

Bashas' Associates FCU
 Tempe Branch
 735 E. Guadalupe Road
 Tempe, AZ 85283
 Phoenix Branch
 1940 W. Indian School Rd
 Phoenix, AZ 85015
 (480) 831-0098 * (800) 686-2328
 BART (877) 799-0027
 Fax - Loans (480) 831-1438
 Fax - Tellers (480) 831-1512
 Phx Fax - (602) 265-3421
www.bafcu.com
 Once a Member, Always a Member.

BAFCU'S Board of Directors and
 Supervisory Committee

Stephan Sciacca
President/ 16 years service

Chris Kredlo
Vice President/ 6 years of service

Gloria J. Mundy
Treasurer, CEO/Manager/ 37 years service

Al Mendoza
Secretary/ 6 years service

Karen Giroux
Director/ 4 years service

Elva Vivas
Director/ 8 years service

Janice Hill
Director/ 4 years service

Beverly Culver
Director/ 1 year

Steven Boynton
*Sup. Committee Chairperson/Director
 4 years of service*

Jon Weaver
Supervisory Committee

Tony Ching
Supervisory Committee

Cheryl Hebison
Supervisory Committee

BAFCU Connection is published quarterly for BAFCU member/owners and is designed to provide informative materials of interest to our readers. It is distributed with the understanding that it does not constitute legal, accounting or other professional advice. Legal, accounting, or other expert assistance should be sought from professionals in those fields. Information in this publication is current as of the date this issue was printed. Products, services and their terms may be changed by the CU at any time.



During the month of **February**, pack your bags and take advantage of the Bashas' Credit Union "**Refinance your Auto**" Special

Bring your auto loan from another financial institution and refinance it at high blue book for **1% lower** than the rate you are currently paying*. Any loan over **\$15,000.00** will also receive 3 day/2 night vacation voucher for a little **Valentine's Day Getaway for two.**

This is for the month of February only, so don't delay.

* There is a floor level of 5.25% for 36 mths, 5.49% for 48 mths and 5.99% for 60 mths. High blue book must cover tax, title, warranty and gap insurance. These items will not be financed in addition. Some restrictions apply. Contact the loan officers for more information at (480) 831-0098 or (800) 686-2328.

On-Line Real Time, What Does This Mean For You?

The need for real-time integrated information has been a service that our members have been asking for. Typically banks send their transmissions of information once or twice a day and it is processed into your accounts in the morning or evening. This process is no longer necessary with the new technologies available to us today. This is where the term On-Line Real Time comes into play.

Our new computer upgrades will enable us to update your information and submit it to the transmitting processors for instant access. That means, when you make a deposit

in your account at the credit union, these funds will immediately be available to you with your debit card, and the money you spend will immediately be deducted from your available funds. On-line Real Time will not affect our processing of ACH Transactions and checks. This product should be available to our membership by the first week of February 2006.

Words of Wisdom

It is strongly recommended that you continue to balance your checkbooks regularly. If you have not signed up for our on-line banking product, you may want to do so. Our on-line banking product enables you to download your financial information to your favorite money programs. If you need additional check registers, you can contact Marisela Arroyo-Carlos at extension 705.

If you have questions or concerns regarding this new product, please contact our accounting department and speak with Lesley Peterson at extension 712 or Joe Quihuis at extension 713. This is one of our new products to help us "Hike Mt. Excellence in 2006"



Free Cell Phone Offered for Members Get A Phone, Make a Difference



Want to save money when you get your next wireless phone?

BAFCU is offering a great benefit just for members - a service to help you shop for wireless services and a **FREE** phone* with activation. **Plus** - every purchase will help the kids at Phoenix Children's Hospital, because a **\$25 donation** is made with each plan.

This special members-only program through Airedirect and BAFCU gives you:

- A **FREE** wireless phone*
- Free extra accessories and delivery to your door
- Free consultation and advice on the best plan for you
- Plans as low as \$19.99/mo
- A 10% discount on your monthly service (certain plans only)
- A **\$25 donation** to your credit union's CU4K fundraising program.

Get more information today. Call 480-862-2548 or visit bashas.benefitsformembers.com

*With qualified activation on plans \$29.99/mo or higher and approved credit.

DON'T CASH OUT, ROLL IT OVER!

Roll over your retirement plan dollars into an IRA at Bashas' Associates Federal Credit Union.

If you leave your job or retire, and you have earned benefits in a qualified retirement plan, you can keep the tax-differed status of the funds by rolling them over directly into a traditional IRA. Through a direct rollover, you postpone paying taxes and you avoid the mandatory 20% federal income tax withholding.

Funds from a qualified retirement plan cannot be moved directly into a Roth IRA. They must first be deposited into a Traditional IRA; then they can be converted into a Roth IRA. When choosing between a Traditional or Roth IRA the main question to consider is:

Do you want to save on taxes now or when you retire?

Traditional IRA

Traditional IRAs make sense if you want a tax deduction now or if you think you'll be in a lower tax bracket when you retire.

Roth IRA

Roth IRAs are a good fit if you don't need a tax break now. If flexibility is what you need, consider a Roth IRA. A Roth IRA is a more flexible investment because:

1. You can withdraw regular contributions at any time, tax-free and penalty-free.
2. You do not have to take mandatory distributions at age 70 1/2.

Traditional and Roth IRAs can help you hold onto more of your money! For more information on either of these types of investments, please contact your credit union at (480) 831-0098.



Great Rates

Regular shares start at
0.50% APR* 0.50% APY*

Minimum Balance: \$25
 Dividends Paid: Quarterly

Share Draft Accounts
0.25% APR* 0.25% APY*

Minimum Balance: \$500.00
 Dividends Paid: Quarterly

6 month Certificate of Deposit
Contact CU

Minimum Balance: \$10,000
 Dividends Paid: Monthly or at maturity

1 Yr Certificate of Deposit
3.00% APR* 3.03% APY*

Minimum Balance: \$1,000
 Dividends Paid: Monthly, Quarterly, or compounded

2 Yr Certificate of Deposit
3.25% APR* 3.29% APY*

Minimum Balance: \$1,000
 Dividends Paid: Monthly, Quarterly, or compounded

2 Yr SR Cert. of Deposit
3.50% APR* 3.54% APY*

Minimum Balance: \$1,000
 Dividends Paid: Monthly, Quarterly, or compounded

Dividends are calculated on a daily basis. Rates and terms may change. For further information on applicable fees and terms, or to obtain current rates, please call the credit union. Your savings are federally insured to \$100,000 by the NCUA, a US Government Agency. *APR=Annual Percentage Rate APY=Annual Percentage Yield. Rates listed above are at time of print, rates are subject to change.

Loans - Vehicles (New Autos)
0-36 months

As low as **5.25% APR***

Contact CU for additional rates

Loans - VISA Credit
VISA Platinum

8.99% APR*

VISA Classic

11.99% APR*

Loans - Signature loans start at

7.75% APR*

Recreational loans start at

7.99% APR*

* Annual Percentage Rate. Rates are determined by Risk Based Lending which is based on your Fair Isaac Score reported by the Credit Bureau Agencies.

Famous Tax Quotes

"Taxes grow without rain."
- Jewish Proverb

"You don't pay taxes - they take taxes."
- Chris Rock (Comedian)

"I did my own taxes with
TurboTax Online."
- You

Visit our website and then click on the TurboTax Online link.

TurboTax Online. It's easy, accurate and complete, and uses industry-standard technology to protect your data during transmission.

Have your tax refund directly deposited into your account and receive your refund in as little as 7-12 days.



Start now. Finish later. Get the biggest refund possible with TurboTax® OnlineSM go to www.bafcu.com and take the link pictured above.



Janice Hill (pictured here) is the winner of the Sea World Vacation that was raffled for the Children's Miracle Network. The Vacation package included two adult tickets and two children tickets to Seaworld along with a 3 day/2 night hotel stay was donated by the credit union. The credit union sends a **VERY SPECIAL THANK YOU** to all the credit union representatives in the stores and offices that helped to sell these tickets. We sold over 500 tickets

and raised over \$750 on this raffle alone. The credit union was able to cut a check to the Children's Miracle Network for \$3,800 for the year 2005. The \$50 gift certificate was given to Cheryl Hebison from the D/C for selling 125 tickets. Thank you again for your continued support.



FREE ONLINE BANKING

Call BAFCU today to find out how to sign up for B.O.L.T.S. (Bashas' Online Teller System) or download an application from our website and fax it to us at (480) 831-1512.

- ☞ Check your Balances
- ☞ Transfer Funds
- ☞ Apply for a loan
- ☞ Get your Account History

Access your accounts through our website at:
www.bafcu.com
Call (480) 831-0098 and sign up today!

Inactive accounts Dormant fee If there is no activity for two years on your account, you will be charged a dormant account fee of \$2.00 per quarter. When the balance drops to less than \$25, the account will be closed and the money retained by the credit union. To avoid dormant account fee charges or loss of funds, simply make a deposit, withdrawal or transfer to the account. If you have any questions, please contact our office.

Effective 02/01/05 BAFCU will be increasing the Priority Mail Fee for ATM/POS/Debit Card/PIN rush item from \$15.00 per occurrence to \$30.00 per occurrence. We only impose this fee if the member requests that we priority mail their Debit cards and/or PIN numbers. If you have any questions regarding this fee, please contact Marisela Arroyo-Carlos at (480) 831-0098 ext. 705

Welcome to the Credit Union Josie and Brandy!

Josefina Ramirez joined the Tempe Branch on 10/15/05 as a new Member Service Representative. She is doing a great job helping our members with all of their credit union needs. Brandy Rodriguez just came aboard on 12/16/05. We look forward to getting to know her as well. Please help us welcome these two newest members to our staff.

PAYDAY LOANS: ARE YOU SWIMMING WITH SHARKS?

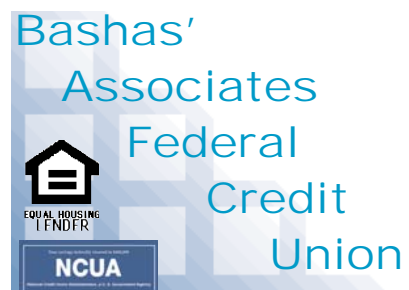
Short on cash? Need just a little more to get you through to payday? Step right up and take out a payday loan. This increasingly popular line of credit will provide you with the \$100 or \$200 you need to get by until your next paycheck arrives. The price for this easy cash? Most check-cashing outlets charge up to a three digit interest rate, in addition to the amount you borrowed.*

Alternatively known as cash-advance loans, payday loans are a star product at check-cashing outlets. Encouraged as a convenient financial Band-Aid, they exact exorbitant fees from consumers, many of whom already are in troubled financial straits.

So what are payday loans? Typically, a customer writes a postdated personal check to a check casher for the amount he or she wishes to borrow- plus the fee. The customer and check casher both understand there are insufficient funds, at that time, to clear the check. The check casher holds the check until the customer's next payday, say two weeks down the road, at which time the consumer can: Redeem the check with cash or a money order; allow the check to be deposited or renew, or roll over, the loan, by paying an additional fee.

According to a 2000 CFA* survey of 230 payday lenders, the APR on a \$100 loan borrowed for 14 days ranged from 195% TO 1092%. So what are your alternatives? The CFA* survey found that licensed small-loan companies, secured credit cards, or overdraft protection on checking accounts, offer a much better term than the triple-digit interest rates of payday loans. So your first stop should be your credit union. Our members should always feel free to contact our staff, ask questions, gather information and check out other avenues before they dive in with the sharks.

*These facts were compiled by the Consumer Federation of America in Washington, D.C. Please contact visit www.cuna.org for more information on payday loans.



The CU Connection

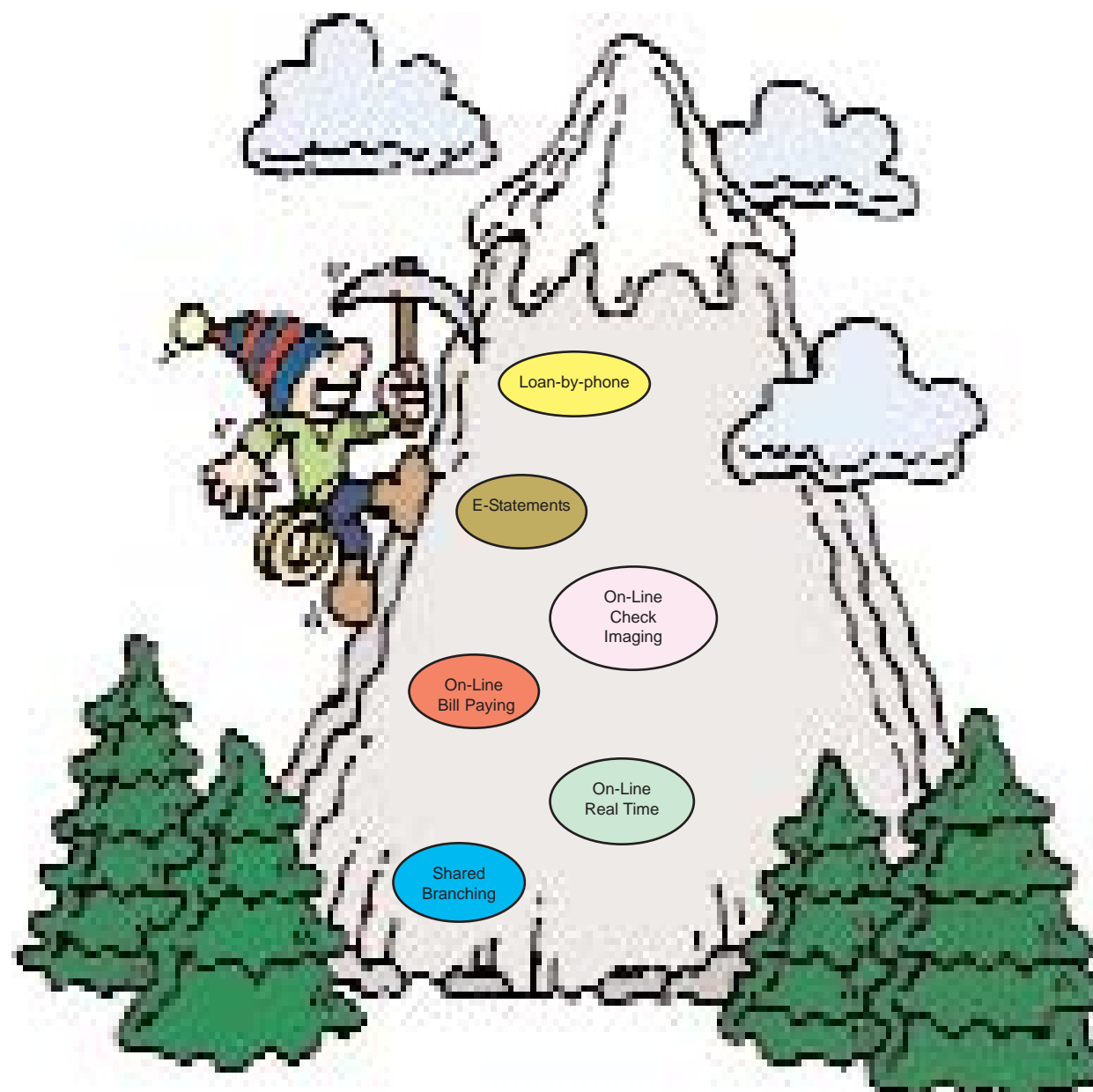


Jan. Feb. & Mar. 2006 Edition

Your guide to all that's new at BAFCU

Bashas' Associates Federal Credit Union is on a "Hike to Mt. Excellence in 2006"

Bashas' Credit Union has already opened a new branch in Phoenix, installed a couple of new ATM machines and converted to a new software provider that will allow us to offer several new products during the year 2006. Watch for upcoming information regarding On-Line Real Time, Shared Branching, On-line bill paying, Loan-by-phone, E-statements, On-line Check Imaging, and more. We want to provide our members with the excellent service that they deserve. Our goal is to reach the top of this mountain and continue to climb every summit necessary to offer the best service possible. So, hang on tight. . . here we go!



"They're at it again, now they are talking about shared branching. Do you know what that means? It means that we could actually go to another credit union and make a withdrawal or do a deposit inside their branch!" Not every credit union participates in shared branching, but there are a lot that do. Like Arizona Federal CU, Arizona State FCU, Desert Schools FCU, SRP Credit Union, and SunWest FCU to name a few. Our credit union really loves its members to go to such lengths to make things as convenient as possible for us. I can't wait till they tell us that this is up and working. What will they think of next!"

