

Financial WISE

January 2012



It's Family Time!

Join Us for the Annual Meeting

There's nothing like a time for families to get together. That's why Mutual Savings Credit Union always looks forward to our Annual Meeting. Our Annual Meeting provides us the opportunity to express our appreciation for our members and grow the sense of community that is part of what makes us special.

You'll hear reports of what has been happening at the credit union over the last year – reports that will help you feel confident in our safety and stability. You'll also have the opportunity to help elect our volunteer board of directors to serve the credit union in the coming year. You won't want to miss it, so mark your calendars now. We hope to see you there.

Mutual Savings Credit Union Annual Meeting

January 26, 2012

4:30 p.m.

Ten Peachtree Auditorium



Has Your Contact Information Changed?

It is vital that we have correct contact information to reach you with statements and other important account information. Please help us keep your records at Mutual Savings Credit Union current. If you have had a change to any of your contact information, please let us know. You can pick up a change of information form at the credit union, or we will mail or fax the form to you. Thank you for helping us keep our records up to date.

President's Letter

Dear Member:

Since 2007, the U.S. has experienced the worst economy since the Great Depression. Millions of jobs were lost, asset values plummeted, home prices dropped, many companies failed, and others likely would have if it weren't for government intervention. We are no longer in a recession; however, the economy is struggling to create jobs, home values are continuing to fall and there are still challenges facing credit unions.

We are seeing good signs of a turnaround for the credit union. The two big challenges the credit union has faced are earnings and growth. It is understandable that members aren't borrowing in the current environment, and yields on credit union investments are low – thus, reduced growth. But there are some positive signs. Our delinquency ratio (0.68%) is the lowest it has been in three years. We are also seeing an increase in used auto sales and checking accounts.

We are preparing for our Annual Meeting on January 26, where we will report our year-end financials and share reports from your board chairman and committee chairs. I believe there will be good news reported from both the Supervisory and Credit Committees. The meeting is a good opportunity for you to meet your current directors and ask them questions about the credit union. And, you will have the opportunity to vote on three directors who will serve you over the next three years.

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Turn Good Into *Great* With Our Low-Interest Auto Loan

A low-interest auto loan from Mutual Savings Credit Union may just be the difference between a good deal and a great deal on your next vehicle purchase. Even if you find a good price on the car you want, you may pay more than you have to if you settle for the wrong loan.

Dealer financing often sounds like it will save you money, but it could actually cost you more. Don't be enticed by a low rate without learning the true cost of the loan. You could pay less by financing with Mutual Savings Credit Union.

In fact, your best bet is to begin your search for a vehicle by coming to us first. We can pre-approve you for a loan and give you the information you need to evaluate dealer financing and incentive offers. Our low interest rate may be just what you need to make a good deal great.

We offer rates as low as **2.5%** APR*.

- A variety of convenient terms
- Quick approval
- Personal service
- Payroll deduction available

Call (404) 584-4754 or log on to mutualsavingscu.org today for more information.

*Annual Percentage Rate.



Your Guide to *Smart* Auto Shopping



For the inexperienced car-buyer, the process of purchasing a vehicle can be intimidating. Follow these steps and you'll be much more likely to end up paying a fair price on the vehicle that will best suit your needs.

- 1. Slow down!** Don't let yourself fall in love with a car that you "can't live without."
- 2. Budget before you shop.** Take a hard look at your budget to determine what size car payment you can handle each month. That will narrow your options.
- 3. Make financing your next step.** Come to the credit union to be approved for financing first. You have more bargaining power when you have your financing worked out BEFORE you go into the dealer.
- 4. Do your homework.** Doing some research at the library or online on the performance ratings of various cars will narrow your choices further. The annual Consumer Reports car issue (April) is one good source for that information. Check pricing guides so you'll know what the vehicle should cost.
- 5. Don't buy on your first visit.** You will pay more if you don't shop around.
- 6. Never leave a deposit until the seller agrees to your price.** One key strategy is to negotiate price up from the dealer's cost, rather than down from the manufacturer's suggested retail price.
- 7. Don't fall for "spot deliver."** That's a dealer offering to let you take the car home before you've bought it.
- 8. Stop the transaction if you feel pressured or confused.**
- 9. Before you sign, check the agreement carefully to confirm that it reflects the agreed upon terms.**
- 10. Remember that the price of the new car isn't where seller makes money.** It's made with add-ons that can be confusing, or that you may never even see. Compare the dealer's warranty with warranties available at the credit union.

Reduce Your Wallet Waste

Many of us are making an effort to reduce waste these days. Why not protect your financial environment by reducing your wallet waste? If you built up large balances on a high-interest credit card during the holiday season, we may be able to help you reduce what you pay in interest. Transfer your balance to a low-interest Mutual Savings Credit Union Visa® credit card. A lower interest rate means you will pay less in interest, and that can add up to a significant savings over time.

Our card features:

- Low 8.5% APR*
- No annual fee
- No balance transfer fee
- 25-day grace period

Let us help you cut out unnecessary interest spending. Call the credit union at (404) 584-4754, or visit www.mutualsavingscu.org today!

*Annual Percentage Rate.



Are you looking for just the right recipe for savings? We've got all the ingredients you need!

- Competitive dividends
- Payroll deduction and direct deposit capabilities
- Security you can trust
- Personal service
- Savings options that come in many "flavors"

With help from Mutual Savings Credit Union, you'll be cooking up savings in no time. Whether you are savings for a short-term goal like a vacation or a new car, or preparing for your future, we have options that are right for you.

We offer:

- Regular Share (Savings) Account
- Christmas Club Account
- Certificate Account
- Roth and Traditional IRAs

Even if you have to start small, start now! Call the credit union at (404) 584-4754 for more information, or come by today to open your account.



Fraud Alert: Don't Pay What You Don't Owe

An estimated 20 million Americans are paying fees they don't owe on their monthly phone bills. The scam is called "cramming." According to the Federal Trade Commission (FTC), "Cramming happens when a company adds a charge to your phone bill for a service you didn't order, agree to, or use." The charge may show up just once or every month. The FTC sites examples such as charges for international calls you didn't make or for services like "Web hosting." These fees are often hard to identify because they may sound like charges you actually owe.

According to the Federal Communications Commission, 19 out of 20 people don't recognize these charges, and they pay them every month. That can cost the unsuspecting consumer hundreds of dollars a year. Typically, when consumers discover the charges, phone companies will only credit the amount of the fees for the past 60 days.

To protect yourself, review the charges on your phone bills (and all your other bills, too, for that matter) every month. If your bill goes up even a few dollars, look for the cause. Look at every page and question any fee you don't recognize or understand. Many cramming charges are for generic-sounding services such as "Activation," "Member Fee," or "Minimum Use Fee." Ask for a credit if you believe you have been charged for something you don't owe, and make certain you ask for the charge to be permanently removed in the future.

For more information on cramming, visit the Federal Trade Commission's Web site at: <http://www.ftc.gov/bcp/edu/pubs/consumer/products/pro18.shtm>.



MUTUAL SAVINGS
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Hours of Operation

Mon., Tues., Thurs., Fri.
8:00 a.m. to 4:30 p.m.

Wednesday
9:30 a.m. - 4:30 p.m.

Phone: (404) 584-4754

Toll-free: (800) 771-6695

Fax: (404) 584-4572

www.mutualsavingscu.org

Board of Directors

Lee Smith, Chairman
Denise Bonner, Secretary
Sam Burch
Rick Crenshaw
Jennifer Fiorenza
Tommy Graham, Vice Chair
Brian Hannon
Charles Moore
Alpa Patel

Staff

Mike Bryan, President/CEO
Tom Gleason, EVP/COO
Tracy Mizell, Controller

Dimitri Albert
Stephanie Daniels
John Greenwood
Briana Harper
Phillip Morris
Lisa Morris
Laurie Siler
Alon Sutton
Linda Vickery

Federally insured by NCUA.



Holiday Closing

The credit union will be closed in observance of the following holiday:

Martin Luther King, Jr. Day
January 16

There are many opportunities for us during 2012. The board will determine the direction we should move in serving NICOR. I am hopeful that we can have a presence at their office(s) in Naperville, Illinois, which would provide an excellent opportunity for the credit union there. We are also looking at other delivery channels through which to serve our members. There have been discussions regarding apps for cell phones that would allow members to get balances, move funds to other accounts, pay bills and more. We are cautious about moving too quickly without vetting thoroughly (see the Authentication Risk article in this newsletter for further information). We are concerned about security and want to ensure that you will not experience a loss using these tools.

I have talked about deposit rates over the last issues of the newsletter, and the question you ask when we meet is, "Will rates be increasing?" As you know, the FED has stated that they are committed to keeping rates low to mid-2013. I wish there was a crystal ball that would tell us when rates are going to be moving up, but there isn't one. There are indicators that tell us the economy is moving in a certain direction; when we start seeing improvements in those areas, we will see rates improve. I am not a financial analyst and am not making recommendations; so please don't use what I write to determine your investment options.

Thank you for all your support. We look forward to a great year in 2012.

Sincerely,

Mike Bryan
President

Authentication Risk

Federal and state regulators are increasingly concerned about the growing fraud risk involving online money transfers that are originated by members/customers. Consequently, all financial institutions are required to expand their risk assessment of online money transfer options offered to their members/customers. Additionally, financial institutions are required to offer their clients information to educate them on the risk issues and provide suggestions of how to go about researching the matter further so that they can make informed decisions about how and with whom they do online money transfers.

MSCU allows access to online money transfer capabilities through **i-Pay** (our bill payment provider) and **Visa® - EZ CARD** (our credit card provider). Both entities are sophisticated providers of their services and are continuously examining online fraud risks. They are expected to make a thorough review and make any necessary changes to procedures which will mitigate/eliminate online money transfer fraud.

The primary area of concern to regulators presently is Authentication Risk. Authentication is the protocol that each online vendor has established to ensure that they are dealing with the original member/customer and not a "fraudster." "Fraudsters" are getting more and more sophisticated in stealing identities and gaining access to accounts online from which they steal money. Thus, it is important that all financial institutions **and their members/customers** understand the major risk areas and take steps to mitigate online money transfer fraud risk. This is a shared risk responsibility of both MSCU and each member – particularly members with business accounts, as these are the primary target accounts of "fraudsters" due to the larger balances these accounts typically have.

Multi-layered Authentication is viewed by regulators to be a technique that assists in reducing online money transfer fraud risk. This technique generally involves more than one authentication step (ID and password) as the type and amount of a transaction changes. This is why you have seen "challenge questions" or other security tags added to account set-ups. Honest online service providers are trying to make it more and more difficult for "fraudsters" to obtain all the security information necessary to gain access to accounts and steal money through online transfers.

This article is MSCU's first in what will be a quarterly feature in our newsletter. We are required to inform you of this matter, and we will do this via newsletter articles, our Web site, statement stuffers, and/or by directing you to other information sources. As a first step, we recommend that you go to the regulator Web site and read the authentication guidance supplement issued in June, 2011. The Web site address is: <http://www.ffiec.gov/press/pr062811.htm>.

You should know that MSCU has created and conducted its own risk assessment on this matter. We have not identified any areas which we consider High Risk. Your credit union has never experienced any online wire transfer fraud in our 75+ years. Your credit union and third-party security vendors we employ continue to monitor our systems for attempts by "fraudsters" to gain access to information that could be used to steal members' money. These activities will mitigate or eliminate fraud risk at MSCU, but members need to consider and review the security of their own online activities and the mechanisms they use (personal computers). Members should have security software on their computers which can assist in identifying or blocking "fraudsters" from obtaining sensitive personal information which they might use illegally.

Break the Cycle of Holiday Debt

Did you spend the last few months building up holiday debt? If you want to make sure that next year is different, now is the time to start. Open a Christmas Club account in January and be ready by the time this year's holiday season arrives. You can make regular payments through payroll deduction or at your convenience. Time is on your side right now, so don't wait! For more information, log on to www.mutualsavingscu.org or call (404) 584-4754 today.

