

NOTES

Vote
 YES!
 Planning Today for
YOUR
 Tomorrow

Planning Today
 for Tomorrow:
 Vote **YES** on
 the CapCom
 Merger!

Voting materials for the CapCom merger were mailed to members on January 5, 2009. You can either vote by mail, Internet, telephone or in person at the special meeting on Wednesday, February 4, 2009, at The Ritz-Carlton in Dearborn.

Voting instructions are included in the voting package and on www.dfcufinancial.com. If you need a replacement ballot, please visit one of our branch offices or call the Member Service Center at 800.739.2776.

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DFCU Does it Again – Another \$17 Million Dividend!

When Sandy Pollard of Dexter received her dividend from DFCU Financial in 2007, it came at a time when she and her family were trying to make ends meet. The nurse and single mom of two teenagers was working full time and also going to school for her bachelor's degree, so finances were tight.

"The dividend was such a huge help for me and my family," Pollard said. "I was juggling a lot at the time so I was very grateful for it. I've come to rely on the dividend and am so happy to be a member of DFCU Financial, especially with all the bank closings at this time. I never worry because I have such confidence in DFCU Financial."

Many members have benefitted from the DFCU Financial special patronage dividend. And now Michigan's largest credit union has done it again. A total of more than \$50 million has been given to members over the last three years — an extraordinary amount considering the challenging economic climate we've been experiencing here in Michigan.

The special patronage dividend is DFCU Financial's unique way to say thank you and help members, said Mark Shobe, president and CEO of DFCU Financial, "For the past seven years, we've

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The 2008 Dividend



Another \$17 Million!

Special Notice to Members

In August 2006, DFCU Financial was named as a defendant in a lawsuit brought by three DFCU Financial members in the Circuit Court for Wayne County, Michigan. The lawsuit related to an abandoned proposal to convert DFCU Financial from a federal credit union to a federal mutual savings bank and whether a petition under the bylaws for a special meeting of the members to vote on the removal of directors from the board of DFCU Financial was valid in light of the conversion proposal being abandoned and other legal challenges to the petition. On November 21, DFCU Financial entered into an agreement with the three DFCU Financial members, with neither party admitting fault.

As part of the agreement, during the next election cycle for the Board of Directors, DFCU Financial will undertake additional efforts to broaden the pool of candidates considered for these positions. Prior to that election, in accordance with regulatory requirements, DFCU Financial will provide advance notice to members explaining how they may be considered for a position on the Board of Directors. In addition, because the Board of Directors is dedicated to fully meeting its legal and fiduciary responsibilities to DFCU Financial and its members, it has agreed to continue its practice of regularly obtaining outside training and counsel from third-party experts in the credit union industry with respect to its legal and fiduciary responsibilities.

President's NOTE:



Mark Shobe
President and CEO
DFCU Financial

Now is the Time to Move Forward

We all know the old phrase “if it isn’t broken don’t fix it.” This over-used adage may apply to your car or an appliance, but it certainly doesn’t apply to business. For an organization to thrive and have a bright future, leaders need to constantly invest in initiatives that sow the seeds for future prosperity.

Successful companies don’t stand still — whether they are in an economic downturn or a period of growth — they keep doing what they need to do to secure the future. Standing still, doing things the same way you always have and not growing means certain demise. All one has to do is pick up a newspaper for example after example of organizations that rested on their laurels year in, year out. Today, those organizations are in trouble.

In a recent article in *Fortune* magazine, Ram Charan, a highly acclaimed management expert, emphasized the importance of not behaving like an ostrich and sticking your head in the sand during an economic downturn: “Being on the downside of the business cycle is not much fun. That said, a slump can also be an opportunity if you use the sense of urgency to improve strategy, management and discipline. In that sense, happy and unhappy times are alike: The companies that take charge and out compete will win.”

And for a credit union, growth does not ensure something as lofty as winning, but it is a key to survival. As reported from the Credit Union National Association, “To survive in today’s highly competitive financial services industry, credit unions must seek strategies to promote growth.”

Not Standing Still

More than eight years ago, the leadership of DFCU Financial began planning for today. The best practices, operational efficiencies, reduced expenditures and growth strategies were put in place and are now allowing us to successfully weather this economic storm.

Over the last eight years, we’ve built new branches and expanded into new markets. We introduced DFCU Online, investment services and free budget and credit counseling

as a way to help our existing members and grow additional members. And three years ago, we introduced the special patronage dividend — an unprecedented program to reward existing members for their relationship and to attract additional members to DFCU Financial. All these have been strategies to grow both members and deposits so that the credit union can thrive for you and the rest of the membership.

The Next Eight Years and Beyond

The DFCU Financial leadership is planning and implementing strategies today that will keep the credit union strong for the next eight years and beyond. It’s no secret we are in a zero-growth area with no imminent changes in sight. This means our best bet for growth opportunities exist outside this market. And that is where the merger with CapCom comes in.

CapCom’s branches are located in Lansing and Grand Rapids.

These markets have different economic bases than southeastern Michigan and thereby offer desired diversification. To make the merger even more attractive, there is no purchase price, we gain direct market access through nine existing branches and we add more than 40,000 members.

Overall, there are many positive benefits of this merger and if there weren’t, we wouldn’t propose it our membership. We are confident that once under the DFCU Financial umbrella, the merger with CapCom will be a success. Your credit union is one of the highest performing and efficient in the nation, and that says something about the abilities and skill levels of the people we have at DFCU

Financial — and that is reason to be confident.

I’ve been asked if the merger will adversely affect or diminish your dividend. The answer is absolutely not. But what the merger will do is help position us for a strong future and continued dividends.

Successful organizations like your credit union take advantage of opportunities and fight the instinct to freeze or even cutback growth strategies during times of economic uncertainty. The merger of CapCom is an opportunity and the time to move forward on this opportunity is now. Thank you for your continued support and loyal membership.

“The DFCU Financial leadership is planning and implementing strategies today that will keep the credit union strong for the next eight years and beyond.”

\$17 Million Dividend continued from page 1

worked hard to become an efficient, healthy and well-capitalized credit union so that we are able to give back and help our members in many ways — more branches, investment advisory services, free budget and credit counseling, our no-payment/no-interest education loans and the special dividend.

“We hope members are proud and assured that their credit union is one of the most successful credit unions in the entire nation,” Shobe said. “We have achieved this through prudent management, commitment to operational excellence and appropriate long-term planning. These factors have allowed us to successfully navigate the business through these turbulent financial times and continue to be there for members.”

Facts About the DFCU Financial Dividend:

- DFCU Financial’s dividend is the largest in the history of credit

unions. No other credit union in the country has issued a dividend of this scale

- The minimum dividend eligible members received is \$50.00
- Some members received thousands. The greater the relationship, the larger the dividend
- Approximately 133,000 people received the dividend, 125,000 of whom are Michigan residents

The DFCU Financial special patronage dividend for 2008 was deposited to members’ accounts on January 6, 2009. For more information about the dividend and eligibility requirements, please visit www.dfcufinancial.com. To determine how you can potentially increase your dividend next year, visit www.paystobelong.com, a DFCU Financial Web site.

Educating Our Youth On Money and Finances

Back in November, DFCU Financial hosted the Youth Financial Literacy Summit to help address the need for children to become financially literate. Superintendents and curriculum developers from districts where we have branches — Detroit Public Schools, Dearborn Schools, Livonia Schools, Garden City, Walled Lake, Plymouth-Canton, Madison, Lamphere and Riverview — gathered to discuss best practices, share information and learn what resources are available, including those from DFCU Financial, to help teach this critical subject.

With people losing their homes and hard-earned life savings due to the mortgage meltdown and

the current financial crisis across the globe, financial education has become more important than ever before. “People are not born with the ability to manage money — it is a skill that has to be learned,” said Mark Shobe, president and CEO of DFCU Financial. “As we expect our youth to be able to read when they graduate, we should also expect that they understand the fundamentals of personal finance.”

To help districts with their financial literacy initiatives, DFCU Financial also donated a total of \$80,000, with each district receiving \$10,000. As the districts’ business partner, DFCU Financial

provides age-appropriate presentations and collaborates with teachers to fulfill the new content expecta-

tions for high school economics, which includes multiple sections on personal finance.



Representatives from nine school districts attended DFCU Financial’s Youth Financial Literacy Summit.

Vote Yes continued from page 1

Reservations are required to attend the special meeting. Please call 313.322.8222 or 888.336.2700, extension 8222, to reserve your seat. All reservations must be received by Thursday, January 29, 2009.

When you receive your

voting package, please take the time to review the materials and cast your vote. This merger is important because it will help your credit union remain prosperous in the future. We need to plan today for tomorrow. Overall, there are many positive

benefits of this merger and if there weren’t, we would not propose it to our membership, so please Vote YES on the CapCom merger. Please read the President’s Message on page 2 of this issue for additional information on the merger.

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Miscellaneous NOTES:

Annual Membership Meeting

The DFCU Financial Federal Credit Union Annual Membership Meeting will be held on Wednesday, January 28, 2009, at The Ritz-Carlton Hotel in Dearborn. Light refreshments will be served beginning at 6:15 p.m. with the business meeting and director election starting

at 7 p.m. Admission to the Annual Membership Meeting is free and open to all members. Please call 313.322.8394 or 888.336.2700, extension 8394, to reserve your seat. All reservations must be received by January 26, 2009.

Upcoming Free Seminars

Over the past five years, more than 7,000 people have attended DFCU Financial's free financial management seminars. These seminars are now more relevant than ever because of the economically challenging times we're experiencing in Southeastern Michigan. Members continue to tell us that they are finding it difficult to keep up and financially adapt to new and unexpected circumstances, such as wage cuts, early retirement and

layoffs. In an effort to help members, we've begun holding additional seminars at more branch locations to make attending more convenient. All seminars are free and open to the public and conducted by Charles Hoff, an accredited financial counselor through the Association for Financial Counseling and Planning Education. For a list of upcoming seminars, please go to our Education Center at www.dfcufinancial.com.

Holiday Hours

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

- Martin Luther King, Jr. Day, Monday, January 19
- Presidents' Day, Monday, February 16

In addition, please note that all DFCU Financial branch offices will close at 5 p.m. on Thursday, January 22. The Henry Ford Hospital and Visteon branches will close at their normal time of 4 p.m. on this day.

Cost-Saving Tax Filing Options

DFCU Financial members have a new option for filing their taxes this year: I-CAN! E-File. This is a program that gives families and individuals who meet certain income-level requirements free access to file for much-needed tax credits and refunds. Qualifying members can file either their federal, or federal and state taxes, at no cost.

If you are unable to use I-CAN! E-File, consider one of the two options available through our partnership with Turbo Tax®. Members who have simple tax returns to file can choose to use the TurboTax® Free Edition, which



includes a free federal eFile (additional fees apply to eFile your state return). Those who itemize, have more complicated returns or who also want to eFile their state return, receive 15% off other TurboTax® product offerings.

Both I-CAN! E-File and Turbo Tax® are web-based and do require an Internet connection. For more information on both I-CAN!

E-File and TurboTax® visit www.dfcufinancial.com.

Important Reminder about Tax Payments and Returns

As a reminder, if you plan to have your refund deposited or your payment debited from your DFCU Financial account, please make sure you are using the appropriate account number, which can be found on your credit union statement or within DFCU OnLine. You will also need DFCU Financial's routing and transit number: 072486791. Doing so will ensure your payment or credit is processed correctly.

PUBLISHED QUARTERLY FOR THE MEMBERS OF DFCU FINANCIAL.

Please send questions or comments to:
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Dearborn, MI 48121-6048,
or to feedback@dfcufinancial.com.

GENERAL OFFICES

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BRANCH OFFICES

FAIRLANE BRANCH
400 Town Center Drive, Dearborn

CANTON BRANCH
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
15400 N. Commerce Drive, Dearborn

HENRY FORD HOSPITAL BRANCH
2799 West Grand Boulevard, Detroit

LIVONIA BRANCH
37373 Seven Mile Road, Livonia

MADISON HEIGHTS BRANCH
600 East 14 Mile Road, Madison Heights

OAKWOOD-BEECH BRANCH
21551 Oakwood Boulevard, Dearborn

OAKWOOD-SOUTHFIELD BRANCH
17600 Oakwood Boulevard, Dearborn

RIVERVIEW BRANCH
18070 Fort Street, Riverview

VISTEON VILLAGE BRANCH
40300 Tyler Rd, 37 Main Street Visteon Village
Van Buren Township

N C U A

Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency.



DFCU FINANCIAL IS AN EQUAL OPPORTUNITY LENDER.

THE INFORMATION IN THIS NEWSLETTER IS AS CURRENT AS POSSIBLE. However, DFCU Financial reserves the right to add, change, or delete services, and all rates and terms are subject to change without notice.

