahlon Spruce.

Do you use Money Connection, Audio Response System?

- YES NO

If you do use Money Connection, would you use it if a Home Banking alternative were offered?

- YES (exclusively) YES (but not as frequently)
 NO (use the home banking system exclusively)

If you have not used Money Connection, why not?

- Do not have a reason to Prefer personal service
 Difficult to use other _____

Do you /or would you use the Lending Connection to apply for a loan?

- YES NO

Do you own a personal computer?

- YES NO

Do you have Internet Access?

- YES NO

Would you be interested in Home Banking at KFCU?

(Home Banking is a service which gives you the ability to conduct business on your accounts online using a personal computer—i.e. transfer balances, inquiries, etc)

- YES NO

Do you use Home Banking services at another financial institution?

- YES NO

Would you be interested in Bill Payer? (Bill Payer is a service that gives you the ability to pay bills online using a personal computer)

- YES NO

Would you be interested in e-statements? (E-statements are monthly statements either retrieved online or emailed electronically to you)

- YES NO

If we offered e-statements, would you then opt for online vs. the paper mailed version?

- YES NO

Would you utilize shared branching services? (Shared branching is a cooperative effort between credit unions that allows you to be able to conduct business at another shared credit union facility. You would have the ability to access your accounts at different locations throughout the state and country.)

- YES NO

Do you realize that KFCU has Home and Family Finance Online (consumer magazine) and Googolplex (children's games, activities, etc)?

- YES NO

If KFCU were to offer seminars and workshops on the following topics, would you be interested in attending? Please check all that apply

- Protecting Yourself Against Identity Theft
- Using the Internet
- Buying your first home
- Buying your first automobile
- Protecting your assets/ property & casualty insurance
- Protecting your future
- Investments 101
- Budgeting
- Building your credit
- Financial Aid Workshops
- Retirement Planning

If you have any thoughts or suggestions, please share them with us. As a member, you are also an owner. Your opinion matters to us!

Name: _____

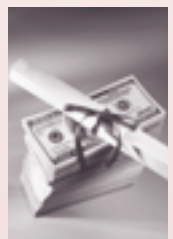
Address: _____

Tel. # _____

Acct. # _____

Great News for Student Loan Borrowers

KFCU has entered into the Federal Consolidation Loan Program, which allows borrowers to consolidate higher education loans under a variety of different Federal Loan programs into one loan with one monthly payment. The two primary advantages for borrowers to consolidate eligible loans include extended repayment terms and the loans switch from a variable to a fixed rate. Under the standard loan programs, loans carry a 10-year repayment term. By consolidating loans, borrowers can extend their repayment term up to 30 years or more depending upon loan balances and the total outstanding obligation. This certainly helps in the budgeting process when you are just entering the job market!



If you have recently graduated from college or are a parent of a college student, give us a call today! We will be glad to assist you in consolidating your eligible loans into an affordable repayment plan!