

# Currency Affairs

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Take Me Out to UFCU Disch-Falk Field

 **University**  
FEDERAL CREDIT UNION  
Live Learn Prosper



# Member Education Seminars



Mark your calendar and register at [ufcu.org](http://ufcu.org)

Seminar Topic	Date	Time	Location	Details
How to Fund a College Education	January 24th	6:30 pm	Norris Conference Center 2525 W Anderson Ln Austin, TX (rear entrance of Northcross Mall)	Visit with college admissions and financial aid representatives from area colleges and universities. Learn how to apply for grants, scholarships, and loans; how to complete the Federal Student Aid (FAFSA) application; and what to expect in the financial aid process.
The American Retirement Crisis	January 30th	6:00 pm	Norris Conference Center 2525 W Anderson Ln Austin, TX (rear entrance of Northcross Mall)	In the past, American's worst nightmare about retirement age was not reaching it. Now with rising longevity rates, many American's worry, "What if I live another 20 or 30 years into retirement?" Increasing medical and living expenses make this a very real concern for many retirees or those that are preparing for retirement. No one can remove risk from life or retirement, but you can educate and prepare.
First Time Home Buyers	February 13th	6:30 pm	Norris Conference Center 2525 W Anderson Ln Austin, TX (rear entrance of Northcross Mall)	What you don't know in the mortgage world can hurt you. Will you pay too much for your first home? What does a REALTOR® actually do to earn all that commission? If you want to buy smarter, mark your calendar for this seminar.
Buying & Financing a Used Car Right	March 5th	6:00 pm	Carver Museum 1165 Angelina St Austin, TX 78702	Remar Sutton, UFCU's Consumer Spokesperson, shows you how to negotiate the best used car for the best price.

## Baby Boomers Look Toward Retirement

Over the next two decades, the most chronicled generation in America will gradually enter retirement. At that point, each wave of baby boomers will quickly discover whether or not their company retirement plans, Social Security, and personal savings will be sufficient to maintain their existing lifestyles and needs. Unlike the previous Great Depression-to-World War II generation, many baby boomers believe they cannot depend on Social Security benefits during their retirement years. In fact, many economists question the future "security" of the Social Security trust funds. What can boomers do to determine if their savings and assets will sufficiently fund their retirement years?

If you would like to learn more about retirement planning, or review your current plan, please contact the UFCU Investment Center. Our Investment Representatives are registered through CUSO Financial Services, L.P. (CFS) and are fully licensed to help guide you through your retirement planning process. To make a complimentary, no-obligation appointment with one of our Investment Representatives, please call (512) 421-8112.



Investment products and services offered through CUSO Financial Services, L.P. (CFS) are not NCUA/NCUSIF insured, are not credit union guaranteed and may lose value. Investment representatives are employees of University Federal Credit Union (UFCU) and registered through CFS. UFCU is affiliated with CFS (Member NASD/SIPC).







# President's Report

## As We Complete the Season of Giving...

Responsibly serving the Austin and Galveston communities requires more than simply making available exceptional financial solutions. It also means taking a leadership role in supporting the organizations that comprise the social fabric of the cities we call home. I am proud that the 350 men and women on the staff of University Federal Credit Union are actively involved in our communities, and am grateful for opportunities to match on a corporate basis their personal financial contributions to numerous organizations and charities. Additionally, University Federal Credit Union in 2006 financially assisted each of the fine organizations listed.

- American Heart Association
- American Lung Association
- Austin Chapter of Credit Unions
- Austin Children's Hospital
- Austin History Center
- Breast Cancer 3-Day
- Capital Area United Way
- Children's Medical Center Foundation
- Credit Union Twister 10K Run
- Foundation for the Homeless
- Galveston Historical Foundation
- Girl Scouts of America
- Goodwill Industries
- Gymnastics Athletic Capital Foundation
- Holistic & Educational Health Network
- Honduras Medical Mission
- Humane Society of Central Texas
- Jeanette Abbott Memorial Foundation
- KUT Radio
- National Football & College Hall of Fame
- National Multiple Sclerosis Society
- Opportunity Austin
- Round Rock Chamber of Commerce
- Texas Appleseed Hispanic Market
- UCSF Children's Hospital
- UT KIN Fest 2006
- UT Libraries
- UT Longhorn Band
- UT Neighborhood Longhorns
- UT Orange Santa
- UTMB School of Allied Health
- UTMB School of Nursing
- YMCA
- YWCA

A debt of gratitude is also in order to our fine volunteers. One of the many distinctions between not-for-profit financial cooperatives and banks is the fact our Board of Directors and Supervisory Committee are composed of volunteers. The staff of this organization extends a Texas-size THANK YOU to each of the men and women below for their considerable contributions to our ongoing success.

### Board of Directors

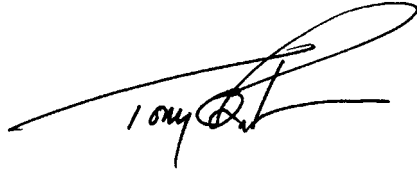
- Art Martinez, Chairman
- Thomas A. Ardis, Vice Chairman
- Mary A. Seng, Treasurer
- Cynthia A. Leach, Secretary
- Dr. K. Denise Apperson
- Dr. Carl E. Hansen
- Dana M. Malone
- Dr. Marilla D. Svinicki
- Dr. George K. Herbert, Director Emeritus
- Frank J. Peters, Director Emeritus
- Dr. William T. Guy, Jr., Director Emeritus

### Supervisory Committee

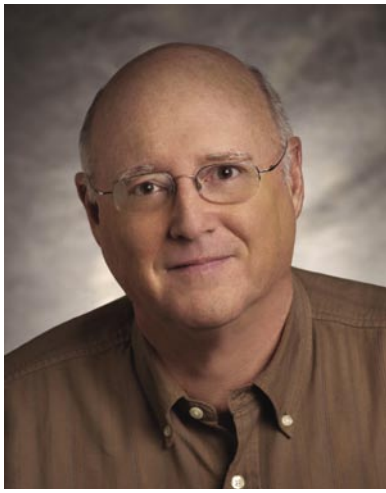
- Dr. Ned H. Burns, Chairman
- Dr. D. Michael Harris, Secretary
- Dr. Urton Anderson
- Dr. Neal E. Armstrong
- Chris A. Plonsky

To each of our 115,000 members, thank you for your membership and business and may each of you and your families have a wonderful 2007!

Warmest regards,



Tony C. Budet  
President/CEO



## Easy New Year's Resolutions!

By Remar Sutton  
UFCU's Consumer Spokesperson

**How many New Year's resolutions do you actually keep? Well, how about trying these resolutions—they're pretty easy to keep, and more importantly, truly will improve the quality of your life:**

1. Never make only minimum payments on credit cards. Know how long it will take you to pay off the average \$1,000 credit card bill if you pay the minimum monthly payment? Forty-eight years! If you're smart, try to pay 10 percent of your monthly balance each month, at a minimum. If you can't, always pay all you can. Even an extra one percent payment can save you hundreds in interest.
2. Never be a day late on installment payments. Financial institutions love it when you are late, because they love the late payment charges. Your credit report hates it when you're late, because even one late payment can lower your credit score.

### Quick tip:

*If you mail payments, make sure they get there at least three days before the due date. Some institutions don't credit mail payments quickly.*

3. Bank online and check your accounts regularly. Online banking allows us to quickly catch unusual activity on our accounts. Banking online also means you'll pay more attention to interest charges and other easy ways to throw away money.

### Quick tips:

- *Make sure your computer has a firewall, and if you use wireless, make sure your wireless connection has strong encryption.*
- *Pay bills online, but always pay several days before your due date. Many financial institutions don't credit your payment on the day you make it online.*

4. Clean out your computer. Slow speed and virus problems generally occur to computers loaded with junk and unnecessary programs.

### Quick tips:

- *Clean up your hard drive. On a Windows machine, run Disk Cleanup every few weeks, making sure that Recycle Bin, Downloaded Program Files, Temporary Internet Files, Temporary Files, and Compress Old files are selected. On a Mac, delete unnecessary files manually or choose one of several available utilities.*
- *After running Disk Cleanup, run the Disk Defragmenter. Defragging on a Mac may only be necessary when working with audio and video files.*
- *Open each of your web browsers, look for Options under the Tools menu, and clean out the browser history, cookies, cache, and other unnecessarily saved data.*

5. Review your computer's security.

### Quick tips:

- *Run security software—firewall, antivirus, and antispyware—that downloads updates automatically.*
- *Check your spam settings on your email programs. Raise them to high.*
- *Raise your email service's security settings. Most are set on medium. Mine are set on high.*

6. Put money regularly in a savings account. The best and surest way to change your financial life is to set away a little money each month, regardless of the amount. Make this as regular as breathing.

7. Pay more attention to consumer issues. Okay, it sounds boring, but your life is ruled by small decisions made by big companies. Why not get proactive for a change?

### Quick Tips:

- *Get rid of those loans and credit cards with "binding mandatory arbitration clauses." "BMA" clauses forever take away your rights to use the US court system. Why do business with companies that take away legal rights?*
- *Start reading about privacy and financial fraud problems. We give you great links online in our Privacy and Fraud section.*

Here's to a happy and prosperous New Year! Carrying out these resolutions can help ensure that wish comes true for you.

## Watch out for "Menu Selling" at Dealerships

By Remar Sutton  
UFCU's Consumer Spokesperson

The first months of any new year are a good time to buy a car: dealership sales are usually slow, consumers are paying off Christmas debt, and tax time is looming. Many dealers cut their prices to the bone to make a sale—if you know how to ask.

But even if you agree on a cheap price on a vehicle, watch out for these tactics when you are forced to head into the office of the dealership's "business manager".

The first gimmick: The "business manager" normally isn't a real manager; he (or she) is a very high-paid salesperson. The manager's job isn't to give sound advice, the manager's job is to make lots of money on you.

How do they do it? They act like the negotiation portion of the transaction is over. You can relax, now! "Hey, all we do here," they say, "is fill out the paperwork." Sure.

The sales tactic: The "menu." You may not hear the name, but the menu is the lucrative list of items the "business manager" implies you need—and the sales price of each item wildly varies. For instance:

- An extended service agreement. You may want one, but never pay their asking price. Some dealerships regularly sell a service agreement to one person for \$600 and the exact agreement to another for \$2,600. Why the higher price? One customer didn't bargain on this item.
- Protection packages. Normally pretty worthless at any price, but many dealerships imply you must pay the price since the dealership has already placed the item on the vehicle. Paint protection, for instance. Don't assume you have to take it, and never accept the price.
- Funny fees. Some dealerships make up imaginary fees, or charge you hundreds for items that cost them virtually nothing. Don't fall for it. Question every fee and question every amount.

Use caution with the business manager, and you'll probably find yourself saving hundreds or thousands of extra dollars. Not a bad way to start the new year!

# New Tax Benefits Just for You

It's not too early to begin thinking about your taxes. UFCU has teamed up with two tax services leaders to offer you professional advice, a wide range of services, and special savings. Choose the tax service provider that best meets your needs.

## H&R Block

UFCU's partnership with H&R Block provides you with a wide range of easily accessible, professional tax planning advice, products and services, as well as special savings.



**Online Tax Preparation:** Choose from a vast array of tax planning and preparation services through H&R Block's Online Tax Preparation services. UFCU members receive up to 35% off the regular price on online tax preparation.\*

**Visit a Tax Professional:** If you prefer to discuss your tax situation with H&R Block tax professionals face-to-face, or have them prepare your tax returns, you can do so by visiting one of H&R Block's offices conveniently located close to your home or office. H&R Block tax professionals are ready to help you make sense of your taxes and work with you to get every refund dollar you're entitled to receive this tax season and beyond. You may even be able to save on last year's taxes by taking the H&R Block Double Check Challenge. If you had your tax return prepared elsewhere, you can have this year's or even last year's tax return double-checked for free\*\*.

For more information about the benefits and special discounts available to you through the H&R Block Tax Service Program, or to find out more about the latest tax news, visit [ufcu.org](http://ufcu.org).

\* Offer expires 4/17/07 \*\* Fees apply if you choose to refile. Individual results may vary. Valid for past three years' return only. Available at participating locations.

## TurboTax Online

As another choice for you, UFCU is pleased to offer our members the industry leading TurboTax Online to help make the planning and filing process quick and easy.



- Start now and get an idea of how big your tax refund will be even before you get your W-2.
- Use the Deduction Maximizer Center\* to make sure you don't miss any deductions you deserve.
- Browse important tax tips and articles.
- Use interactive tools, like tax calculators.

TurboTax Online offers step-by-step guidance through the whole process, fills out and updates the right forms for you and guarantees calculations to be 100% accurate.\*\*

To get started with TurboTax Online today, visit [ufcu.org](http://ufcu.org).

\*Deduction Maximizer Center available in TurboTax Online Deluxe, Premier and Home & Business products. \*\* If you pay an IRS or state penalty because of a TurboTax calculation error, Turbo Tax will pay the penalty plus interest. TurboTax and TurboTax Online, among others, are registered trademarks and/or service marks of Intuit Inc. in the United States and other countries.

## Term vs. Permanent Life Insurance: What's right for you?

Life insurance is the cornerstone of financial security and there are many life insurance options available today. But understanding the different types of coverage can be challenging. Generally, life insurance falls into two broad categories: term and permanent.

Term life insurance provides protection for a specific period of time (the "term") only. The benefits are payable only if the insured person dies within the term. Term insurance is often chosen by those who desire to cover temporary needs such as mortgages, small business loans or security for a family until the children graduate from college. The premium for term life insurance is initially lower than a comparable permanent life insurance policy; however, it can increase at each renewal and can become prohibitively expensive for seniors. This initial lower premium usually makes term insurance an ideal choice for individuals with a temporary need for life insurance protection.

Permanent, or whole, life insurance is purchased when lifelong protection is needed. As long as premiums are paid as specified in the policy, the insurance will remain for a lifetime. Whole life provides a guaranteed premium and a guaranteed death benefit. It also accumulates a cash value against which one can borrow. Lastly, whole life policies can pay dividends, which may be used to enhance both the death benefit and the cash value or may be used to reduce the premium payment.

As part of our ongoing commitment to provide comprehensive insurance solutions, we now offer life insurance through a number of highly rated carriers, including New York Life Insurance Company. For more information call (800) 345-4543, Monday through Friday from 7am to 7pm.



Bring this certificate to the participating H&R Block office nearest you and take advantage of special pricing just for **University Federal Credit Union** members.

**\$15 OFF\***

tax preparation at retail offices  
Coupon Code 11151



**\$30 OFF\***

tax preparation at Premium offices\*\*  
Coupon Code 73006

Go to [ufcu.org](http://ufcu.org) for discounts on H&R Block TaxCut® online tax services or for more information. To have your refund directly deposited into your UFCU account, provide the tax pro with this ABA routing number 314977405 and your account number.



\* This offer is only valid for members of the sponsoring credit union listed above and may not be combined with any other offer. Valid only at participating H&R Block offices in the United States. Void if sold, purchased or transferred, and where prohibited or restricted by law. Valid only for tax prep fees for an original personal tax return. Offer expires 4/17/2007. Offer must be presented prior to completion of initial tax office interview. \*\*Premium offices are open year round, by appointment, and feature tax planning in private offices. ©2006 H&R Block Services, Inc.



# A Housing Bubble? For Austin?



The declining national housing market has been the focus of many economic reports in the last half of 2006. The much-celebrated real estate boom has officially ended, and nationally economists now say, the housing market actually peaked in August 2006. For 2007, the industry expects existing-home sales to fall by 9%, and new-home sales to decline 17%. While the housing bubble is the topic of much discussion, "In reality, "only 26% of the US home markets became truly overheated, with speculators driving up prices more than 20% annually," says David Lereah, the National Association of REALTORS' chief economist. Those overheated areas include Las Vegas, southern Florida, Phoenix and California.

## The Bubble Defined

A housing bubble is characterized by rapid increases in the valuations of real property, such as housing, until unsustainable levels are reached in which:

- *Area incomes cannot support the mortgage payment required for purchase.*
- *Local rents are so much less than comparable product house payments that potential buyers turn into renters.*
- *The buying market simply rejects the property at the offered price.*

When the bubble bursts, the "pop" is followed by decreases in home prices that can result in many owners holding negative equity, a mortgage debt higher than the value of the property.

Granted, the current slowdown isn't like the real estate busts of the early 1980s or early 1990s. Those downturns followed a traditional pattern: mortgage rates rose, job growth faded and the economy weakened, pinching people's ability to buy homes.

Today, in contrast, mortgages are still near 45-year lows and unemployment is down, yet many buyers are reluctant to make offers. Lereah attributes this to high prices reducing the number of people who can afford homes, falling demand by investors and the public's psychological shift from celebrating the boom to worrying about a bubble. Those forces make this slowdown an anomaly, which makes it hard to predict where things will head next. Says Lereah: "You'd have to go back to the Great Depression to find a housing period that is this unique."

## So what about Austin?

Texas, as a whole has avoided the real estate bubble for a variety of reasons.

- **Building Kept Pace:** Texas builders maintained enough inventory to satisfy buyer demand. There was no huge run up of prices based on a critical shortage of new homes available for purchase.
- **Moderate Lending Practices:** Texas lenders and borrowers remained conservative. Chancy, exotic mortgages, such as interest

only ARMs, or Option ARMs that could easily lead to negative equity, were not promoted by the lenders nor widely accepted by the buying public. With rates low, Texas buyers opted, in large, for traditional 30-year mortgages. This type of mortgage is based in the reality that the borrower can indeed qualify for and afford the combined principle and interest payment that remains static throughout the life of the loan.

- **Moderate Speculation:** Based on moderate appreciation statewide, on average 5-6% per year, speculators steered clear of Texas in favor of other states offering the opportunity to make a quick 10-20% profit within a year. Investors, gambling on rising appreciation and fueled by loans with no down payment and artificially low, temporary interest rates, drove up prices in other markets by paying more than a more conservative potential homeowner would pay. Investors in this type of market are not concerned about making a payment long term; they plan to "flip" the property and make a profit as soon as possible.
- **Construction Costs Remain Under Control:** Unlike some of the high appreciation states, Texas material and labor costs remained stable over the past years. We have a wealth of limestone quarries close by, keeping the cost for cement for foundations, one of the largest portions of the cost of a house, low. We have a large labor pool available, and few state-imposed tariffs to drive up costs.
- **Supply and Demand in Sync:** A "normal" market is considered one in which there is no more than a 6-month supply of available home inventory. Since 2003, the Texas supply has hovered around 5.6-7 months. Available supply keeps prices in check; a shortage causes prices to climb.

**The Future for Texas: Steady and Improving Seven of the top 30 projected markets for 2007 are in Texas:**

City	2006	2007
San Antonio	8.3%	7%
El Paso	8.1%	7.1%
Houston	7%	6.6%
Fort Worth-Arlington	6.3%	5%
McAllen-Edinburg-Mission	6.1%	6.2%
Austin	6.1%	5%
Dallas	5.9%	6.3%

Should we be saddened or excited by our moderate value increase projections? Ask our members who remember the dot com housing bubble and bust. They'd likely opt for moderate, sustained appreciation any day! It's healthy for homeowners and healthy for our city.

**Here are additional projected declines in median existing home prices for other selected US metropolitan areas:**

## Bargains Ahead?

Projected declines in median existing home prices for selected metropolitan areas.

CITY	% PRICE DECLINE	PEAK QTR/YR	BOTTOM QTR/YR
Cape Coral, FL	-18.6	4/05	2/07
Reno, NV	-17.2	4/05	4/08
Stockton, CA	-15.7	4/05	4/08
Sarasota, FL	-14.0	4/05	3/07
Naples, FL	-13.8	4/05	3/07
Tucson, AZ	-13.4	1/06	2/08
Las Vegas, NV	-12.9	4/05	2/09
Fresno, CA	-12.5	1/06	2/09
Atlantic City, NJ	-12.2	4/05	2/08
Washington, DC	-12.0	4/05	2/08
Detroit, MI	-11.7	3/05	4/06
Riverside, CA	-11.4	1/06	4/08
Bloomington, IL	-11.1	3/05	4/06
Bakersfield, CA	-11.1	1/06	2/09
Greeley, CO	-10.7	1/06	2/08
Salinas, CA	-10.3	4/05	2/08
Santa Ana, CA	-10.0	1/06	4/08
Sacramento, CA	-9.9	4/05	2/08
Phoenix, AZ	-9.3	1/06	2/08
San Diego, CA	-8.5	4/05	2/08
Warren, MI	-8.4	3/05	4/06
Nassau-Suffolk, NY	-8.1	1/06	2/08
Ocean City, NJ	-7.6	1/07	2/10
Rockford, IL	-7.3	1/06	1/09
Santa Barbara, CA	-7.2	4/05	2/08
Worcester, MA	-7.0	4/05	07-2
New Orleans, LA	-6.7	4/05	3/07
Saginaw, MI	-6.5	1/06	2/09
Oakland, CA	-6.4	4/05	2/08
Fort Collins, CO	-6.1	3/05	2/07
Portland, ME	-5.9	1/06	1/07
Fort Lauderdale, FL	-5.9	4/05	3/07
West Palm Beach, FL	-5.7	4/05	3/06
Miami, FL	-5.5	1/06	2/08
Edison, NJ	-5.2	1/06	2/08
Los Angeles, CA	-4.8	2/06	4/08
Denver, CO	-4.6	2/06	2/08
Napa, CA	-3.8	1/06	3/06
Providence, RI	-3.6	3/05	2/07
New York, NY	-3.5	2/06	4/08
Champaign, IL	-3.5	4/05	1/09
Essex County, MA	-3.1	3/05	3/06
Bethesda, MD	-3.0	4/05	2/08
Boulder, CO	-2.8	4/05	3/06
Salt Lake City, UT	-2.3	1/06	3/06
Boston, MA	-2.2	2/06	3/06
Pueblo, CO	-2.1	1/06	3/06
Prescott, AZ	-2.0	1/06	2/08
Colorado Springs, CO	-1.6	2/06	3/06
Portland, OR	-0.8	3/07	2/09
St. George, UT	-0.5	3/07	2/08
Honolulu, HI	-0.3	2/07	4/08
Milwaukee, WI	-0.3	2/07	3/08
Hagerstown, MD	-0.2	3/07	2/08
Medford, OR	-0.2	3/07	2/08
San Jose, CA	-0.2	1/07	2/07

# Take 3 Balance Transfers



Process a free credit card balance transfer with UFCU January 1, 2007, through June 30, 2007, and the interest rate on the balance transferred will be 3% less than your existing UFCU credit card rate until June 30, 2007.

UFCU offers three ways to transfer credit card balances:

1. Obtain the balance transfer form at [ufcu.org](http://ufcu.org) and submit it online or fax it to (512) 421-7450.
2. Complete the balance transfer form at any UFCU branch.
3. Call us to process the balance transfer.

Existing credit card balances will remain at the current account rate. The 3% reduction applies to new balance transfers only. On June 30, 2007, the standard fixed account APR will apply to any unpaid balances on the transfer.

# VISA® Gift Cards

Gift cards with six different designs are now available for UFCU members. You can purchase a VISA gift card at any UFCU location to be used anywhere VISA is accepted around the world.



# Zero Fee Student Loans

The costs for a higher education just got lower - all the way down to Zip! Zero! Nothing!

## Zero Fee Stafford Loans

No origination fee or guarantee fee deducted so students receive the full benefits of their student loans.

## Parent and Graduate PLUS Loans

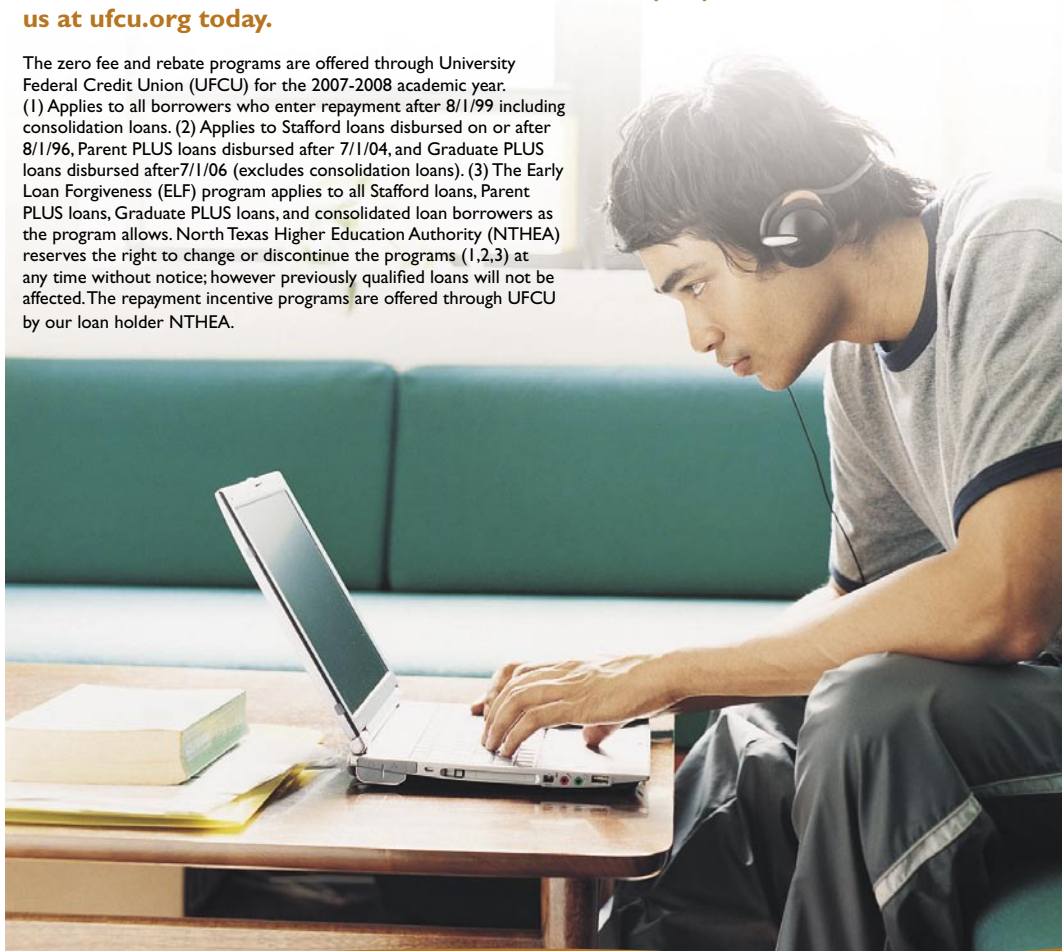
Receive a 3% credit applied after your loan is fully disbursed.

## More Reasons To Choose A UFCU Student Loan:

Benefits	Stafford Loans	Parent and Graduate PLUS Loans
Fixed interest rate. No origination fees	<b>6.8% Fixed</b>	<b>8.5% Fixed</b>
.25% interest rate reduction for auto payments <sup>(1)</sup>	- .25 = 6.55%	- .25 = 8.25%
2.5% interest rate reduction after the first 48 months of consecutive, on-time payments <sup>(2)</sup>	- 2.5 = 4.05%	- 2.5 = 5.75%
Interest rate for remainder of term	<b>4.05% Fixed</b>	<b>5.75% Fixed</b>
Loan balances paid in full when your combined loan balance falls below \$600 <sup>(3)</sup>	Reduced number of payments.	Reduced number of payments.

With services like these you should consider UFCU for your student loan. For details, contact our Education Loan Center at (512) 467-8080 or visit us at [ufcu.org](http://ufcu.org) today.

The zero fee and rebate programs are offered through University Federal Credit Union (UFCU) for the 2007-2008 academic year. (1) Applies to all borrowers who enter repayment after 8/1/99 including consolidation loans. (2) Applies to Stafford loans disbursed on or after 8/1/96, Parent PLUS loans disbursed after 7/1/04, and Graduate PLUS loans disbursed after 7/1/06 (excludes consolidation loans). (3) The Early Loan Forgiveness (ELF) program applies to all Stafford loans, Parent PLUS loans, Graduate PLUS loans, and consolidated loan borrowers as the program allows. North Texas Higher Education Authority (NTHEA) reserves the right to change or discontinue the programs (1,2,3) at any time without notice; however previously qualified loans will not be affected. The repayment incentive programs are offered through UFCU by our loan holder NTHEA.





# Business Lending

The UFCU Business Lending team has the knowledge and experience to help your small business achieve big goals. UFCU offers excellent rates and terms for most business lending needs including:

- SBA loans for business acquisition or startup
- Growth and expansion
- Fixed asset purchase
- Commercial real estate (purchase, refinance, and construction)
- Business credit cards.

If you need assistance or advice about your small business, contact Mike Gandy today at (512) 467-8080 x21297 and put the UFCU team to work for you.

Here's what fellow members said about their UFCU experience:

## Conventional Construction Financing

"It was our dream to have a permanent home for First Foundations Preschool. After visiting numerous lending institutions, we were delighted to be introduced to UFCU. The team from UFCU exceeded our expectations in every aspect of the journey. They have supported us 100% from the first time we sat down with them to structure our loan, to the day we opened our doors and they brought lunch boxes for every student in our school. After having such a great experience, we won't be doing business with anyone else."

**Steffani Wilkins**  
**FIRST FOUNDATIONS PRE-SCHOOL**  
Austin, Texas



## SBA 7(a) Start-up Financing

"I've been a UFCU member for years, but never thought the credit union made commercial loans. When the big banks turned down my business plan, UFCU helped secure an SBA loan to start my business."

**Sol Frost**  
**AUSTIN BIKES**  
Austin, Texas



# Insurance Rates too High?



If you are paying too much for insurance, take advantage of your UFCU membership to lower your insurance costs. As a member, you qualify for our group insurance rates. For a free insurance quote from our insurance department, simply visit [ufcu.org](http://ufcu.org) and choose the type of insurance you are interested in. Complete the appropriate questionnaire and submit. An agent will contact you within 24 hours to discuss your quote.

It's simple...it's free...  
and it can save you money!

## Questions?

**Tom Cartwright**  
(512) 421-8150

**Lee McLaughlin**  
(512) 421-8153

**Cindy Forister**  
(512) 421-8152



# UFCU's New Year's Resolution...

is to increase our member's convenience with email. In January 2007, UFCU will begin sending you our value-added promotions via email. Now, the offer you've been looking for is as simple as the click of a button!

When UFCU members receive emails from UFCU, they can tell at a glance that it's a legitimate communication rather than a "phishing" attempt. Working with our email partner, DocuMatix, UFCU has created a unique email key which will appear on emails that are promotional in nature. Only UFCU has the ability to generate this email key, so if the number is not present or is not correct after verified, the recipient knows right away the email is fraudulent.

In the case you receive a questionable email from UFCU, the process you should take is very simple. First, contact us at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or US Toll-free at (800) 252-8311. A UFCU representative will ask you for a portion of the unique email key assigned to that specific email and verify its validity. If the email key you have does not match the key we have in our history, it will be assumed fraudulent and further action will be taken. By using tools such as the email key, UFCU moves to the cutting-edge of technology to safeguard members' accounts while continuing to help you make smart financial decisions.



## Prepare your home for winter weather

### Is your home winterized?

**It is best to do it now and not when the temperature reaches below freezing. Here are a few tips to get your home ready.**

1. Trim trees and remove dead branches – Ice and wind can cause weak trees and branches to break – damaging your home or car, or injuring someone.
2. Check insulation and air escapes.
3. Maintain pipes – Wrap pipes with heating tapes, and check unfinished rooms for exposed pipes.
4. Keep the house warm – The temperature in your house should be at least 65 degrees.
5. Check heating systems – Proper use and maintenance of furnaces and fireplaces can prevent fire.
6. Check smoke and fire alarms – Consider installing carbon monoxide detector.
7. Get to know your plumbing – Learn how to shut water off and know where the pipes are located.
8. Take special care if you plan to be away from home.

Remember, most homeowner insurance policies cover winter-related disasters such as pipe bursting and damage caused by weight of ice. However, proper home preventive care and maintenance will save a lot of time, winter headaches, and most importantly, the deductibles and potentially higher future insurance premiums.

University Federal Credit Union continues to honor staff members for outstanding on-the-job performance.

Our 2006 Q3 Star Performer was Justin Conrey, Loan Service Advisor, and our 2006 Q3 Rising Star was Matt Reese, Lending Sales Specialist.

In Q4 of 2006 Julia Noble, Part-time Financial Services Representative, was recognized as Star Performer and Lyndee Bennett, Marketing & Business Development Specialist, was named Rising Star.

These employees' dedication contributed to the success UFCU experienced in 2006.

The Star Performer and Rising Star awards are tributes to staff members with more than one year of service and less than one year of service, respectively.

Here's to another great year of continued superior service.

## Stars Recognized

**Justin Conrey**  
Loan Service Advisor



**Julia Noble**  
Part-time Financial Services Representative



**Matt Reese**  
Lending Sales Specialist



**Lyndee Bennett**  
Marketing & Business Development Specialist



## Board Nominations/Annual Meeting

An election will be held in conjunction with the 2007 Annual Membership Meeting for five places on University Federal Credit Union's Board of Directors. Art Martinez, Chairman of the Board, appointed a Volunteer Development/Nominating Committee, which presented a slate of candidates at the November 21, 2006 Board meeting. Serving on the committee were Director and Committee Chairman Thomas J. Ardis; Treasurer Mary A. Seng; and Director Emeritus Frank J. Peters.

The committee nominated Dr. Carl E. Hansen, Cynthia A. Leach and Dana M. Malone for election to serve three-year terms, Art Martinez for election to serve a two-year term, and Dr. D. Michael Harris for election to serve a one-year term. UFCU's bylaws permit other nominations by petition if signed by at least 500 members and submitted by February 5, 2007. Bylaws do not allow for nominations from the floor at the Annual Membership Meeting. For more information on the petition process, contact the President's office at (512) 467-8080 x21003.

### Annual Membership Meeting

**When: Monday, April 9, 2007**

**Time: 5:30pm**

**Where: UFCU's central location,  
3305 Steck Avenue, Austin, TX**





# Take me out to UFCU Disch-Falk Field!

An artistic rendering of the new UFCU Disch-Falk Field.



Our neighbors to the north may be blanketed in snow, but in Central Texas, the college baseball season is just around the corner. Recently, University Federal Credit Union (UFCU) strengthened its support of The University of Texas and UT Athletics by committing funds toward a much-needed renovation of the facility that is home to the Longhorns, who are known as the nation's preeminent collegiate baseball program.

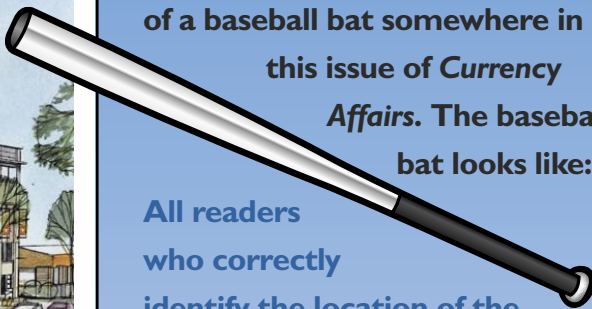
UFCU is proud to help build a contemporary baseball facility for the benefit of UT student-athletes, faculty, alumni, regional baseball fans, and the Austin community.

Construction of the newly renovated facility is well underway and will be completed in Spring 2008. To thank you for your understanding during the construction, UFCU plans to partner with UT Athletics and Austin Coca-Cola Bottling Company, to offer a lucky UT baseball fan a chance to witness post-season collegiate championship baseball from Omaha. This spring, visit any UFCU branch location, and enter the contest by presenting a Longhorns home baseball game ticket stub. The more Texas Longhorn baseball games you attend at UFCU Disch-Falk Field, the more chances you have to win! The first game in UFCU Disch-Falk Field in 2007 is scheduled for Tuesday, February 13th. For contest details and rules, visit [ufcu.org](http://ufcu.org).



## How Can We Serve You Better?

In celebration of UFCU Disch-Falk Field, we're rolling out a new contest. We've hidden a drawing of a baseball bat somewhere in this issue of *Currency Affairs*. The baseball bat looks like:



All readers who correctly identify the location of the baseball bat will be entered into a drawing for a \$250 VISA® gift card from UFCU.

To enter, complete the form below and send it to the address listed on the form. For additional rules & regulations visit [ufcu.org](http://ufcu.org). The entry deadline is January 31, 2007.

Happy hunting!

**Lyndee Bennett**

Marketing and Business Development Specialist

Name \_\_\_\_\_

Member # \_\_\_\_\_

Location of bat: \_\_\_\_\_

University Federal Credit Union  
Attn: Marketing  
PO Box 9350  
Austin TX, 78766-9350

# Shred Day

**UFCU is hosting "Shred Day" on Saturday, 02/17/07, at the Steck Branch.**

Criminals need very little information to steal identities and garbage cans offer an abundance of information from paperwork. Bring up to two file boxes of paper per household for free confidential shredding. Commercial high-volume shredders, courtesy of Iron Mountain, will be on-site to shred your records.

UFCU's Risk Manager, Chris Miller, will also be available to answer any questions and/or concerns about ID theft and other fraud issues. Mark your calendars now!



# Locations

- BEN WHITE** ..... 133 E Ben White Blvd, Austin, TX  
*Drive-Thru* ..... Monday, Tuesday, Thursday & Friday 7 - 6  
 Wednesday 10 - 6  
 Saturday 9 - 1
  - BRODIE** ..... 9925 Brodie Ln, Austin, TX  
 Monday - Friday 9 - 5  
 Saturday 10 - 2  
*Drive-Thru* ..... Monday - Friday 7:30 - 7  
 Saturday 9 - 2
  - DOWNTOWN** ..... 702 Colorado St, Austin, TX  
 Monday - Friday 9 - 5:30
  - GALVESTON** ..... 428 Postoffice St, Galveston, TX  
 Monday - Thursday 8 - 4  
 Friday 8 - 5  
*Drive-Thru* ..... Monday - Friday 7 - 6  
 Saturday 9 - 1
  - HIGHWAY 79** ..... 201 West Palm Valley Blvd, Round Rock, TX  
 Monday - Friday 9 - 5  
 Saturday 10 - 2  
*Drive-Thru* ..... Monday - Friday 7:30 - 7  
 Saturday 9 - 2
  - LAKELINE** ..... 13860 North US Hwy 183, Austin, TX  
 Monday - Friday 9 - 5  
 Saturday 10 - 2  
*Drive-Thru* ..... Monday - Friday 7:30 - 7  
 Saturday 9 - 2
  - N GUADALUPE** .... 4611 Guadalupe St, Austin, TX  
 Monday - Friday 9 - 5  
 Saturday 10 - 2  
*Drive-Thru* ..... Monday - Friday 7 - 7  
 Saturday 9 - 2
  - S MoPAC** ..... 5033 US Hwy 290 W at MoPac, Austin, TX  
 Monday - Friday 9 - 5  
 Saturday 10 - 2  
*Drive-Thru* ..... Monday - Friday 8 - 7  
 Saturday 9 - 2
  - STECK** ..... 3305 Steck Ave, Austin, TX  
 Monday - Friday 9 - 5  
 Saturday 10 - 2  
*Drive-Thru* ..... Monday - Friday 7 - 7  
 Saturday 9 - 2
  - TAYLOR** ..... 407-A N Main St, Taylor, TX  
 Monday - Thursday 9 - 4  
 Friday 9 - 6
  - UNIVERSITY** ..... 2244 Guadalupe St, Austin, TX  
 Monday - Friday 8:30 - 6  
 Saturday 10 - 2
- YOU CAN REACH US BY DIALING**  
 Austin ..... (512) 467-8080  
 Galveston ..... (409) 797-3300  
 US Toll-free ..... (800) 252-8311  
 TDD Number ..... (512) 421-7477

**MAILING ADDRESS**

PO Box 9350  
 Austin, TX 78766-9350

**WEB ADDRESS** ..... [ufcu.org](http://ufcu.org)



# Holiday Closings

UFCU will close in observance of the following holidays:

**Martin Luther King Jr. Day**  
 January 15th

**President's Day**  
 February 19th

