

NOTES

Highlights

- About No Fault Insurance
- Not All ARMs are Bad
- New Check Provider
- Money Smart Week

It's tax time and if your return is being direct deposited, make sure it includes the new DFCU Financial routing and transit number. If your return is set up from a previous year using the old routing and transit number, the Federal Reserve Bank will not allow the deposit and it will be returned to the IRS. You'll then have to contact the IRS to receive your return. And please remember to throw out all checks with the old number because they will not clear. **New routing and transit number to use: 072486791**



Become a Financial Whiz with Biz Kid\$

DFCU Financial has teamed with WTVS Detroit Public Television and Junior Achievement of Southeastern Michigan (JA) to teach financial literacy to children in upper elementary and middle school, a timely and critically important subject given the mortgage and financial crisis facing many people in our area today.

The partnership centers on Biz Kid\$, a new 30-minute Financial Literacy series airing Tuesdays at 5 p.m. on Detroit Public TV, that entertains and teaches kids how to make and manage money and credit. DFCU Financial is the sponsor of Biz Kid\$ and will be the catalyst that will take the financial literacy content into local classrooms in combination with Junior Achievement's existing program.

"DFCU Financial's philanthropic mission is education and we accomplish this through monetary support and by teaching financial literacy to children," said Mark Shobe, president and



CEO of DFCU Financial. "Biz Kid\$ is perfectly aligned with our mission and its content will enable us to reach out and teach more children the importance of financial literacy. All one has to do is to look at the mortgage, personal finance and credit management problems so many people are experiencing to know how critical it is that our children become educated in managing their finances at an early age."

Volunteers from DFCU

Financial will be reaching out to the school districts in which it has branches to present the Biz Kid\$ content. Detroit Public TV will be posting the Biz Kid\$ shows on its Web site so they can be accessed on demand by teachers, parents and children.

In addition to segments, Junior Achievement has created lessons and other resources that reinforce the content of each television episode and supplement existing

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DFCU Financial Honored as "Best of Michigan Business"

DFCU Financial, Michigan's largest credit union, was recently named a "Best of Michigan Business" by Corp! magazine.

In late 2007, Corp! asked its readers to nominate Michigan businesses they considered to be among the top in their category. DFCU Financial was selected in the Banks and Credit Unions category.

"Being named a 'Best of Michigan Business' is a great honor," said Mark Shobe, president and CEO of DFCU Financial. "On a daily basis we strive to provide our members with outstanding service and expertise. What this honor tells us is that our members are appreciating the benefits of membership and the experience they receive at DFCU Financial."

An excerpt from the "Best of Michigan Business" can be found on www.dfcufinancial.com.



President's NOTE:



Mark Shobe
President and CEO
DFCU Financial

A Snapshot of '07; Staying the Course in '08

2007 will be remembered at DFCU Financial as the year that our team's hard work

over the last seven years reaped great benefits. Though we are experiencing a recession in Michigan, and we are witness to many bank losses and some failures, DFCU

Financial remained strong. As members, you should be glad to know that your credit union has entered 2008 from a position of strength. We have the structure in place to remain healthy and viable while the economic turbulence continues around us. And that structure is built upon the foundation of efficiency.

Over the last seven years, we've been able to save

millions of dollars each year by meticulously running the credit union. In fact, for the last seven consecutive years, DFCU Financial has ranked in the Top 10 in financial performance among peer credit unions across the nation.

It's because of this outstanding financial performance and the loyalty of our membership that we were able to remain strong while others have fallen; sustain the

special patronage dividend for the second consecutive year; and make investments in the membership. Here's a recap of what was accomplished in 2007.

While other financial institutions announced their move out of Michigan, we opened our 12th branch in Madison Heights. And while organizations across the state were laying off employees, DFCU Financial was named one of

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It's Not My Fault! It's No-Fault!

No-fault insurance is required by law in Michigan. Every owner of a car must buy certain basic coverages in order to get license plates. It is against the law to drive your car or let your car be driven without no-fault insurance.

If you have an auto accident, no-fault insurance pays for any of your medical expenses and wage losses, and also the damage that you caused to other people's property. It does not matter who caused the accident. However, basic no-fault insurance does not pay for damage to your car.

In actuality, no-fault is a bit of a misnomer. Depending on the insurance you have, determining who is "at-fault" in an accident may be important when calculating the amount of deductible you have to pay (if you have collision coverage). More importantly, the "at-fault" party is often assessed points on their driving record, which will likely cause an increase in insurance premiums.

To help members with their auto and homeowner insurance needs, DFCU Financial offers two great programs AAA Group Insurance and Members Home & Auto®. AAA Michigan® provides members with quality auto and homeowners insurance at special group rates. Members Home and Auto gives members access to multiple insurance companies. DFCU Financial members can call both companies to determine where they can save most. For additional information, visit www.dfucfinancial.com/insure.



Biz Kid\$ continued from page 1

JA curriculum. The Web site includes fun content for students - blogs, games, video clips, opportunities to become part of the Biz Kid\$ community and more! Also available on www.jabizkids.com are the downloadable lessons for classroom volunteers, educators and parents.

Visitors to the Biz Kid\$ Web site also can sign up for the free newsletter, The Vault, which offers ideas on how kids can start their own business, earn money and make their money grow.

"Detroit Public TV is proud to partner with DFCU Financial and Junior Achievement because

we believe our local broadcasts and classroom tools for Biz Kid\$ can give school age children a great start toward a sound financial future," said Dave Devereaux, DPTV vice president of brand management.

"Junior Achievement looks forward to impacting more students

with lessons about entrepreneurship and financial literacy in the classroom, said Karen Kosniewski, Junior Achievement of South-eastern Michigan president & CEO. "We're pleased to be working with DFCU Financial and Detroit Public Television on this joint initiative."

Not All ARMs are Bad

As reported by *The Detroit News*, the mortgage crisis will deepen this year with 1.5 million mortgages set to adjust. As a result of the crisis, consumers have become naturally averse to adjustable rate mortgages (ARMs). However, despite the negative press ARMs have received, not all are bad. In fact, some ARMs provide consumers with a far better value than fixed-rate loans – you just have to educate yourself on how to identify the good from the bad. Here are some tips:

1. Determine your budget

The first place to start is always with a budget. You need to know how much of a payment you can afford (don't forget taxes and mortgage insurance) before you can begin evaluating mortgage products.

2. Decide how long you plan to be in the home

If you plan to be in your home for a short time, five to seven years, then an ARM with a fixed rate that doesn't convert to an adjustable rate for five, seven or 10 years, is most likely your best option. Your interest rate will be guaranteed and you'll be out of your home before it adjusts.

3. Compare rates

Typically, ARMs have lower interest rates than fixed-rate loans because you are sharing some risk with the interest rate. The risk comes after the initial fixed-rate period because rates could be higher or lower than

what they were when you first received the mortgage. As of March 14, DFCU Financial's interest rate for a seven-year ARM is 5.875 percent and the rate for a 30-year fixed-rate mortgage is 6.375 percent.

4. Understand how the ARM adjusts

A trusted lender will explain exactly how often and when your interest rate will adjust. The current rule of thumb is to look out for short-term adjustments. In other words, if the loan adjusts in a year, and every six months after that, you may want to consider other options.

The key is to fully understand the terms of the mortgage and how much of a payment you can afford. All in all, ARMs offered by credible, trusted lenders provide affordable payments and interest rate protection that can be beneficial, not detrimental, to many consumers.



New ARM Introduced

DFCU Financial has added a new 10/1 Adjustable Rate Mortgage (ARM) product to its full range of mortgage loan products. The 10/1 ARM provides you with a fixed interest rate for the first 10 years of the loan. After the 10th year, the rate may adjust either upwards or downwards annually, based on the index at that time. The new 10/1 ARM rate is currently lower than our 30-year fixed rate loan.

In addition, the new DFCU Financial 10/1 ARM is a good value because:

- We offer a 40-year amortization option. In other words, you can finance your home for 40 years
- Other lenders price their 10/1 above their 30-year fixed-rate loan; ours is priced below our 30-year-fixed rate loan
- It offers peace of mind and payment protection for 10 years

All DFCU Financial mortgage products do not have origination fees and are serviced for the life of the loan by the credit union. To learn more and to meet with a mortgage loan officer, please visit www.dfcufinancial.com.



Miscellaneous NOTES:

Holiday Hours

All DFCU Financial branch offices will be closed in observance of the following holidays:

- Memorial Day, Monday, May 26
- Independence Day, Friday, July 4

Upcoming Free Seminars

This spring, DFCU Financial is offering a number of free educational seminars for adults and teens. Please check www.dfcufinancial.com/learn/education for dates, locations and times.

New Check Provider

Effective April 28, 2008, DFCU Financial will be partnering with Deluxe for member's check printing needs. Deluxe is a well-known, top provider of checks in North America and a valued advisor to financial institutions. The transition to Deluxe will allow us to continue providing high quality check products and service, and innovative solutions to members.

Checks will continue to be ordered using the same convenient channels as always. We will be placing a new link and phone

number on the DFCU Financial Web site before April 28. You also can bring your check order form into any branch office for assistance, or call the member service center at 313.336.2700, or 888.336.2700 outside the local area.

Though Deluxe has a variety of designs to choose from, they will make every effort to match your current check design. If you are not happy with the closest match, DFCU Financial will replace your order at no charge.

An additional benefit to members is Deluxe's innovative

flat packaging, which is more streamlined to accommodate new postal automation and keep delivery costs down. Each flat package contains a regular box for your check storage purposes. The flat package also provides added security due to its design, which is inconspicuous compared to the easily identifiable check box.

As always, DFCU Financial seeks to provide members with the most efficient and cost-effective solutions.

More information can be found at dfcufinancial.com.

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Metropolitan Detroit's 101 Best and Brightest Companies To Work For for the fourth consecutive year.

In addition, the largest investment we made was the upgrade of our entire core computer system that handles all of the credit union's daily operations. This was no easy task, but a necessary endeavor that will enable us to provide outstanding product delivery and service to you for years to come.

This past year, many members turned to DFCU Financial for help through the Career Transition Program, the landmark program that provides deferred interest and payment loans to mem-

bers who want to enhance their job skills so they can obtain new or alternative employment opportunities. Last year, more than \$1.2 million was distributed to members through the Career Transition Program.

And as the economic downturn in Michigan continued, members relied on DFCU Financial's experts to advise them. In 2007, DFCU Financial's Credit Adjustment counselors helped and advised members, and mortgage loan officers waged a calling campaign to those who have adjustable-rate mortgages resetting this year. In addition, thousands attended private sessions and

group seminars to seek help with managing their finances.

We also modified our basic checking account, which no longer requires a minimum balance or direct deposit to waive fall-below fees. At the same time, we also made online bill payment free to the membership. These were changes that were important to you, so we responded.

With your feedback, we will continue to find ways to help members and to provide outstanding products and services for years to come. Thank you for your membership and your allegiance this past year. We look forward to a successful 2008.

PUBLISHED QUARTERLY FOR THE MEMBERS OF DFCU FINANCIAL.

Please send questions or comments to:
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1477 N. Canton Center Road, Canton

COMMERCE BRANCH
2765 Commerce Crossing Road
(next to M-5), Commerce Township

GARDEN CITY BRANCH
7075 Merriman Road, Garden City

GREENFIELD BRANCH
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HENRY FORD HOSPITAL BRANCH
2799 West Grand Boulevard, Detroit

LIVONIA BRANCH
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N C U A

Your savings are federally insured to at least \$100,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency.



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DFCU Financial's Boot Camp For Adults and Children During Money Smart Week, April 20-26

DFCU Financial is proud to help support financial education During Money Smart Week Michigan, sponsored by the Detroit Branch of the Federal Reserve Bank of Chicago. In its fifth year, Money Smart Week Michigan is a week-long series of classes to heighten awareness of the importance of financial literacy for both adults and children.

Throughout the state of Michigan, all the financial educational programming is open to the public and free-of-charge

During Money Smart Week, DFCU Financial is proud to present "Financial Boot Camp for Adults and Children." This series is designed to teach children and adults that managing your money shouldn't be complicated. All seminars are free, though registration is required. Please call 313-322-8222 or 888-336-2700, ext.8222 to reserve your spot. All seminars will be held at DFCU Financial Livonia located at 37373 Seven Mile Rd. at the corner of Newburgh Road.



Be Money Smart at DFCU

Here's an idea on how to be money smart this week: move more money on over, Rover. Deposit your tax return at DFCU Financial and build that relationship before the end of the year in order to receive more of a dividend. And don't forget to tell family and friends so they too can experience the value of membership at DFCU Financial.

MONDAY, APRIL 21, FROM 6:00 P.M. -7:30 P.M.

Personal Financial Management. Presented by Charles Hoff, Accredited Financial Counselor

In this seminar, we can help you plan your long-term financial goals in a way that is easy to understand. The foundation for any sound financial plan is a budget. We'll help you develop a realistic budget that incorporates an often left out necessary component – attend to find out just what that is. We'll also discuss how to position yourself to live on less income.

Become a Financial Whiz through Detroit Public TV's Biz Kid\$ – Concurrent Seminar for Kids: Presented by RuthAnn Albus, Youth Program Coordinator

Biz Kid\$ is a new 30-minute Financial Literacy series on Detroit Public TV Channel 56, that entertains and teaches kids how to make and manage money and credit. DFCU Financial has teamed with WTVS Detroit Public Television and Junior Achievement of Southeastern Michigan to teach financial literacy to children in upper elementary and middle school, a timely and critically important subject given the mortgage and financial crisis facing many people in our area today.

TUESDAY, APRIL 22, FROM 6:00 P.M. – 7:30 P.M.

Credit Management: Presented by Charles Hoff, Accredited Financial Counselor

During this seminar, find out how to take greater control of your financial future by moving beyond daily money management to actually managing your credit. Topics covered include: credit reports; the impact of credit scores; how to determine personal debt ratios and what they mean, and what to do if you fall victim to identity theft.

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WEDNESDAY, APRIL 23, FROM 6:00 P.M. – 7:30 P.M.

Mortgage Options and Answers. Presented by: Mike Kruczek, Chief Lending Officer, DFCU Financial

The reports in the news media about the mortgage crisis are overwhelming and the numbers of homeowners reportedly facing mortgage problems are staggering. The Detroit area is among the hardest hit due to our local economic challenges that have caused people to lose jobs and home values to depreciate. And many people just do not know what to do about their mortgage situation or where to go for trusted advice.

THURSDAY, APRIL 24, FROM 6:00 P.M. UNTIL 7:30 P.M.

The American Retirement Crisis: Presented by Brad Sova and John Friday, Chartered Retirement Planning Counselors

As the approximately 78-million baby boomers approach retirement age over the next several years, many are overspent and undersaved and face the very real possibility of outliving their money. They face financial challenges from disappearing pensions, the unreliability of future social security, rising health-care costs, and sometimes having to care for aging parents. To help address these and other issues, DFCU Financial is proud to present tips on how to ensure a happy and comfortable retirement.*

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