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Cash at your fingertips with a home equity loan

Get your hands on the cash you need to make home improvements, buy a new car, pay for college or consolidate your debts. Get your hands on a Home Equity Loan from Members Credit Union.

Your home is your greatest financial resource. The equity in your home is like cash at your fingertips. Here's how it works: home equity is the difference between your home's market value and the balance outstanding on your mortgage.

At Members Credit Union, we offer two types of Home Equity Loans: a closed-end loan and an

open-end line of credit. The type that best suits your needs depends on how you plan to use the funds and how you want to repay what you borrow.

A closed-end loan is a lump sum borrowed at a fixed interest rate that you'll pay back over a set time period. It's a good choice when you need a known amount of money for a specific expense.

A Home Equity Line of Credit is an open credit line you can draw on as needed, up to an established credit limit. A line of credit typically carries a variable interest rate. The key advantage of a line of credit is that you can tap into it again

and again, without having to reapply.

If you have a variable-rate home equity loan with another lender, and you are concerned about rising interest rates, consider moving your loan to our fixed home equity loan. We can also refinance your first mortgage. Call for details.

Why choose a Home Equity Loan?

- ▶ Interest rates are generally lower than credit cards or personal loans.
- ▶ The interest you pay on a home equity loan is usually tax deductible. (Consult your tax advisor to determine which deductions you are allowed.)
- ▶ No application fee, no annual fee and no closing costs.





Share Draft Checking Enhancement

We are pleased to announce the most recent enhancement to our Share Draft Checking accounts. Members who use CU @ Home online banking will now be able to view images of their cancelled checks online. This value-added service will be available February 2005.

Members Credit Union: What's the difference?

New federal laws and regulations are changing the structure and face of the financial services industry. In this time of accelerating change, it is important to truly understand how credit unions are unique and different, and why we remain a necessary and extremely popular financial alternative for 82 million Americans.

NOT-FOR-PROFIT

Credit unions are not-for-profit financial cooperatives. We exist to serve our members, not to make a profit. Unlike most other financial institutions, credit unions do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to our members in the form of lower loan rates, higher interest on deposits, and lower fees.

OWNERSHIP

Credit unions are economic democracy. Each credit union member has equal ownership and one vote -- regardless of

how much money a member has on deposit. At a credit union, every customer is both a member and an owner.

VOLUNTEER BOARDS

Each credit union is governed by a board of directors, elected by and from the credit union's membership. Board members serve voluntarily.

SOCIAL PURPOSE

Credit unions exist to help people, not make a profit. Our goal is to serve all of our members well, including those of modest means - every member counts. Our members are fiercely loyal for this reason. They know their credit union will be there for them in bad times, as well as good. The same people-first philosophy causes credit unions and our employees to get involved in community charitable activities and worthwhile causes.

TAXATION

Credit unions do pay taxes - payroll taxes, sales taxes, and

property taxes. Congress exempts credit unions from federal income taxes. The exemption was established in 1937, affirmed by statute in 1951, and re-affirmed in 1998 in H.R. 1151, the Credit Union Membership Access Act, which states:

"Credit unions, unlike many other participants in the financial services market, are exempt from Federal and most State taxes because credit unions are member-owned, democratically operated, not-for-profit organizations generally managed by volunteer boards of directors and because they have the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means."



SHOW YOU CARE - ADOPT A BEAR

Members Credit Union is collecting \$5 donations from members through February 28, 2005, to purchase teddy bears that will be donated to Kids in Crisis.

The Kids in Crisis mission is to protect infants, children and teens from abuse and family crisis. They provide free, round-the-clock crisis intervention, counseling and emergency shelter, prevention programs in local communities and advocacy throughout Connecticut. Won't you please help MCU help others? Adopt a bear today.



Members Credit Union – Making Lives Better

MCU recently completed our planning sessions for 2005. We spent a great deal of time reflecting on our purpose for being. Why do we exist? Why do we offer financial services? Yes, we offer financial services. Yes, we open accounts, take deposits and withdrawals and make loans. We do all of the things that any financial institution does. But, we believe that our driving force is to make lives better. Sometimes it is by simply greeting you with a smile when you visit the office or by providing toys for your children to play with while you take care of business. We also make lives better by offering electronic services that let you complete your business quickly – giving you more time to spend with your family. We provide information that will help you make your best deal when purchasing a new car. We offer help and advice in correcting credit issues; sometimes even saving a member's house from foreclosure. We believe that we are here to give you our best.

Have we made your life better in some way – large or small? Please let us know. Any written responses that we receive before February 15, 2005, will be entered into a drawing for \$500.



ANNUAL MEMBERSHIP MEETING

You are cordially invited to join your fellow members for our 2005 Annual Membership Meeting. This year's meeting will be held on Wednesday, April 13. The location will be announced as the time nears. Watch your newsletter for details.

Stay in touch with remote access

Access your accounts online, by phone or through an ATM

Designed with your busy schedule in mind, we offer a variety of convenient remote-access options. For example, CU @ Home Online Banking provides 24/7 access to your credit union accounts. It's a fast, secure and member-friendly way to handle common transactions, anytime day or night. Best of all, CU @ Home is a free service available to all of our members.

Applelink Telephone Teller will also help you to maximize your

time. It is also available anytime for account inquiries, transfers, loan payments, loan applications and withdrawals by check. Call 203-622-6052 and you will be prompted through your transactions and inquiries.

Save time and money when you choose to pay your bills through our electronic Bill Payer service. Payments are automatically debited from your checking account on the date that you specify. Interested? Try Bill Payer free for three months.

ATM withdrawals are always free at our credit union ATMs and at any ATM where the SUM logo is displayed. Or, use your ATM or Debit Card to pay for purchases and receive cash back at the register. Plus, make overnight deposits to the ATM in Stamford and in the Night Depository in Cos Cob.

- CU @ HOME ONLINE TELLER**
- ELECTRONIC BILL PAYER**
- APPLELINK TELEPHONE TELLER**
- DEBIT CARD ACCESS**
- ATMS AT BOTH MEMBERS CREDIT UNION LOCATIONS**

"To get started using CU @ Home, please call the credit union to request your user ID. Then, simply log in by clicking the CU @ Home icon on our homepage."



BOARD OF DIRECTORS

Oliver Bloch, Chairperson
Ann Byrne, Vice Chairperson
Kathy Chartier, Treasurer
Paul Swaggart, Secretary
Elisabeth Bates, Director
Dirk Delo, Director
Lisa Dempsey, Director
Michael Gavan, Director
Linda Shirley, Director

SUPERVISORY COMMITTEE

Lisa Dempsey, Chairperson
Aaron Hull
Frank Trotta

LOCATIONS & HOURS**Cos Cob Office**

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Office: (203) 622-6050
Fax: (203) 622-6051
Monday & Friday
9 a.m. – 4:30 p.m.
Tuesday & Thursday
9 a.m. – 6 p.m.
Wednesday
12 noon – 4:30 p.m.

Stamford Office

56 West Broad Street
Stamford, CT 06902
Office: (203) 975-3866
Fax: (203) 975-3870
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Tuesday & Thursday
9 a.m. – 4:30 p.m.
Wednesday
12 noon – 4:30 p.m.

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INTERNET & EMAIL ADDRESS

www.memberscu.coop
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Weighing your IRA Options

OPEN YOUR 2004 IRA BEFORE APRIL 15, 2005

Whatever your income, age or circumstance, the time to save for your future is now. More than ever, IRAs are smart savings tools wherever you are on life's journey. Whether you want to buy a new home, start your kid's college funds or secure a golden retirement, a credit union IRA could be exactly what you need. We have put together a quick lesson on IRA basics to help you determine if an IRA is right for you.

What are the IRA contribution limits?

For tax year 2004, you can put up to \$3,000 per year into either a traditional or Roth IRA – or a combination of both. For tax year 2005, the maximum annual contribution has jumped to \$4,000, then it will increase to \$5,000 in 2008. After that, limits will be adjusted

in \$500 increments annually for inflation. Also, if you're saving for your child's K-12 or college education, the Coverdell Education Savings Account lets you save \$2,000 per year, per child.

Is it too late to contribute to my IRA for 2004?

Good news – there is still time. Although 2004 has come and gone, you can make a year 2004 contribution to a Roth or Traditional IRA anytime before April 15, 2005. You can also make a contribution for 2005 anytime between now and April 15, 2006.

What's the difference between a Roth and traditional IRA?

With a traditional IRA, your contributions may be tax-deductible and earnings deferred, meaning you pay



taxes on most IRA funds upon withdrawal. In contrast, Roth IRA contributions are always made with after-tax dollars, but qualified withdrawals are tax-free, including all your earnings. (Some withdrawals from traditional or Roth IRAs may be subject to additional penalties if they are taken improperly or at the wrong time.)

As you weigh your IRA options, please be sure to call one of our member service reps for assistance.

HOLIDAY CLOSINGS

Martin Luther King, Jr. Day
Monday, January 17, 2005
Presidents' Day
Monday, February 21, 2005



COMING SOON! Watch for details

Members Credit Union High School Branch

Plans are currently underway for our

new Members Credit Union High

School Branch. Be sure to watch for

more details in upcoming issues of

your HOMEPAGE newsletter!

