



Credit Union News

International Airline Employees Federal Credit Union

1st Quarter 2005

INSIDE THIS ISSUE

- The Plastic Debt Trap
- 1% Cash Rebate for You
- Password Protection
- Social Security Number Information
- Online Saves Time
- ScoreCard Rewards
- Visa Fraud Defense
- Protect Yourself – Shop Safe
- New IRA Guidelines
- Supervisory Audit of Statements
- Who Can Join?
- CU Holiday Closings
- Loan Application
- Credit Union Mission Statement

IAEFCU

Mission Statement:

Our Financial Institution was founded on the principles of:

- Confidential, personalized service
- Low loan rates and high savings rates
- Education of our members in building financial security
- Conservative management to preserve our members' assets
- Promoting a cooperative work environment for our employees.

THE PLASTIC TRAP DEBT THAT BINDS

That was the title of a feature article in *The New York Times* of Sunday, November 21, which was followed up by the "Secret History of the Credit Card" shown on *Frontline* on PBS stations on Tuesday, November 23.

The program and even more so the article were very revealing and quite frightening in describing the ruses that most banks are getting up to in their promotion of Credit Cards and subsequent jacking up of interest rates, default payments and fees. Hidden in the fine print are provisions that can suddenly increase interest rates and add hefty fees and penalties. The credit line may be increased, reduced or cancelled at any time. Each charge to a credit card is evaluated on the cardholder's credit history which can be changed at any time without prior warning. Payments will go toward the balance with the lowest interest rate, while interest continues compounding on the balance with the highest rate.

The highest rate (28% and more) may be charged if the cardholder is late making a payment to any creditor — on phone and utility bills, car payments and the like — even if credit card payments are made on time.

In addition to an annual fee of up to \$75, fees of \$35 or more may be charged for late payment, a bounced or unsigned check. A payment requested by phone can cost \$15.

Any dispute between the cardholder and the issuer can be resolved only by binding arbitration. However egregious the case, you cannot sue or institute a class action against the card company.

Finally the terms of the agreement can be changed at any time for any reason, without recourse.

Continued on Page 6.



1% Cash Rebate for You

Your Credit Union wants to give you **CASH** for transferring your Credit Card Balances to a IAEFCU Visa Card. If you have balances on other credit cards, transfer them to a IAEFCU Visa Card and we will pay you a cash rebate based on 1% of the amount transferred. The rebate will be deposited directly into your IAEFCU savings account. If you don't have a IAEFCU Credit Card yet, this is a great time to apply! As always, there are no fees to transfer your balances to a IAEFCU Visa card and there are no fees to apply for Visa Card. To apply, simply complete the loan application that is included in this newsletter, apply online through our website or give us a call. We work hard at making it easy for you. Promotion ends April 15, 2005.



How to Create a Secure Password

Passwords are like a toothbrush; they should be changed regularly and never be shared with anyone.

Strong passwords can prevent someone from assuming your identity and accessing information. A strong password should have six or more characters, and contain a combination of uppercase, lowercase, numeric and special characters. Here are some tips to consider.

THINGS TO DO:

- Make your password easy to remember.
- Make your password at least six characters long.
- Use a mixture of letters, numbers and special character (e.g. *PeKn72+).

THINGS NOT TO DO:

- Don't choose words that can be found in any dictionary, English or otherwise (hackers use password dictionaries, and they know no borders).
- Don't reverse the spelling of a dictionary word, or use sequential letters on the keyboard (e.g. asdfghj).
- Don't choose a name associated with you in any way (middle name, street name, pet's name, child's name, telephone number, license number, etc.).
- Don't use a proper noun (favorite place, fictional character, sports team).
- Don't use the "Remember Password" feature in applications.
- Don't transmit passwords via email.

GUIDELINES TO PROTECT YOUR PASSWORD:

- Don't write down your password.
- Don't give, tell, or even hint at your password to any other person. This includes technical staff, coworkers, friends, and family members.
- Never store passwords in computer systems, especially if the system is protected by that password.
- Don't store passwords in portable devices such as cell phones, pagers, PDAs or Blackberry devices.



International Airline Employees Federal Credit Union

One Cross Island Plaza, Suite #106

Rosedale, NY 11422

TEL (718) 525-5903

FAX (718) 525-8958

Audio Teller (718) 525-8198

e-mail: intlaefcu@rcn.com

website: www.iaefcu.org

BOARD OF DIRECTORS

A. John Harrison, President

James Brennan, Vice President

Robert Kramer, Treasurer

Manfred Schlarb, Secretary

Om Bhambri, Director

Regina Kaler, Director

Gerald Pinola, Director

BEFORE YOU GIVE OUT YOUR SOCIAL SECURITY NUMBER...

Your Social Security Number is your personal property. If a friend asks to borrow your car, don't you want to know how it will be used? It's the same with your SSN. To begin with, giving your number is voluntary, just like letting someone borrow your car. Before you give your number you should ask:

- **why your number is needed,**
- **if giving your number is mandatory or voluntary,**
- **how your number will be used,**
- **what happens if you refuse, and**
- **what law requires you to give your number.**

The answers to these questions can help you decide. The decision is yours.

What happens when other people ask for your Social Security Number? The Privacy Act says that no federal, state or local government agency may deny you any right, benefit, or privilege under the law because you refuse to give your Social Security number unless:

- **disclosure of your number is required by Federal Law, or**
- **disclosure of your number is required under a law or regulation in effect before September 1, 1975, the implementation date of the Privacy Act.**

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION

YOUR SOCIAL SECURITY CARD
WHAT TO DO WITH YOUR C...

Credit Union Holiday Closings:

Please note that we will be closed in observance of the following holidays in the upcoming months:

January 17, 2005

February 21, 2005

May 30, 2005

Martin Luther King, Jr. Day

Presidents' Day

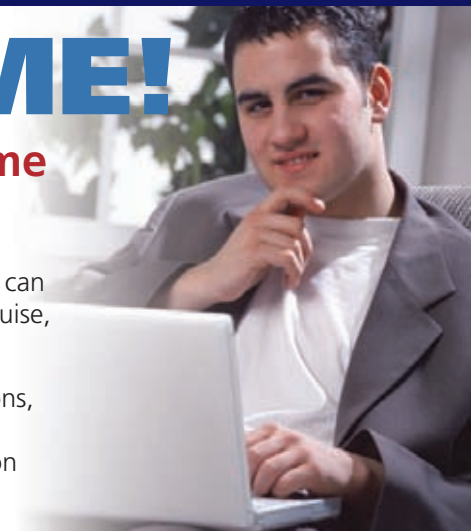
Memorial Day

ONLINE SAVES TIME!

You know it... We know it... There's never enough time

Use our website to save time! Go online to view your account through our secure encrypted site located at www.iaefcu.org. Simply Click on "Account Access" and get a wealth of information concerning your account. Look up your transactions, cleared checks, balances, and more. Now you can pay your bills on line. Any bills can be paid through "Bill Pay" whether it is a check to your Aunt Louise, a utility bill, your mortgage, almost anything.

Our latest savings and loans rates are also keep updated on our website as well as special promotions, loan applications and membership applications. IRA information, insurance information, our past & current newsletter and just too many other items to mention are yours for the browsing. Just log on and explore!



SCORECARD REWARDS

Go Ahead, Reward Yourself

Along with all the other benefits of your IAFCU Visa Platinum Card you get one reward point for every net \$1 in retail purchases that you make with this card. And unlike most other Platinum Cards these points do not expire within one year. So you can actually accumulate enough points to get some pretty cool stuff.

The points you earn can be exchanged for awards from a wide assortment of merchandise and travel items selected to offer something to fit most lifestyles. Take your pick from name-brand electronics, home furnishings, appliances, toys, sporting goods and more. You've earned it.

A World of Travel Awaits You...

Planning a vacation? Whether it's a roundtrip airline ticket across the USA or to an exciting foreign destination, a rental car and special hotel accommodations for that short getaway closer to home or maybe that fun-filled cruise vacation, you can escape with ease. Take advantage of first rate accommodations and top-notch service by referring to your travel catalogue or calling **1-800-842-3006**. Your ScoreCard travel experts are awaiting your call.

Getting Your Rewards Has never Been Easier..

You can check your Reward points by logging onto our website www.iaefcu.org and clicking on the tab "Visa ScoreCard Rewards." Please contact us at the office if you need help navigating this information service or if you need additional information.

VISA Fraud Defense

You are the best prevention from Visa Fraud. We recommend that you regularly check your Visa transactions throughout the month and verify that you have made all the transactions that are listed on your card. This can be done easily through our website www.iaefcu.org. Simply click on the Tab "Visa Card Services." If you have not signed up for this free service please follow the instructions on the secure website. After that you can log on at any time and take a look at your transactions throughout the month, view and print out your latest statement, check your credit limit, run expense reports, check your scorecard reward points and much more. If you need some help navigating this service or for more information please contact our office.

If you notice any suspicious transactions listed on your account please call Visa immediately 24 hrs a day, 7 days a week at **1-800-543-5073**. You are not responsible for any transaction that you did not make yourself if you report this immediately with the proper documentation.

NOTICE

Please note that IAFCU will NEVER ask you via e-mail for any confidential or financial information. If you do get such a suspicious e-mail please contact us immediately at **718-525-5903** or via e-mail at intlaefcu@rcn.com.

PROTECT YOURSELF... Shop Safe!

Protect your card from online fraud with **Verified by Visa**. Your Credit Union Visa Card — both Platinum and Classic is equipped with Verified by Visa — it protects your card for free.

It's safe and easy.

Just activate your card and set up your password while you shop. To learn more, please visit: www.visa.com/shopandactivate or click on the Verified by Visa banner on the bottom of our home page located at www.iaefcu.org.

It's now even safer to shop online.

Once you activate your card, Verified by Visa protects you at every participating online store — so only you can use your card.



Place
Stamp
Here

INTERNATIONAL AIRLINE EMPLOYEES FEDERAL CREDIT UNION
One Cross Island Plaza, Suite #106
Rosedale, NY 11422

Who is eligible to Join IAEFCU?

If you are already a member of IAEFCU you can continue your membership for life. Your immediate family members (spouse, children, siblings, parents, grandparents, stepchildren, step siblings, and adoptive relationships) are also all eligible to join our credit union. Your "household" members (defined as persons living in the same residence maintaining a single economic unit) can join the credit union too. You can also join the Credit Union if you work for, or are a retiree of the following companies:

- Air France
- Aries International Inc.
- Austrian Airlines
- Brookville Plaza Management, Inc.
- Bvlgari Corporation of America
- Cargo Airport Services, LLC
- Club ABC Tours
- Finnair
- Inter-Jet Systems, Inc.
- Inter-Jet Customhouse Brokers, Inc.
- KLM Royal Dutch Airlines
- Kuwait Airways
- Mindpearl US, INC.
- Scandinavian Airlines System
- Schenker Inc.
- SN Brussels Airlines
- Swiss International
- Thai Airways International

LOAN APPLICATION

International Airline EFCU
718-525-5903 • intlaefcu@rcn.com (e-mail)

- ① Apply via our website by entering **www.iaefcu.org** ② Complete the loan application below and fax to (718) 525-8958 ③ Complete the loan application below, fold, tape and drop in the mail or hand it in to our Loan Department.

MEMBER Account #	Amount Requested	Purpose of Loan	Collateral
------------------	------------------	-----------------	------------

PROOF OF INCOME REQUIRED.

NOTICE: Married Applicants may apply for a separate account. Check the appropriate box below to indicate the type of credit for which you are applying.

- Individual Credit:** Complete Applicant section. Complete the Co-Applicant section as follows: (1) Information about your spouse if you live in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI) or (2) If your spouse will use the Account.
- Joint Credit:** Provide information about both of you by completing Applicant and Co-Applicant sections.
- I am applying for type of loan or credit:**
- Personal New Auto Used Auto
- Share - Secured Debt Consolidation
- Visa® Card Other _____

Applicant (If additional space is needed, please use a separate sheet of paper. All income must be listed if it is to be considered.)

Last Name		First	Middle	Social Security #
Street Address		Apt. #	City	State
Employer		Employer Address		Start Date
Position	Notice: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered. Other Source: _____ \$ _____ Per _____			<input type="checkbox"/> Gross Monthly Income <input type="checkbox"/> Net Monthly Income \$ _____
Home Phone ()	Work Phone ()	<input type="checkbox"/> Own <input type="checkbox"/> Rent	Monthly Payment	Mother's Maiden Name

Co-Applicant (If co-applicant is not a spouse, use separate application except for VISA.)

Last Name		First	Middle	Social Security #
Street Address		Apt. #	City	State
Employer		Employer Address		Start Date
Position	Notice: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered. Other Source: _____ \$ _____ Per _____			<input type="checkbox"/> Gross Monthly Income <input type="checkbox"/> Net Monthly Income \$ _____
Work Phone ()	Home Phone ()	<input type="checkbox"/> Own <input type="checkbox"/> Rent	Monthly Payment	Mother's Maiden Name

Please Sign Here (Both signatures required for Joint Credit)

A consumer credit report may be required in connection with this application and with any renewals, updates or extensions of any new credit extended as a result of this application. The Credit Union is relying on what you stated in this application and you acknowledge that everything you have stated is true. If a credit card is issued to you and you use the card (or its account number) or authorize its use, you agree that such use will constitute your agreement to the terms of the cardholder agreement that you receive from the Credit Union.

Applicant Signature	Date	Co-Applicant Signature	Date
X _____		X _____	

For Debt Consolidation Loans, list the loans you wish to pay off:

Name of Creditor	Present Balance	Monthly Payments
1.	\$	\$
2.	\$	\$
3.	\$	\$

The information about the cost of the card described in this application is accurate as of 1/1/05. This information may have changed after that date. To find out what may have changed, call or write to us at the number or location listed above.

Annual percentage rate for purchases	Grace period for repayment of the balance for purchases	Method of computing the balance for purchases and cash advances	Minimum Finance Charge	Transaction fee for purchases	Annual Fee	Other Fees
10.90%	25 days	Average Daily Balance (including new purchases)	\$0.50	None	None	Late Payment Fee\$10.00 Return Check Fee\$15.00
9.80%						

New York residents may contact the New York state banking department to obtain a comparative listing of credit card rates, fees and grace periods by calling 1-800-522-3330.

Application for Credit Disability Insurance

Check if Credit Disability Insurance is desired. The Credit Union will disclose the actual cost of this voluntary insurance to you. Yes, I want Credit Disability Insurance No, I don't want Credit Disability Insurance

Signature	Date
-----------	------

FOR CREDIT UNION USE ONLY

Approved Declined

Credit Limit _____

Credit Card Account # _____

Loan Officer Signature _____

DEBT THAT BINDS Continued from Page 1

Both *The New York Times* article and the PBS show gave a number of heart-rending case histories of folks who got into serious difficulty with their credit card debt through loss of a job, health problems and such unexpected adversities.

You should know that fees are accounting for a greater share of revenue that card companies get from their customers. Last year they collected \$11.7 billion — yes, that's billion — in penalty fees, more than half the total of \$21.5 billion they collected from cardholders. Low initial rates lure customers, who then get caught, unless they are very careful, in a web of fees and late payments. For many banks, credit cards are now their most lucrative source of revenue.

IAFCU VISA PLATINUM CARD

Annual Fee	None
Cash Advance Fee	None
Balance Transfer Fee	None
Transaction Fee	None
Over the Limit Fee	None
Minimum Finance Charge	None
Payment by Phone Fee	None
ScoreCard Rewards	FREE
\$1,000,000 Travel Accident Insurance	FREE
Concierge Service	FREE
Extended Warranty on most merchandise	FREE
Travel & Emergency Service	FREE
Letter Checks	FREE
Late Fee (if 25 or more days late)	\$10.00
Return Check Fee	\$15.00

Not so, with your International Airline Employees FCU. We do not engage in such practices. We do not jack up rates or levy outlandish fees on late payments. We do have certain reasonable rules, but we don't change the rules at the drop of a hat.

Take a look at our revised and expanded web site (www.iaefcu.org). This sets out our policies, interest rates on loans of various lengths and categories, rates on savings and CDs, and on Visa Cards. (Our interest rate on Platinum Visa cards for instance is 9.80% APR for Purchases and Cash Advances.) You can set up automatic payments on loans or visa accounts from your CU Savings or outside bank accounts. If you are in danger of missing a payment, you can transfer funds from your Savings through our web site or by telephone through PAT (personal automated teller). You'll find our Fee Schedule on our web site. For many transactions, we charge no fees. Where we do charge, our fees are less than a third or half of bank rates.

After all, we are a member-owned, not-for-profit financial cooperative, dedicated to providing quality financial services for our members.

IRA Reminder

For the calendar year 2004, you can make contributions to your Traditional or Roth IRAs or Coverdell Education Savings Accounts up to April 15, 2005. Maximum contributions to a Traditional and/or Roth account are \$3,000 (\$3,500 if you are 50+ years) for the year 2004. This rises to \$4,000 for the years 2005–2007 (add another \$500 for those of you who are 50+ for 2005 only). For Coverdell Education Savings accounts, the maximum is \$2,000 per child per year.

There are also limits on what you can contribute and what is deductible based on your income, IRS filing status and your employer-sponsored retirement plan status. You can get more information on these various accounts on our web site www.iaefcu.org, the IRS web site www.irs.gov or from the IRS publication 590. Please note that your IRS 5498 form for your 2004 IRA contributions will be mailed after April 15, 2005.



ANNUAL AUDIT OF MEMBERS' ACCOUNTS

The National Credit Union Administration requires us to carry out an annual audit of all of our members' accounts. Please review your statement for the quarter ending December 31, 2004, enclosed with this newsletter. If you find any errors in the amounts in any of your accounts — Savings, Checking, IRA, Certificates, Loans, etc. — please send a copy of your statement with a note stating the details of any discrepancy to: **IAFCU Supervisory Committee, 42-41 79th Street, Elmhurst, NY 11373**. For all other correspondence, deposits, etc., please send to the Credit Union address.

CURRENT RATES

Please refer to our website www.iaefcu.org for our current rates. You may call or e-mail us for this information as well and we will also be happy to fax to you our current rates at any time.