

Views from Katahdin

Spring 2008

A Quarterly Publication for Members of the Katahdin Federal Credit Union

From the President

The current state of the economy is bringing about new challenges for our members. The rising cost of fuel, food, and healthcare are creating personal hardships. Remember we are always here to help our members achieve financial success. If you would like some assistance with financial planning or a review of your current situation, please give us a call. We have solutions here at the credit union and through our affiliates – Katahdin Gateway Insurance, LLC and Single Source Financial Centre.

Recently we have joined forces with Insurance Innovations to provide affordable health, life and disability insurance plans for our business members. We are in the process of sending pertinent information to business owners. If you haven't heard from an Insurance Innovations Representative, and are interested in receiving a no obligation quote, give us a call.

We can never underestimate the importance of youth financial education. To recognize youth financial literacy, we will be celebrating National Youth week from April 20-26th and will be participating in the National Youth Savings Challenge. The theme for this year's event is "Got Green—Grow it at Your Credit Union". We invite you to bring your children and grandchildren to the credit union for a fun filled week.

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

Don Casko

President/CEO

Katahdin Kindreds

How many of us can say that we don't know at least one person who has been affected by Breast Cancer? It is unfortunate, but not many of us can. A local group of women, known as the Katahdin Kindreds, have decided to make a difference. Throughout the year the Katahdin Kindreds raise funds for the Avon Walk for Breast Cancer. Their tireless efforts to support breast cancer research and awareness are certainly admirable. For the past few years, KFCU staff has joined forces with the Kindreds in a Valentine's Day Bake Sale. This year's sale raised over \$500.00 for the cause. We would like to express our appreciation to the Kindreds for all of their efforts – *and a thank you to our members who contributed to the cause.*

Board Elections

Every year members have their chance to elect directors to serve on the credit union's Board of Directors. If you are contemplating running yourself, you may want to know some of the important duties involved. Directors are unpaid volunteers who take on the responsibility of overseeing the direction of the credit union. Serving on the Board of Directors is a privilege, but also involves a high level of commitment, dedication, and expertise. Director's responsibilities include, but are not limited, to the following;

- Attending all monthly board meetings typically held on the 4th Tuesday of the month at 3:30 p.m.
- Completing applicable training courses
- Participating in strategic planning sessions
- Devoting time to committee meetings

To be eligible to run, you must be a member in good standing. (A member is the primary account holder.)

We have been fortunate over the years to have some of the most dedicated and loyal board members. Any member wishing to run for the Board of Directors of Katahdin Federal Credit Union should submit a resume to the Nominating Committee c/o of Katahdin Federal Credit Union.

Annual Meeting

Mark your calendar for May 9, 2008 for the 54th annual meeting of Katahdin Federal Credit Union to be held at St. Martin of Tours, Parish Center, Millinocket, ME. The Daughter's of Isabella will serve a light buffet at 6:00 p.m. followed by a business meeting, Board elections, and cash drawings. (Primary shareholders over the age of 16 will be eligible to vote during the elections.) We hope to see you there!

Financial Aid Night

KFCU recently sponsored two financial aid workshops, one in Millinocket and the other in Island Falls. Jill Parker, Vice President of Operations for FISC, our student loan processor, presented a wealth of information on the "Five Easy Steps to Paying for College" to high school students and their parents. These informative sessions were well received by both audiences. If you weren't able to attend this year's sessions and would like to learn more about financial aid, you can give us a call for an informational package.

Mission Statement: "Going the extra mile to exceed members' expectations — a tradition on the move"

Insurance Corner

Can you believe the snow that we have had this past winter? Let's just hope that it doesn't melt all at once and cause flooding. Did you know that your homeowners policy probably does not provide you with any coverage for flooding or rising ground water? Flood Insurance is a government program that needs to be purchased separately and there is generally a 30 day waiting period before insurance goes into place. Please contact either of our offices for a free, no obligation review of your current insurance program or if you are interested in obtaining a quotation for flood insurance.

Kimberley French
Office Manager

Katahdin Gateway Insurance, LLC
749 Central Street
Millinocket, ME 04462
207-723-9941

112 Main Street, Suite 3
East Millinocket, ME 04430
207-746-3687



Looking for a New Ride?

Look no further than KFCU for your next vehicle loan. Katahdin Federal offers 100% financing, preapprovals, and a broad selection of rates and terms. We make it easy even after you receive your financing. You can enjoy the convenience of one of our easy payment methods.

Payments can be made online using Katahdin Connection, can be automatically deducted from your direct deposit, or transferred from your account using Money Connection, our audio response system. Of course, if you would rather come to the credit union, you are always welcome!

If you didn't originally finance with us, it's not too late. Let us review your loan documents; we may be able to save you money if you refinance here. Call us today.



Small Change Does Add Up!

Our coin machine has certainly been busy and thanks to our members, we have been able to donate over \$2,200.00 to I CARE Ministries and St. Martin's Food Pantry this year. All fees collected from usage of the coin machine are directly donated to the local food pantries.

Retirement Ahead: Keep Saving

There's a moment in every lifetime when it is no longer feasible to put off decisions that will bear heavily on your ability to retire to the lifestyle you desire. It may be unwise to avoid these questions at any time, but it's easier to get away with it when you're in your 30s and 40s. Once you reach your mid-50s, it really is time to push aside those gauzy images of golf courses, foreign travel and romantic retreats to determine whether you're actually going to be able to realize your goals.

Now is the time to assess the level of your existing savings, determine and refine your future savings rates and act on any other ideas you have on how to successfully fund your ideal retirement. There are practical matters to consider, including the role of Social Security, your health and your longevity prospects.

Redefining Safety

First, avoid one common mistake those approaching retirement are inclined to make: putting all your assets in fixed income investments, such as savings accounts or CDs. They may be safe (insured by FDIC, an agency of the federal government), but if you live 30 years beyond retirement –no longer an unlikely possibility—you may well run out of money. Inflation will gradually drain the value of your assets.

The definition of safety has changed. Once, shifting retirement funds into these safe investments was considered wise, but those were in the days when retirement was likely to last only a few years. That's no longer the case. To fund a lengthy, adventurous retirement, you will need portfolio growth. While the details will vary from person to person, that essentially means keeping your portfolio's asset allocations at roughly the same levels you are comfortable with now.

Health and Longevity

In addition to maximizing your 401(k) participation, IRA contributions and any other savings and investment options you have available, pay attention to those Social Security statements

you receive every year. While Social Security funding problems loom in the future, they won't occur for many years, and the program you've been contributing to all your working life is still likely to be a welcome monthly contribution to your funding base.

Two other portions of the retirement picture are much harder to assess. No matter how carefully you eat, or how diligently you exercise, you cannot control your health. Look to your family's medical history for clues. It is generally true that the first 10 years of retirement are your healthiest, coinciding with your ambition to climb those stone castle keeps or walk 18 holes.

Your longevity is another important element to consider. While it is unknowable, retirement specialists suggest basing your estimate on family history, then being generous with your assessment. Better to leave behind more inheritance for your family members or for your favorite charities than to run out of money when you still have a need for it.

Retirement planning raises serious questions only you can answer, but I'll be happy to discuss these and other determining factors. Don't hesitate to give me a call.

Thomas W. Duff
Financial Advisor

Single Source Financial Centre
749 Central St. · Millinocket, ME 04462
207-723-5264 or 888-925-5264

Single Source



Financial Centre

Securities and investment advisory service offered through Raymond James Financial Services Inc. Member FINRA/SIPC, an independent Broker/Dealer, and are not insured by NCUA or any other credit union insurance, are not deposits or obligations of the credit union, are not guaranteed by the credit union, and are subject to risk, including possible loss of principal.

Going on vacation this Spring – remember to bring your KFCU Visa card with you!

Choosing and Using A Power of Attorney

Three Different Types Provide Flexibility

A Power of Attorney enables a person (or persons) to conduct business on your behalf. Granting a Power of Attorney gives an agent (or agents) you assign legal authority to manage your property, to buy or sell real estate, to buy or sell securities, to conduct financial transactions, to file and attend to your taxes, to manage your retirement accounts and even to make gifts on your behalf. A Power of Attorney can be very helpful for ensuring your financial affairs can be properly taken care of if you become incapacitated due to an illness or accident. Because a Power of Attorney grants such sweeping authority for someone else to manage your financial affairs, it is important to know the differences between the three most commonly used types to ensure your desires are met.

A **Nondurable Power of Attorney** is often used for granting authority for a person to perform a specific transaction (or a number of transactions) while you are traveling outside of the country. For example, if you are going to be traveling abroad when the sale of your house is finalized, you can grant a Nondurable Power of Attorney to a family member or another trusted person who can temporarily act as your agent. A Nondurable Power of Attorney takes effect immediately and remains in effect until revoked by the Principal, the Principal becomes mentally incompetent or dies, or the agreement expires because it does not meet state renewal requirements. (Be sure to check your state's renewal requirements. In some states, a Power of Attorney remains in force until it is revoked. Other states require that all Power of Attorney agreements be renewed on a regular basis—sometimes annually.)

A **Durable Power of Attorney** allows your assigned agent (or agents) to act on your behalf even if you are no longer mentally competent or physically able to make decisions. It takes effect immediately upon being signed and remains in force until it is revoked by the Principal, the Principal dies or the renewal requirements of the state in which the agreement is signed render the agreement no longer in force.

A **Springing Power of Attorney** “springs into action” upon a specific event chosen by the Principal, most often an illness or disability that prevents the day to day management of their financial affairs. A Springing Power of Attorney often dictates that the Principal's physician will determine whether the Principal is capable of managing his or her financial affairs before the agreement takes effect.

To help protect the Principal's assets, many financial institutions require to see the original Power of Attorney agreement (or a certified copy) before they will allow the Agent to act on the Principal's behalf. Because a Power of Attorney gives your Agent (or Agents) significant control over your finances, it is important to select people you trust explicitly to serve that function. In addition, while you are not required to hire a lawyer to prepare your Power of Attorney, it may be a good idea to consult with one to ensure that your agreement is properly chosen and executed.

Got Green? Grow It at Your Credit Union

Visit Katahdin Federal Credit Union the week of April 20-26 and help us celebrate National Credit Union Youth Week. KFCU will show youth how small change can lead to big savings for the future. All youth are invited to stop by our lobby for giveaways, a fun craft project, educational material and a chance to win door prizes.

Remember, Katahdin Federal Credit Union membership is open to immediate family members.



Data Security Breach Reported by Major Retailer

Your credit union was recently notified that a major retailer in our field of membership had its computer security breached that led to thefts of customer credit and debit card numbers from stores in the Northeast and Florida, potentially putting more than 4 million cards at risk of fraud. We have decided to reissue all cards that have been affected by this data breach. The staff has been working diligently to reissue the affected cards. Members have been notified if their card has been compromised. It is important to remember that just because a card has been compromised; it does not mean that there will be fraudulent activity on the account. A compromised card only means that the card information has been made available for potential fraudulent activity. It does not mean this will happen. If you notice fraudulent activity on your account, please contact us immediately at 207-723-9718. (After hours: 800-472-3272-debit card 1-800-237-6211-credit card)

You will only be contacted by the credit union if your card is at risk. Please make sure we have your current contact information.

If you have any questions or concerns, please contact any of our offices.

Inside KFCU

KFCU recently announced the following position changes –

Kim Baker has been promoted to the position of Senior Computer Operator

Theresa Lane has been promoted to the position of Computer Operator

Helena Lane has accepted a teller's position at the main office.

Congratulations also goes to **Jean Boddy** who earned her STAR Member Service Certificate by completing all six modules of CUNA's Member Service STAR Program.

Services

Savings

Share Accounts
Club Accounts
Share Drafts
Share Certificates
IRA Accounts
Roth IRA Accounts
Coverdell Education Savings Acct.
IRA Certificates
Roth IRA Certificates
Money Treksm Youth
Savings Program

Loans

New & Used Auto & RV Loans
Cottage Loans (including on leased land)
Land Loans
Computer Loans
Real Estate
Home Equity Loans and Lines of Credit
Maine Advantage Student Loans
Share Secured-Certificate Secured
Streamline (Line of Credit)
Unsecured Loans
Visa[®] Classic[®] Cards
Visa[®] Gold Cards

Other Services

CU24sm Visa[®] Check Card
ATM Cards
Direct Deposit/Payroll Deduction
Money Orders
Wire Transfers
Night Deposit
Safe Deposit Boxes
24-Hour ATM
Notary Services
CUSO-Single Source
Financial Centre
CUSO-Katahdin Gateway
Insurance LLC
Visa Prepaid Gift Cards
Katahdin Connection
Home Banking Solution

Locations

1000 Central Street
Millinocket, ME 04462
207-723-9718
800-451-9145
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



This credit union is federally insured by the National Credit Union Administration

Financially Strapped – Act Fast to Get Back on Track!

If you find yourself falling behind in your loan payments due to unforeseen circumstances, make sure you give us a call. We may be able to work with you in establishing suitable payment arrangements. The worst thing you can do is to try to ignore mounting debt—it won't just disappear on its own. If you find yourself in a financially strapped situation, call Betty Averill, our Financial Services Collector.

Privacy Notice and Disclosure

Katahdin Federal Credit Union, your member owned financial institution, is committed to providing you with competitive products and services to meet your financial needs and help you reach your goals. We are equally committed to protecting the privacy of our members. Under federal law, we are required to give you this privacy notice. It describes our credit union's privacy policy and practices concerning the personal information we collect and disclose about our members. It also includes information about the parties who receive personal and sometimes nonpublic information from us as we conduct the business of the credit union. These practices are followed by the credit union.

Information We Collect About You.

We collect 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 a consumer reporting agency
- Information obtained when verifying the information you provide on an application or other forms. This may be obtained from your current or past employers or from other institutions where you conduct financial transactions.

Information We Disclose

We do not disclose any nonpublic personal information about our members or former members to anyone, except as permitted by law.

Disclosure of Information to Parties That Provide Services to Us

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

Disclosure of Information About Former Members

If you terminate your membership with Katahdin Federal Credit Union we will not share information we have collected about you, except as may be permitted or required by law.

How We Protect Your Information

We restrict access to nonpublic personal information about you to persons who need to know that personal information to provide products or service to you. We maintain physical, electronic and procedural safeguards that comply with Federal Regulations to guard your nonpublic personal information.

What Members Can Do to Help

Katahdin Federal Credit Union is committed to protecting the privacy of its members. Members can help by following these simple guidelines:

- Protect your account numbers, plastic card numbers, PINS (personal identification numbers) or passwords. Never keep your PIN with your card, which can provide free access to accounts if your card is lost or stolen.
- Use caution when disclosing your account numbers, social security numbers, etc. to other persons. If someone calls you explaining the call is on behalf of the credit union and asks for your account number, you should beware. Official credit union staff will have access to your information and will not need to ask for it.
- Keep your information with us current. If your address or phone number changes, please let us know. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately.

Let us know if you have questions. Please do not hesitate to call us. We are here to serve you.

Win \$50.00

Where can you obtain a quote for flood insurance?

If you know the answer, please fill out this coupon and submit your entry by May 15th. A winner will be drawn at random.

Congratulations to **Donna Malone**, winner for last quarter. "What is eZCardinfo? The correct answer was "an upgraded website that allows you access to your Visa accounts".

Name: _____

Address: _____

Telephone #: _____ Answer: _____

Gift Cards are the gift of choice all year long.