

ARC *onnection*

An educational newsletter for the members of ARC Federal Credit Union



ARC Student Loan Program

ARC Now Offers a Private Student Loan Solution with Your Best Interest in Mind!

With **zero origination fees, lower interest rates and flexible repayment options**, it is easy to see why our private student loan solution is a better way to pay for college. Whether you are a student yourself or the parent of a student, ARC Federal Credit Union is here to help.

Our new Credit Union Student Choice alternative loan program can help fill funding gaps that federal aid can leave behind. As the cost of both public and private colleges and universities continues to increase, federal funding has not kept pace. This growing gap between what college costs and the financial aid available is causing many families to resort to higher cost loans to pay for higher education.

Since ARC is here for one reason only – to serve our members – we are able to offer more competitive student loan options and save you money. Student loans are a long-term relationship and it is important to choose a lender carefully. Be sure you read the fine print and compare fees, terms and repayment options (not just rates) when comparing student loans. *Read more about how to choose student loans and the financial aid process in general by visiting www.arcfcu.org/student.*

Remember ARC Federal Credit Union’s goal is not just to help you fund a college education for yourself or a family member, but to become your financial partner for life. For more information about our Student Choice loan program, and to apply, visit www.arcfcu.org/student or call us at 814-946-0857.

We look forward to helping you achieve a higher education, without the higher price tag!

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Vehicle Rate Special

ARC is currently offering 3.90% APR* on all 2008 through 2010 year vehicles.

With car rates this low, now is the time to buy or refinance to lock in this low rate. Finance your car with ARC and...

Drive Off With A Great Low Rate



New or Used 2008 to 2010

3.90% APR*

5 YEAR VEHICLE RATE

Mobile Banking Now Offered

ARC Federal Credit Union is pleased to announce that Mobile Banking is now being offered. Members can use their Internet-enabled mobile phones or PDAs to check their account balances, view account history, transfer funds, and make loan payments.

All members currently using ARC Account Access from their PCs can begin accessing their account information on their mobile phones immediately. Members without Account Access should enroll online first.



*3.90% Annual Percentage Rate (APR) is for 2008, 2009, 2010 new and used vehicles. Rate is determined by a 5 year term and 700+ credit score. Rate not offered on refinances of current ARC auto loans. Offer subject to change without notification. Loan is subject to credit union approval. Other rates and terms are available. Contact ARC for more details.

Home Equity Rate Special



15 YEAR TERM

4.49%
APR^{1*}

FIXED RATE HOME EQUITY

20 YEAR TERM

2.99%
APR^{2*}

1 YEAR INTRODUCTORY RATE

VARIABLE RATE HELOC

¹Fixed Rate Home Equity Loan Annual Percentage Rate (APR) of 4.49% is based on a 15 year term, 700+ credit score, available up to 80% combined loan-to-value, and minimum amount of \$10,000 new money, requires a monthly payment of \$7.65 per \$1,000 borrowed. Offer requires direct debit of monthly payment from an ARC account. ²The Variable Rate HELOC APR of 2.99% will be effective for one year from closing date, after which the rate will revert to the base rate. Base rate will vary with the Wall Street Journal Prime Rate (currently 3.25%) as of March 15, 2010, with a maximum rate of 18.00% and floor rate of 4.00%. HELOC includes a 10 year advance period plus a 20 year repayment only period. To qualify, the borrower must have a 700+ credit score and not exceed 80% LTV. *Property must be the owner-occupied primary residence. Subject to credit approval. Closing cost fees and an appraisal, totaling approximately \$500, must be paid by the borrower. Title insurance will be required, with the cost to the borrower, if loan amount exceeds \$250,000. Other rates and terms are available. Offer subject to change or withdrawal at any time.

Your Credit Union is Safe & Sound



You've seen the headlines about the state of some financial institutions. In their quest to increase profits, some banks made problematic loans and investments that have resulted in large losses for them.

ARC did not experience these large write-offs because we make sound lending decisions on both our consumer and mortgage loans. We have relatively low delinquency and charge-off ratios. We have made no sub-prime mortgage loans and continue to assist you in making sound financial decisions.

Consequently, deposits and loans with ARC are safe, sound and are in the best interest of the member.

As always, our doors are open and we have money to keep lending. Member savings are federally insured to at least \$250,000 through the National Credit Union Administration and backed by the full faith and credit of the United States Government. The trust you have in your credit union is well placed—and well deserved.

Notice of Life Savings Insurance Cancellation

ARC Federal Credit Union is committed to offering our members the best service possible. In order to continue to meet this commitment, we are making some changes to help better manage our expenses and align services with your needs.

Effective July 31, 2010, we are canceling our Life Savings Insurance group policy — the up to \$3,000 term life insurance product which is provided at no direct cost to you on eligible savings deposits. Coverage on existing insurable deposits will end on August 31, 2010, the last day of the conversion period. Please destroy any CUNA Mutual Life Savings Certificate of Insurance at that time.

We know many of you value the peace of mind and security that life insurance provides. That's why we wanted you to know you can convert your Life Savings coverage to a Primary Protection Plan, underwritten by CUNA Mutual Insurance Society. This new plan is a member pay, whole life plan up to \$3,000. If you apply within the stated time period, there are no age restrictions, waiting periods, exclusions, or health questions. If you convert, your new policy will be effective September 1, 2010, and premiums will be based on whole life insurance rates for your age on that date.

Conversion is simple. Just request, complete, and return an application with your first premium payment to CUNA Mutual Insurance Society by August 31, 2010 in order to receive coverage.

We feel it's important to carefully consider the option discussed above. To request a quote or application for the Primary Protection Plan offered by CUNA Mutual Insurance Society, call 1 877 636 2377 to speak with one of CUNA Mutual's fully licensed insurance representatives.

If you have any questions about these changes, please call Kathy Hughes at 814-946-0857 x107. As always, we appreciate the opportunity to serve you.

Sincerely,

Victor A. Gioiosa Jr.
CEO



ARC
Federal Credit Union



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