

Advantage

Sharing Financial Success...Inspiring Dreams!

Quarterly
Newsletter
for Members
of Magnolia
Federal Credit
Union

4th Quarter 2008

Know How to Get the Best Car Deal... Before You Start Shopping

THINKING OF BUYING A CAR? IT DOESN'T MATTER IF IT'S YOUR FIRST CAR OR YOUR 10TH—

Buying a car can be intimidating if you're not armed with the facts—such as what the car is worth, what the dealer paid, and how much you can afford. That's why you should take the time to do your homework before you set foot in a dealership or pound the pavement for a new or used car. If you do, you could save hundreds of dollars—or more.

Before you start shopping around, get the facts so you don't get stuck with a bad deal that could cost you plenty. Magnolia Federal Credit Union wants to help you save time and money, and walk away with a good deal. With careful preparation, you can steer your way through the search process and drive away with the car deal that's best for you.

To learn more about driving away with a bargain on your next auto purchase, join us for an information session, "Take the Wheel: Get the Best Car Deal." At the seminar, you'll learn how to determine how much car you can afford, deal with dealers; negotiate the best car price; benefit from buying used; decipher financing options and warranties; and find help if you have warranty problems. There's no cost to attend.

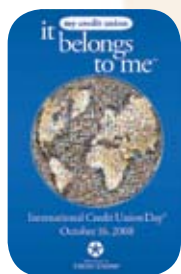


Free Auto Buying Workshop
5:30 p.m. Thursday, October 9

Main Office Board Room, 240 Briarwood Drive

Space is limited! Register today by calling 601-977-8300
or email education@magfedcu.org.

Visit www.magfedcu.org for more information.



Open House

**Thursday,
October 16, 2008
8:00 a.m. to 4:00 p.m.**

240 Briarwood Dr., Jackson

Happy Credit Union Day 2008

We're celebrating a special day, and you're part of it. Join us October 16 to celebrate **International Credit Union Day** with this year's theme "**My Credit Union: It Belongs to Me.**" International Credit Union Day celebrates the history, tradition, and spirit of the international credit union movement—and those who own it.

We want to take this opportunity to thank you for being an important part of Magnolia Federal Credit Union. It's members like you who help to make

up this truly special organization—not shareholders or other motives. You own your credit union, and we are here to serve you.

Credit unions exist to provide a safe, convenient place for members to save money and to get loans at reasonable rates—credit union members save \$240* a year per household. Take full advantage of your credit union membership. Meet your borrowing and savings needs with our member friendly, low-priced services.

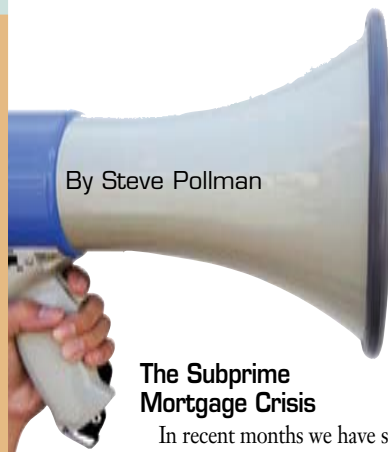
In honor of International Credit

Union Day we invite you to an open house from 8:00 a.m. to 4:00 p.m. on Thursday, October 16, 2008 at our main office located at 240 Briarwood Drive.

This International Credit Union Day, we are excited to be a part of your hopes and dreams. Thank you for being part of the credit union difference. Let us know how we're doing and what we can do to make your credit union membership even better.

We look forward to seeing you on the 16th!

*According to data from the Credit Union National Association (CUNA).



By Steve Pollman

Heard the Latest?

The Subprime Mortgage Crisis

In recent months we have seen and heard much in the news about the subprime mortgage crisis and its impact on the financial market. I'd like to assure you that Magnolia Federal Credit Union does not participate in this type of high risk mortgage lending. About 33.5% of our overall loan portfolio consists of 1st & 2nd mortgage loans to our members, but these are all high performing loans, with virtually ZERO delinquency. In addition, our investment portfolio is made up of insured certificates of deposits with varying maturities up to 36 months, held by a variety of financially sound institutions across the country. This means that our credit risk is virtually nonexistent and our interest rate risk is very manageable. Furthermore, we are well capitalized at about 18.0%. To give you a point of reference, the average capital ratio at our peer credit unions is 12.6%. So, we are well positioned to deal with any fall-out from any foreseeable crisis—however unlikely. This is good news to keep in mind when you see and hear the news regarding any national financial crisis.

Your Savings are Secure

Magnolia Federal Credit Union continues to be a great place to save, paying rates of interest on savings and certificates of deposit that compare very favorably to those offered at other local financial institutions. Most importantly,

the funds you have on deposit at the credit union are federally insured by the National Credit Union Share Insurance Fund (NCUSIF), which is backed by the full faith and credit of the US government. The fund insures a person's savings up to at least \$100,000, with higher total coverage available if the member has a combination of individual, joint, trust and other types of accounts. Individual Retirement Accounts (IRAs) also have separate insurance coverage up to \$250,000. There is a very informative video clip explaining how this coverage can be maximized on our website at www.magfedcu.org.

Financial Education

One of our 2008 corporate goals is to promote financial literacy within our membership and the community. So far this year we have conducted three very informative member education workshops, *CreditAbility: Build a Strong Credit History*; *Identity Theft: Deter, Detect & Defend*; and most recently *Build a Basic Budget: The Five-Step Spending Plan*. All three have been very well received by the members in attendance. I would like to extend a personal invitation to you to attend our *Take the Wheel: Get the Best Car Deal* workshop on October 9th (see page 1 of this newsletter for details).

In addition to providing member financial education, we have also made a commitment to youth financial literacy. Our Training Coordinator, **Melissa Harper**, designed programs such as *Check*

...Our credit risk is virtually nonexistent and our interest rate risk is very manageable.



Writing Fundamentals and *Understanding Credit Scores* that she is delivering to local schools upon request.

Identity Theft 911 Update

Last quarter we introduced *Identity Theft 911* as FREE service to members victimized by identity theft. We have already had several members take advantage of this service. The fraud specialists at IDT911 have a wealth of expertise dealing with ID theft and work diligently to minimize the negative impact of an incident of this nature. Remember to keep that in mind, should you need this sort of help.

24/7/365 Call Center Coming Soon!

We are also very excited about another enhancement to our member service capabilities. COMING SOON, we will expand our Call Center operational hours. Today the Call Center is only available during our regular operating hours. Soon we will expand this to a 24/7/365 operation, so that anytime you call the credit union—day or night, weekend or holiday—you'll have access to a "live" trained credit union professional capable of assisting you.

Magnolia Federal Credit Union... beyond banking, helping member-owners succeed.

2008 Holiday Closures

Columbus Day

Monday, October 13

Veterans Day

Tuesday, November 11

Thanksgiving

Thursday, November 27

Christmas Eve

Wednesday, December 24, closing at 1 p.m.

Christmas

Thursday, December 25

Management Staff

Steve Pollman, President/CEO | **Gigi Williams**, Vice President, Finance | **Joe Rice**, Vice President, Lending | **Lanet McCrary**, Vice President, Marketing & Business Development | **Katie Nelson**, Vice President, Operations | **Carol Fox**, Vice President, Administration | **Alena Williams**, Head Teller | **Enith Alicea**, Member Services Director

Recent Nuptials

Please help us congratulate Member Service Representative/ Receptionist, **LaKeisha (Keisha) Lewis**, on her recent marriage to **Noel Martinez**. The couple exchanged vows on August 23, 2008 in Philadelphia, Mississippi.

Employment Anniversaries

The following employees celebrated employment anniversaries during 3rd quarter 2008:

July

- LaTrina Jones, 4 years
- Donna Albright, 3 years
- Michelle Davis, 1 year
- Toni Barnes, 1 year
- Harvey Ellis, 1 year

August

- Dee Wheeler, 18 years
- Lanet McCrary, 14 years
- Alena Williams, 9 years

September

- Beverly Branch, 4 years
- Katie Nelson, 4 years

Put a "Little Extra Jingle" In Your Pocket This Holiday Season

Christmas Club News

■ **One Free Withdrawal in October**

Want to beat the rush or need your Christmas Club money right away? Anytime during the month of October, you may make one withdrawal from your Christmas Club account without a fee!

■ **Instant Access to Christmas Club Funds**

To provide you with immediate and safe access to your hard-earned Christmas Club money, the balance in your Christmas Club account at the end of business on October 31, 2008 will automatically be deposited into your Share Savings

Account, unless prior arrangements with the credit union have been made.



Do the "Santa Skip"

It's almost time to do the "Santa Skip." If you have a MagFedCU Visa® Credit Card, you have the option to skip your November Visa® payment (this is the payment for the statement you receive in November that is due on or about December 10th).

■ **Here's How It Works...**

When your November bill arrives, check the line that reads "minimum payment due." If the amount reads \$0.00, you have the option to make a payment or not. If you choose not to make a payment, your interest will accrue as usual and you'll simply resume your regular payment the following month.

Beat the Holiday Blues With a Few Extra "BUCKS"

Now through December 31, 2008 borrow up to \$2,500 with a special holiday 12 month signature loan for as low as 6.95% APR!

NOTE: Net Check Direct Deposit qualifies you for a .25% rate discount.

Yes, I could use some extra "Bucks" this holiday season.

My Name is: _____
 My Member Account Number is: _____
 My Birth Date is: _____
 My Requested Loan Amount is \$ _____
 My Employer is: _____
 My Hire Date is: _____
 My Work Phone Number is: _____
 My Gross Annual Salary is \$ _____

The information I have supplied on this application is true to the best of my knowledge. I understand that necessary credit and reference inquiries may be made and I hereby authorize the release of such information to Magnolia Federal Credit Union.

Applicant's Signature X _____ Date: _____

All loans subject to credit approval. Payment by payroll deduction or automatic transfer required. Special rate effective from October 1, 2008 through December 31, 2008. Rate to be determined upon approval.



Happy Holidays from Magnolia Federal Credit Union!



**Mark Your Calendar
2009 Annual Membership Meeting**

Tuesday, January 27
Hinds Community College, Rankin Campus



Credit Union Statistics: As of August 31, 2008

- Members – 12,597
- Loans – \$42,880,411
- Shares – \$65,193,199
- Assets – \$80,949,312

Gift Cards Simplify Holiday Shopping

Take care of your holiday shopping in one convenient trip—to your credit union!

No crowded shopping centers. No packing, wrapping, shipping, or long lines at the post office. No hassle of returning unwanted gifts. Holiday gift cards from your credit union are an ideal holiday shopping solution!

Visa® gift cards from your credit union eliminate the frustration of wondering what to buy—for a child or an adult, a gift card is a perfect fit every time. Visa® gift cards are more flexible than merchant gift cards, safer than

cash, and easy to use.

Purchasing a gift card is as simple as determining the gift amount—from \$25 to \$500—it's that easy!

There is a small processing fee charged for each card purchased:

- \$2.00 for members signed up for FREE eStatements
- \$4.00 for members without FREE eStatements

So, simplify your holiday shopping this year, stop by and pick up your holiday gift cards at your nearest Magnolia Federal Credit Union branch.

Order a CD-ROM of Your 2008 Cleared Checks Beginning Nov. 1

Simplify your cleared check research and archiving with Magnolia Federal Credit Union's CD ROM Share Draft



Image Retrieval Service. The CD ROM Share Draft Image Retrieval Service consists of a CD containing the images of all of your personal checks that were paid in 2008 along with viewing software that gives you powerful viewing and image management capabilities—all for just \$20.00!

Receiving digital check images from the CD ROM Share Draft Image Retrieval Service:

■ **Reduces Clutter.** Since the images are stored on a single CD there's no need to store paper copies necessary for proof of

payment, income tax purposes, etc.

■ **Saves Research Time.** You can access any check image at any time. No waiting for photocopies or faxes, or searching for duplicate check copies.

■ **Includes Everything You Need.** There's no need for special viewing software. The software needed to view the check images is on the same CD as the images.

■ **Provides Exceptional Image Quality.** The clarity of the images makes them easy to read and manipulate.

To order visit www.magfedcu.org, click on the eShare Draft Images link (available beginning November 1, 2008) and follow the instructions. Your CD ROM will be delivered to you in January 2009.

■ Savings Rates

(Effective 09/01/08)

Money Market Shares	
\$500,000+	2.00% APY
\$20,000+	1.80% APY
\$7,500+	1.55% APY
\$2,500+	1.30% APY
IRA Shares	1.50% APY
Regular Share Savings*	1.05% APY
Christmas Club	0.75% APY
Vacation Club	0.75% APY
Share Draft Checking**	1.00% APY

■ Certificate Rates

(Effective 09/01/08)

3 Month (\$1,000 min.)	2.50% APY
6 Month (\$1,000 min.)	3.00% APY
12 Month (\$1,000 min.)	3.05% APY
18 Month (\$1,000 min.)	3.10% APY
24 Month (\$1,000 min.)	3.25% APY
30 Month (\$1,000 min.)	3.40% APY
36 Month (\$1,000 min.)	3.45% APY
42 Month (\$1,000 min.)	3.50% APY
48 Month (\$1,000 min.)	3.60% APY
60 Month (\$1,000 min.)	3.75% APY

* average daily balance over \$100.00

** average daily balance over \$500.00

Rates expressed as Annual Percentage Yield. For further information about applicable fees and terms, contact the credit union at 601-977-8300 or 1-800-997-7919.

■ Loan Rates (Effective 09/01/08)

Automobiles, Motor Homes, & RV's
.....5.00% to 14.75% APR

Signature, Appliances, Miscellaneous, *Overdraft Protection, & *Line of Credit
.....10.50% to 17.75% APR

Share Secured3% above Share Savings Rate

Certificate Secure3% above Certificate Rate

Home Equity Call Credit Union for current rates

1st Mortgage Call Credit Union for current rates

Rental Property Call Credit Union for current rates

2nd Mortgage5.00% to 10.50% APR

Visa® Platinum Preferred Call Credit Union

Visa® Classic 14.00% APR

*Refer to credit agreement for additional information.

All rates, terms, fees and processing charges are subject to change without notice.

All loans are subject to credit approval. Some restrictions may apply.



Presorted
Standard
US Postage PAID
Jackson, MS
Permit No. 1005

In this issue:
Know How to Get
the Best Car Deal...
Before You Start Shopping