

Loan Corner

A story about GAP insurance

You're driving or riding down the street and **BANG!** - you're involved in a wreck. If your car, truck or motorcycle ends up totaled, an insurance company settles for the *value* of the vehicle, not the balance you owe *against* that vehicle. There's no problem if you owe less than the settlement except finding a replacement vehicle and healing from injuries incurred in the accident.

But if you owe more than the street value of your vehicle, and unless you have savings or other resources, there could be big expensive problems. The insurance company is going to require title to the totaled vehicle in exchange for their settlement. You're left with a "deficiency balance" on the loan, still need to find a replacement for the wrecked transportation and probably finance it, too. You could end up needing a loan for your deficiency balance, plus the price of the replacement, plus maybe sales tax and license fees. You could end up needing several thousand dollars more than the street value of the vehicle you want to buy. This is not an attractive situation for you, and could be a difficult or impossible loan for your lender to make, even Centurion.

But – there are choices you can make when financing a vehicle that would avoid this whole set of circumstances. It's called GAP insurance, or Deficiency Waiver Insurance. Like any other insurance, it has to be in place when it's needed, it's not something that you can add only after the accident, so you have to buy it at the initial financing of a vehicle. We offer this GAP product at Centurion Federal Credit Union for qualifying loans.

Here's a true story of how it works: One of our members bought a slightly overpriced car and ended up borrowing about \$1000 more than the actual street value of the vehicle. His credit was good so we made the loan. He chose to add GAP to the loan (although you can also pay it up front rather than financing it). He paid his payments on time for almost half of his four-and-a-half year loan, and then got into a wreck. The car was totaled and although his insurance company provided a very reasonable settlement, he nonetheless was left a loan balance of some \$1400.

BUT - this member had GAP insurance on the original loan, so we filed a claim to the GAP insurance company. The wreck just happened so we haven't yet received the deficiency payoff, but have every reason to believe it will pay off the entire deficiency. WAIT – there's more! Centurion's GAP product is what's called "GAP Plus", which not only pays the deficiency balance but sends us \$1000 toward the financing you obtain from us for the replacement vehicle. Our member found and we financed his replacement car, and now are expecting \$1000 to apply to his new loan, in addition to his old loan being completely paid off by GAP.

GAP is indicated any time you enter into financing more than the actual street value of a vehicle. Cars, trucks and motorcycles depreciate as they age, and the greatest depreciation occurs during the first 18-36 months, since the loan reduces less during that initial period than any other point in the loan. So even if you finance "only" 100% of the actual value of a vehicle, GAP could be important to you. Be sure to ask about this important coverage when you finance your next vehicle with Centurion, and help minimize your payoff GAP.

Tim Slack, Chief of Lending

SERVICES

Centurion Federal Credit Union offers many services at little or no cost to you. If you would like more information about our services, please check the appropriate item and bring this section to the office or mail it to us.

- | | | |
|---|---|--|
| <input type="checkbox"/> Share Savings Accounts | <input type="checkbox"/> Direct Deposit | <input type="checkbox"/> Money Orders |
| <input type="checkbox"/> Ultra Savings Accounts | <input type="checkbox"/> Low Cost Loans | <input type="checkbox"/> Cashier Checks |
| <input type="checkbox"/> Special Savings Accounts | <input type="checkbox"/> Home Equity Loans | <input type="checkbox"/> Amusement Park Discount Tickets |
| <input type="checkbox"/> Share Draft (<i>checking</i>) Accounts | <input type="checkbox"/> Home Equity Lines of Credit | <input type="checkbox"/> Notary Public |
| <input type="checkbox"/> Share Certificates | <input type="checkbox"/> Home Refinance | <input type="checkbox"/> Bank by Phone "SYBIL" |
| <input type="checkbox"/> Individual Retirement Accounts
<i>Traditional, Roth & Education</i> | <input type="checkbox"/> Loan Protection Insurance | <input type="checkbox"/> ATM (<i>Centurion "ANYTIME" ATM Card</i>) |
| <input type="checkbox"/> Visa Credit Cards
<i>(with cash advances at ATM machines)</i> | <input type="checkbox"/> Disability Loan Protection Insurance | <input type="checkbox"/> Debit Card |
| <input type="checkbox"/> Christmas Club Savings | <input type="checkbox"/> GAP Insurance | <input type="checkbox"/> Visa Check Card |
| <input type="checkbox"/> Payroll Deductions | <input type="checkbox"/> Travelers Cheques | <input type="checkbox"/> Online Banking (<i>Perfect teller</i>) |

Please return to Centurion Federal Credit Union, P.O. Box 3787, Evansville, IN 47736-3787 along with your name and address.



Centurion Federal Credit Union

"The Tribune Forum"



March 31, 2004

100 Martin Luther King Blvd.,
Evansville, IN 47708
Post Office Box 3787,
Evansville, IN 47736-3787

220 E. 4th Street
Mt. Vernon, IN 47620
(812) 838-2398

(812) 422-1936
Sybil (812) 421-1648
www.centurionfcu.com
2511 First Avenue,
Evansville, IN 47710
Post Office Box 4486,
Evansville, IN 47724-0486

HOLIDAY CLOSINGS DURING THE SECOND QUARTER 2004

- **Monday, May 31, 2004**
-Memorial Day

MISSION STATEMENT

Centurion Federal Credit Union's mission is to provide a variety of services to all its members and to promote those services to each member in a manner that reflects the spirit of credit unions - "People Helping People."

IMPORTANT NEWS

We'll be adding a new loan plan to Centurion's offerings. Stay tuned for further developments, or call (but not before May, please).

HELP US OUT, WE MUST HAVE...

If you have changed your: 1) Address, 2) Work number, 3) Home phone number, 4) Email address 5) Gotten married - new name? Please call us and update your account for the new year, 812-422-1936. Thank you.

Current Certificate Rates

Effective Tuesday the 1st Day of April

Term	Minimum Amount	APR	APY
6 months	\$2,500.00	1.50%	1.57%
1 year	\$500.00	1.85%	1.87%
2 year	\$500.00	2.25%	2.27%
3 year	\$500.00	2.50%	2.53%

OFFICE HOURS

2511 FIRST AVE.

Monday - Thursday 9:00 AM - 4:30 PM

Friday - 9:00 AM - 5:30 PM

100 MARTIN LUTHER KING BLVD.

Monday - Thursday 9:00 AM - 4:30 PM

Friday - 9:00 AM - 5:30 PM

220 E. 4th MT. VERNON

Monday, Friday 8:30AM - 5:00PM

Thursday - NOON - 4:30 PM

Annual Membership Meeting Tuesday, April 20, 2004 5:30 PM

The Annual Meeting for Centurion Federal Credit Union will be held Tuesday, April 20, 2004 at the F.O.P. Club beginning at 5:30 p.m. All members are invited to join us at the annual meeting; there will be snacks and soft drinks. Please attend and help make a difference with your Credit Union. You will have the opportunity to vote for your Board of Directors. The Centurion Board will have three positions to be filled at the annual meeting. Kris Ploetz your President/CEO, Harold Crooks and Richard Tenbarg are all up for re-election. Richard Tenbarg will not be running for another term, instead Joyce Molinet has agreed to serve if elected. Anyone who would like to run for a committee, or volunteer their help needs to notify Centurion by April 9, 2004. If you qualify and are interested in applying, please submit your resume in writing to Kris Ploetz at P.O. Box 3787, Evansville, IN 47736-3787. We must receive your resume on or before April 9, 2004. Candidates must be a member at least 18 years of age and hold an account in good standing. They must be able and willing to dedicate free time to the operation of the credit union, and promote the philosophy of the credit union. Members must be willing to serve without pay for the benefit of all credit union members.

Thinking about refinancing your mortgage while the rates are still low? We at Centurion, your credit union, would hate to have you miss out on a perfect opportunity to refinance your long term mortgage loan into a short term, low interest loan at Centurion Federal Credit Union. Rates will start to creep up again and now is the time to make the decision and lock in a low rate. Centurion Federal Credit Union makes it easy to apply for a mortgage refinance, thanks to our expanded loan staff: Tim, Kris or Dana can help you. We do not do purchase money or pre-approvals but we do refinancing, home improvement and equity loans.

"All our dreams can come true, if we have the courage to pursue them"
- Walt Disney

General Information for You.

If you haven't visited our web site www.centurioncu.com please do. If you have any suggestions, you can email them to me from the web site. Also, online banking at Centurion FCU is FREE. See Kris if you haven't signed up already. Kris@centurionfcu.com

SCORE BOARD

FEBRUARY 29, 2004 FEBRUARY 28, 2003

ASSETS	\$21,061,666.63	\$19,874,693.25
SHARES	\$18,340,890.05	\$16,861,244.07
LOANS	\$11,320,041.96	\$10,885,248.08

“RAL,” or Refund Anticipation Loans, also could stand for “Really Awful Loan.”

It’s a short-term loan backed by your actual refund. The costs are ridiculous.

Tax preparers (like H&R Block), some loan companies (think Household Bank), and others offer these loans as an advance on your anticipated tax refund. For a fee, they determine your expected refund. They can file your taxes – for another fee. Loan document preparation is an additional fee, and then there’s generally a flat fee for the loan itself. By the time fees are all counted, you could pay as much as \$125 for a \$1200-\$1500 refund, and more for larger loan amounts. Fees and loan document charges on a \$2100 refund could end up costing \$135 - \$150 (on top of the actual tax preparation fees), making an annual interest rate of 275%. Recent surveys by the General Accounting Office have turned up tax preparers charging \$174 in fees for a \$700 RAL. All that money for a refund you’re going to get in two to three weeks anyway.

Think about it. Your refund has already been calculated, so everything is ready to file with the IRS or Department of Revenue, most often electronically, which means that your refund *could* come back to you within 2 weeks. If you pay a \$174 fee on a \$700 loan that lasts only two weeks, you would have paid over 900% interest. A \$700 loan for 2 weeks at 90% interest would only cost you \$26 interest, and \$80 interest on a \$2100 loan for the same 2 weeks.

You have options, including just waiting for your refund. File electronically, even if you have to pay somebody else to prepare your taxes. If you efile, and elect direct deposit of your refund, you could get it in less than 2 weeks. If you efile and ask for a check, you’re looking at 3-4 weeks. Mailing a return and asking for a refund by check could take 6-8 weeks, longer as your filing approached April 15. If you have a refund coming, file as early as possible and file electronically. Then have some patience; wait for the refund. Do you really want to pay 275%, 900%, or even 90% for money you’re going to get in less than 14 days?

If you absolutely have to have early access to the money, contact the credit union. We’ll look at your application and credit (as outlined in earlier Loan Corner articles) and we’ll make every loan we are able to approve.

Tim Slack, Loan Department



*Please limit drive-thru transactions to 3. Please have your transaction ready when you reach the window, be courteous to the other members in line. Please request money orders and cashiers checks in the office lobby for everyone’s convenience. We would appreciate coin return in the office lobby as well.
Thanks For Understanding,
Kris*

Membership Eligibility Requirements

The membership eligibility requirements for federal credit unions changed, recently. In order to become a member of Centurion FCU, you must:

1. Be employed by or retired from an employee group within the credit union’s field of membership.
2. Be an immediate family member (spouse, child, brother, sister, parent, grandparent, or grandchild) of a person within our field of membership or someone having an existing account. Step and adoptive immediate family member relationships also qualify.
3. Share a household with someone (not necessarily a relative) within our field of membership or a person with an existing CFCU account.

PRIVACY NOTICE

Keeping members’ information secure is a top priority for all of us at Centurion Federal Credit Union. Centurion Federal Credit Union does not disclose any personal information about you to anyone except as permitted by law. Even if you would decide to terminate your membership or become an inactive member, we will still adhere to this privacy policy. Centurion Federal Credit Union restricts access to your personal account information except to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with Federal regulations to guard your personal information. If you would want to see our complete privacy policy, you may request it from any teller. This notice applies to former members and well as current and future members.

2003 and 2004 IRA's

This first quarter of 2004 like in past years we think about IRA's making contributions and opening new accounts. Did you pay yourself this year? You are allowed to contribute \$3,000 to your Individual retirement account. Current limit is \$3,000 for Contributions with the limits increasing through 2008 to a new maximum of \$5,000 per year. If you are 50 and over you can make catch up contributions please see Kris or Dana in regards to a catch up transaction. Any question involving an IRA other than balance inquiry should be directed to Kris (downtown) or Dana (First Ave).

Retirement Account Contributions		
Type	Contribution Limit	Catch-up Contribution
Traditional	\$3,000	\$5,000
Roth	\$3,000	\$5,000

When you leave an employer or you retire what to do with your 401(k) or retirement money?

When you leave a job where you've been investing for a while in a 401(k) or pension, you're faced with an important decision. Do I leave my money and let them invest it or do I take it and control my own financial well-being?

Your 401(k) or pension is a big portion of all your assets. So, a retirement account is a good thing. The problem is we humans tend to put off or are paralyzed by BIG Decisions. Do I take my money or do I leave it for someone else to make my decisions, if you are faced with this dilemma. Please come talk with Dana or Kris on possible options you might have available to you, let your credit union help you! A lot of people just don't realize just how important it is to preserve the tax-deferred nature of their 401(k) or pension plan. Helping our members reach their dreams, people helping people that what Centurion is here for. So please see Dana or Kris on retirement options available to you from your credit union.

A Short History of Centurion Federal Credit Union

Jim Barney Sr. started Centurion back in 1952 with a cigar box on his kitchen table. Prior to that auspicious start, the Police wanted to have membership in a credit union and asked to join the Firefighters Credit Union. The Firefighters thought about it but wanted to keep their membership for firefighters. They instead offered to help Barney start a Credit Union for the Police. The first Charter group for Centurion was FOP #73 but was later changed to City and County employees of Evansville and Vanderburgh County. Barney knew for this credit union to work it would need to grow and grow it did ever so slowly, but with the growth came strength. Soon the "police credit union" Centurion had an office in a closet located in the basement of the police station at 3rd and Walnut. They graduated then to an office in the basement with the desks and an employee in the basement of the Civic Center. As the years passes, Centurion out grew the Civic building and leased office space in Evansville at Mid-Town Center. Then in 1996/97 bought their first Building at 2511 First Avenue, which now is a branch office. Centurion today has three offices, the main office 100 MLK Jr. Boulevard across from the Civic building "back home" again, the 2511 First Avenue office on the North side of Evansville and the latest branch in Mount Vernon. We have grown from a cigar box of a few dollars to over Twenty Million in Assets helping over 4,000 members currently.

MEET YOUR CREDIT UNION STAFF

Kris Ploetz <i>President</i>	Dana Buttram <i>Vice-President</i>
Anita Martin <i>A.V.P.</i>	Tim Slack <i>A.V.P.</i>
Tracy Harris	Sandy Schrode
Valerie Baker	Shana Knight
Laura Clem	Janet Lyon
Carrie Niehaus	Candace Northrup

Chastity Coomes
Schneal Weddel

BOARD OF DIRECTORS

Jim Barney <i>Chairman</i>	John Warren <i>Vice-Chairman</i>
Alan Hert	Michael Danks
Kris Ploetz	Harold Crooks

Richard Tenbarge
Retiring from the board

Supervisory Committee

Glenn Boyster
Chairman
Gary Anderson
Myra Simmons
Debra Day