



Magnolia Federal Credit Union

Advantage

Formerly Jackson VA Federal Credit Union

Quarterly
Newsletter
for Members
of Magnolia
Federal Credit
Union

2nd Quarter 2005

Make Sure You Get the Facts: The Truth About Auto Financing

WHEN IS A DEAL TRULY A DEAL? JUST ABOUT EVERY ADVERTISEMENT FOR AUTOS TODAY PROMOTES some kind of special offer: *0% financing; up to \$5,000 cash back; Limited time offer—act now!* But when you take a look at the numbers, and read the disclosures, are you really getting a deal of a lifetime,

or just being taken for a ride? Is 0% financing all it's hyped up to be? Will a cash rebate benefit you in the long run?



Vehicle manufacturers use the 0% financing option as a hook to get you in the door. They know that once you are in the dealership, there's a good chance you'll not only drive away with one of their vehicles, but you'll also accept their financing.

Fact 2:

■ *Finance before you shop, and you'll be able to negotiate a better deal*

You can negotiate a better deal by securing financing before you shop. Remember, knowledge is power! When you are pre-approved, you are able to walk into the dealership knowing the loan amount for which you qualify.

You know up front that you don't need the dealer's financing. This makes it easier to walk away if they're not giving you the best deal. Remember, the dealer's foremost objective is to sell you a car. The rest (like securing internal financing) is icing on the cake.

Securing financing up front gives you the upper hand by putting you, not the dealer, in the driver's seat.

Fact 3:

■ *Taking cash rebates can be better for you in the long run.*

Taking cash rebates as opposed to 0% financing is generally better for you over

time. Why? Do the math! Reducing the total purchase price of the car is going to cost you less in monthly payments and interest. Take a look at the numbers on the chart below, and see the difference for yourself.

Remember, dealers are not apt to offer you 0% financing along with hefty cash rebates. They want to maximize their profit whenever possible.

How To Get a Cash Rebate and Low-interest Financing

Whenever shopping for a new or used vehicle, understand that both purchase price and interest rate are negotiable. If you

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How do you choose the smartest financing option when buying a new or used car?

We at Magnolia Federal Credit Union want to ensure our members have all the information they need to make smart decisions about financing a new or used auto. So, let's review the facts.

Fact 1:

■ *0% financing is often just a hook to get you in the door.*

Not all borrowers qualify for 0% financing. If you are lucky enough to qualify, it's unlikely you'll be offered the buyer incentives available on your vehicle of choice.

	Dealer 48 Month Loan	Magnolia FCU 48 Month Loan
• APR	0%	4.75%
• Purchase Price	\$20,000	\$20,000
• Less Rebate	\$0	\$2,500
• Total Amount Financed	\$20,000	\$17,500
• Monthly Payment	\$417	\$401.11
• Total Cost of Car	\$20,000	\$19,252.81
• You Saved	\$0	\$747.19

By Steve Pollman

IT DOESN'T SEEM LIKE IT HAS BEEN A YEAR SINCE I JOINED THE MANAGEMENT TEAM HERE AT Magnolia Federal Credit Union. So much has been done, yet we have barely scratched the

So Far, So Good – and Getting Even Better in the Near Future...

surface when we consider the standard of excellence that we are striving to achieve with our member service.

Much is in the works with regard to new brochures and signage, which you will be seeing soon. You may have even seen our 30 second TV ad that has been running on WJTV / Channel 12. These things are important to getting our message out, however, we also recognize that telling you about

great services and rates, will not mean a thing if we can't deliver when you call upon us.

Therefore, we are dedicating ourselves to building a front-line team that is totally knowledgeable of our services, attentive to your needs, and fully capable of delivering on our promises in a professional, personal, and convenient manner. This effort is our first priority. In this regard, we have and are taking the following path:

- Rehired Katie Nelson as VP of Operations. Katie served in this position years earlier and is one of the most knowledgeable operations professionals in the credit union community;
- Hired Melissa Harper as a dedicated in-house training coordinator. Melissa is a recent graduate of Belhaven College and brings previous training experience to the task;
- Contracted with *Credit Union University* to provide a complete array of on-line training modules for our staff and have established an incentive program for rewarding staff members for investing their time to improve their ability to serve your needs;

- Contracted with *Integrated QSG* to help us establish a professional development program, complete with incentives and recognition programs; and most recently

- Revamped our pay grades for our "front line" staff so that they can expect to earn wages more in line with their value as our primary member contacts.

Excellence in financial services is how we want you to think of us. We believe that if we are successful in recognizing and taking care of your needs, you will take care of letting the community know where their best option for financial services is located.

That is where we are going with our staffing issue. Meantime, we will continue to push forward on the other fronts. Here are some other issues that you can look forward to in the near future:

- New Magnolia FCU building signage.
- Newly redesigned service brochures.
- Enhancements to our Totally Free Checking account to include rewards such as free Bill Payment Service, free checks and an ATM surcharge refund program.
- The reduction of the Account Maintenance Fee from \$5.00 to \$1.00.
- The introduction of a Platinum VISA account with low, gimmick-free rates, higher limits, and a package of added value rewards.
- A newly redesigned web site at www.magfedcu.org.
- A new automated loan processing platform that will simplify the loan process and make the loan process quick and painless.



In addition, I am assured that the bugs have now been worked out of the Shared Branching Network. You may now expect to perform transactions on your Magnolia FCU accounts at any one of 9 Service Center locations around the Jackson Metro area, and at over 1,500 locations across the county. Remember, you'll need your ID, our name (Magnolia FCU), and your account number. This is free to you, so don't hesitate to take advantage of this added convenience.

We remain very excited about the direction the credit union is taking. We want to be the best at taking care of your personal financial needs and we hope that you will take the time to let us know how we are progressing. When we are successful, please tell your friends and neighbors about us. Especially those living or working in the five-county Metro area comprised of Hinds, Madison, Rankin, Copiah, and Simpson Counties.

Excellence in financial services is how we want you to think of us.

2005 Holiday Closures

Memorial Day

- Monday, May 30

Independence Day

- Monday, July 4

Labor Day

- Monday, September 5

Columbus Day

- Monday, October 10

Veterans Day

- Friday, November 11

Thanksgiving

- Thursday, November 24

Christmas

- Monday, December 26

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**, Administrative Assistant | **Alena Williams**, Head Teller

■ **Welcome Aboard**

Please join us in welcoming **Camillia Evans, Melissa Harper, Eva Evans, Amanda Daniels and Jessica Boyd** to the credit union. Camillia, Eva, Amanda and Jessica are in training as new Tellers at our Briarwood Drive location. Melissa fills our newly created position of Training Coordinator.

■ **CUs for Kids 2005 Fundraising Begins**

Thanks to the generosity of **Daniel Dudley**, member and VA Medical Center Police Officer, our 2005 fundraising campaign has begun. Mr. Dudley donated a wood carving of the Last Supper to be raffled off to one lucky Magnolia FCU member. Nearly \$200 was raised by the raffle, giving us a good start to our year-long efforts to raise money for the kids at the Blair E. Batson Hospital for Children. **We'd like to thank all our donors** and look forward to a record breaking year.

■ **Team Leaders Announced**

Magnolia FCU has embarked on a professional service and sales development program for its employees based on the "team" concept. The following individuals have been selected as team leaders: **Amy Coleman**, Member Service Representative; **Crystal Hodge**, Plastic Card Coordinator; **Dolores Hughes**, Loan Officer; **Hiweda McField**, Senior Accountant; and **Lisa Robertson**, Mortgage Specialist. The management of the credit union would like to thank these dedicated employees for their willingness to take on this added duty... **THANKS!**

Credit Union Statistics:

As of March 31, 2005

- Members – 10,886
- Loans – \$39,108,643
- Shares – \$64,522,769
- Assets – \$76,744,824

Magnolia FCU Checking Accounts Get a Facelift

Your credit union has made some exciting changes to our Share Draft Checking Account. We've changed the name to Totally Free Checking, but the features still include:

- No Monthly, "per check" or "per debit" charges
- No Minimum Balance Requirement
- Free Check/Debit Card Access
- Free ATM Card Access
- Free Online Banking and Telephone Teller
- Free Automatic Overdraft Protection
- Free eStatements and Online Check Images
- And, even pays you dividends!

We're also proud to introduce two new checking accounts with an added bonus:

Magnolia Checking

Valued members aged 55 and over will enjoy all the features of Totally Free Checking PLUS:

- One Free box of personalized credit union image checks per year

Student Checking

Valued members aged 21 and under and students over 21 with proof of enrollment will enjoy all the features of Totally Free Checking PLUS:

- One Free box of personalized credit union image checks per year

In addition, Bonus Rewards have been added to all three of our Checking Account offerings:

- **eStatement Bonus Rewards**—Sign up for FREE eStatements and enjoy all the features of Totally Free Checking, Magnolia Checking or Student Checking PLUS:

- Free initial box of personalized credit union image checks
- Free TOTAL ACCESS Bill Pay Service
- Up to \$25 per month refund of ATM surcharges

- **Direct Deposit Bonus Rewards**—Sign up for Direct Deposit of your payroll, recurring government, social security or retirement check and enjoy all the features of Totally Free Checking, Magnolia Checking or Student Checking PLUS:
- Free initial box of personalized credit union image checks



- First six months free Safe Deposit Box rental
- Free Traveler's Checks

So, what are you waiting for? Open your new Magnolia Federal Credit Union Checking account today!

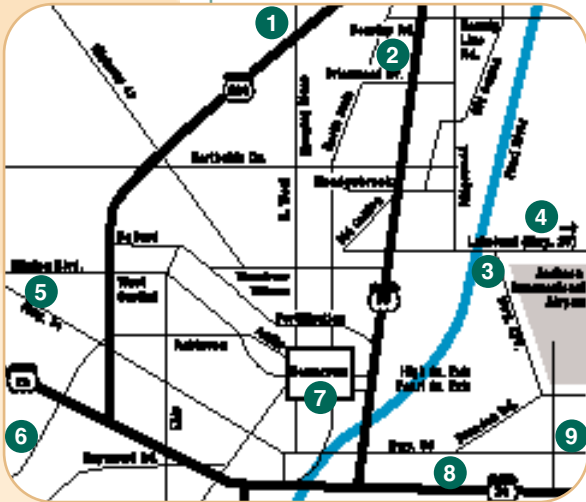
Notice of Fee Increases, Additions & Changes

The Board of Directors approved the following fee increases, additions and changes effective June 1, 2005

- Account Maintenance Fee\$1.00 / month
(Calculated using aggregate average daily share balance plus aggregate loan balance below \$100 and waived for new accounts for 90 days, students, members under 21, members over 65, members on disability**, MagFCU Visa Credit Card holders, MagFCU Student Loan holders.)*
- Deposit NSF Item:\$10.00
 - Overdraws Account: \$28.00
 - Loan Payment: \$28.00
- NSF/Courtesy Pay Item\$28.00
- NSF/Courtesy Pay ACH Debit\$28.00
- NSF/Courtesy Pay ATM/Debit Card Withdrawal\$28.00
- Originating ACH Item Return\$28.00
- Stop Payment Draft/ACH Item.....\$28.00
- Merchant Check Collection\$10.00
- Draft Collection.....\$10.00
- Share Draft Copy\$5.00
- ATM/Debit Card Abuse "Hot Card"\$20.00
- Debit Card Replacement\$20.00
- Close Account Within 90 Days\$10.00
- Visa Credit Card:
 - NSF Payment: \$28.00
 - Over Limit: \$20.00
 - Late Payment: \$20.00
 - Replace Lost/Stolen Card: \$20.00
 - Statement Copy: \$5.00

* proof of enrollment required annually
** documented proof required

Shared Branching Takes Off



Credit union members in the Metro Jackson area are experiencing the convenience of additional locations. Magnolia FCU members conducted over 700 transactions at other Credit Union Service Centers during the first quarter of 2005. Guest members (those from other credit unions) conducted over 800 transactions at MagFCU branches during that same period. The Credit Union Service Center Network is a nationwide network of nearly 1,700 branch locations where you can access your MagFCU account—just like you would at an actual MagFCU location. Visit a CU Service Center location listed below or log on to www.creditunion.net for more locations.

- 1. Members Exchange CU**, 107 Marketridge Dr., Ridgeland
- 2. Magnolia FCU**, (formerly Jackson VA FCU), 240 Briarwood Dr., Jackson
- 3. Statewide FCU**, 295 East Layfair Dr., Flowood
- 4. Magnolia FCU**, 139 Plaza Dr., Brandon (Castlewoods)
- 5. Members Exchange CU**, 652 Hwy. 80 West, Clinton
- 6. Jackson Area FCU**, 5675 Hwy. 18 West, Jackson
- 7. Mississippi Postal FCU**, 402 East South St., Jackson
- 8. Mississippi Telco FCU**, 409 Riverwind Dr., Pearl
- 9. Members Exchange CU**, Airport MetroPlex, Hwy. 80 E., Pearl

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do end up financing with a dealership in order to take advantage of incentive cash rebates, remember that you can always come to Magnolia FCU to refinance. We offer some of the **most flexible terms** and **lowest interest rates** available for auto loans, and we make the process fast and easy.

If you're in the market for a **new or used car**, or simply want to **refinance your current loan from another lender**, please talk to us! We refinance vehicles for members all the time who took the cash rebate or received a less-than-favorable interest rate from another financial institution. If we can refinance your vehicle at a lower interest rate than what you are currently paying, without extending your loan term, we both win!

APRs on open-end vehicle loans at Magnolia FCU range from 4.75% to 11.65% (this includes a .25% APR online application discount. Terms available up to 72 months. Up to 100% financing available. All loans subject to credit approval. Rates and terms are based on credit worthiness and are subject to change without notice.



Auto Loans: We've got a great deal to put you behind the wheel!

New & used auto loans as low as 4.75* APR. Apply online today at www.magfedcu.org!

All loans subject to credit approval. Some restrictions may apply. Rate expressed as Annual Percentage Rate. Rate subject to change without notice.

* Promotional rate includes .25% online application discount.

■ Savings Rates (Through 04/30/05)

Money Market Shares	
\$20,000+	2.75% APY
\$7,500 - 19,999.99	2.50% APY
\$2,500 - 7,499.99	2.25% APY
IRA Shares	1.75% APY
Regular Share Savings*	1.25% APY
Christmas Club	0.75% APY
Vacation Club	0.75% APY
Share Draft Checking**	0.50% APY

■ Certificate Rates (Effective 04/01/05)

3 Month (\$1,000 min.)	2.35% APY
6 Month (\$1,000 min.)	2.75% APY
12 Month (\$1,000 min.)	3.00% APY
18 Month (\$1,000 min.)	3.25% APY
24 Month (\$1,000 min.)	3.50% APY
30 Month (\$1,000 min.)	3.75% APY
36 Month (\$1,000 min.)	3.85% APY
42 Month (\$1,000 min.)	3.85% APY
48 Month (\$1,000 min.)	4.00% APY
60 Month (\$1,000 min.)	4.25% 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, please contact the credit union at (601) 977-8300 or 1-800-997-7919.

■ Loan Rates (Effective 04/01/05)

Automobiles, Motor Homes, & RV's	5.00% to 11.90% APR
Signature, Appliances, Miscellaneous, *Overdraft Protection, & *Line of Credit	8.90% to 16.90% APR
Share Secured	3% above Share Savings Rate
Certificate Secured	3% 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 Mortgage (Special rates may be discontinued without notice)	
3 year	4.99%
5 year	5.99%
7 year	6.49%
10 year	6.99%
Visa® Credit Card	14.00%

*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.