

Co-op stats

In the United States:

- More than 29,000 cooperatives operate in the United States, including 7,500 credit unions that provide financial services to 94 million U.S. consumers.
- Americans hold more than 350 million co-op memberships.
- U.S. cooperatives generate 2 million jobs and make a substantial contribution to the U.S. economy with annual sales of \$652 billion and assets of \$3 trillion.
- The majority of our country's 2 million farmers are members of the nearly 3,000 farmer-owned cooperatives. They provide more than 250,000 jobs and annual wages of more than \$8 billion.
- More than 900 rural electric co-ops deliver electricity to more than 42 million people in 47 states. This makes up 42 percent of the nation's electric distribution lines and covers 75 percent of our country's land mass.
- Approximately 233 million people are served by insurance companies owned by or closely affiliated with co-ops.
- Food co-ops have been innovators in the areas of unit pricing, consumer protection, organic and bulk foods and nutritional labeling.
- More than 50,000 families in the U.S. use cooperative day care centers, giving co-ops a crucial role in the care of our children.
- About 1.2 million rural Americans in 31 states are served by 260 telephone cooperatives.
- More than 1.2 million families of all income levels live in homes owned and operated through cooperative associations.
- Only France has more cooperatives than the United States.

We exist to serve and help you

Your credit union is a *cooperative*.

A cooperative is a member-owned and member-controlled business that operates for the mutual benefit of its members.

This year, we and other cooperatives celebrate cooperative enterprise and the contributions

cooperatives make to social and economic development. This is the first time in history that the United Nations has ever awarded a business model an "International Year" designation.

Cooperatives operate across all sectors of the U.S. economy and include agriculture, food distribution and retailing, childcare, financial (all credit unions), purchasing, worker-owned, housing, healthcare, energy and telecommunications cooperatives.

Recent analyses have shown how well cooperatives have weathered the economic crises of the past few years. In fact, cooperatives have been the most resilient business model of all; they provided stability and security because of their measured risk model and emphasis on service to members rather than profits.

Cooperatives promote the fullest possible participation in the economic and social development of all people, and they are a major economic force in developed countries and a powerful business model in developing ones. Worldwide, approximately 1 billion people are members of cooperatives. The economic activity of the largest 300 cooperatives in the world equals the tenth-largest national economy.

"Cooperatives build a better world by putting people first," says Arsenal President/CEO **Linda Allen**. "We work to strengthen our community by providing service and financial benefits to our members, educating children and adults about personal money management, providing local jobs and holding or participating in fundraisers and drives that help those in need."

We are proud to be a cooperative and proud to count 22,000 people as members and owners of Arsenal. Our sole purpose is to serve and help you. Thank you for choosing us as your financial partner.



A better way to manage your money online

Our online banking and bill payer page was recently redesigned to provide you with access to your accounts, transactions and financial management tools – all from one location! The new online experience launched on Oct. 11, 2011.

It gives you more visibility and control over your finances with easy-to-use budgeting tools, plus provides a way to put real money back in your pocket with an **exciting and unique new rewards program** (see article on next page). To take advantage of the new rewards product, online banking users need to accept the updated online disclosure.

Debit rewards points can now be redeemed for merchant gift cards

At a time when many banks have eliminated their debit card reward programs, we've enhanced ours.

Each time you use your Arsenal Credit Union Visa® debit card and sign for your purchases rather than enter your PIN, you earn reward points. Points that you accumulate can be redeemed for merchandise, travel... and now for gift cards to various merchants such as discount retailers (Target, Walmart, etc.), department stores (Sears, Macy's, etc.), consumer electronics stores (Best Buy), home improvement stores (Home Depot), sporting good stores (Bass Pro Shops), gas stations (BP, ExxonMobil, Shell) and more!

Visit www.curewards.com; after logging in to this site, click "Merchandise" and then "Merchant Gift Cards." If you are a first-time visitor to this particular site, click the "Register" button in the "New Members" section, and enter your personal information such as your debit card number and email address.

Get rewarded for your purchases!

Load offers onto your ACU debit card through your online account with us

These days, who wouldn't like some extra cash in his or her account? Whether you have the dedication to clip coupons or not, there is an easier way. All you need is a debit card and an online account from Arsenal.

Just by using your ACU debit card at many of the same stores and restaurants you already visit, you can get purchase rewards automatically in your online banking account; you don't even need to sign up! Purchase rewards offers may be for the store where you used your card or for a competing store, but the offers are relevant to you; if you don't buy pet supplies, you won't receive offers for a pet store.

Taking advantage of these offers is easier than clipping coupons. Not only are they sent right to you, but all you have to do is log into your online banking account to load the offers onto your debit card. Then simply use your debit card at the store where the offer is good, and spend the amount within the time specified in the offer. Be sure to sign for your purchase rather than enter your personal identification number (PIN) at the checkout. You'll **receive cash in your account by the end of the following month.**

The program is free, and purchase rewards are in addition to the reward points you earn when you sign for your debit card purchases. Plus, the more you use your card, the more offers you can get. You can opt out of (or back into) the program at any time, and your personal information is not shared with retailers (which is why there's a delay for offers and rewards to appear in your account).

If you already have a debit card and online account with Arsenal, you may have already started receiving offers; view them through the purchase rewards widget (i.e. window) on the right side of the online banking home page or history page. You can also load offers and view paid and pending rewards. (Note: These options are only available on the new consumer home banking page introduced in October; if you are using your previous home page, you won't have access to purchase rewards.)



Great news for Android (and iPhone) users

Your Arsenal account information is just an app away. Our mobile banking app for Android™ mobile devices went live on Oct. 21. The app for Apple's iPhone® and iPod touch® has been available since June 16.

If you have one of these devices, simply download our mobile app (search for "Arsenal Credit Union") to your mobile device from the Android Market™ or App Store™, either through a Wi-Fi source or the 3G/EDGE network. You can also download the app to your computer; the app will install on your phone the next time you plug your phone into it. Once you download the app, log in with the same user ID and password that you use for online banking.

While these mobile banking apps for smartphones can be used on tablets such as the iPad®, they are not optimized for such. Tablet-specific apps for the iPad and the Android equivalent will be made available later this quarter.

Mobile banking enables you to view your Arsenal account balances and review your 30-day transaction history; transfer funds between your Arsenal accounts; pay bills to payees already set up on a computer; find an ATM or branch location; and send us a secure email.

Secure information is not stored on your phone when you use mobile banking. This service has the same security features as online banking.

Even if you don't have an Android phone or

iPhone, you can still access your accounts on the go with mobile banking. Simply log into online banking as usual through any smartphone to get quick access to your online account.

If you don't have a mobile device with a browser, you can access your account balances and transactions, plus transfer funds, from your cellphone by texting short commands to 454545. First, you'll need to enroll from a PC and have your cellphone handy. Log into online banking (www.arsenalcu.org) and click on "Mobile Banking & Alerts." We'll text an activation code to your phone that you must enter online in order to activate text message banking. After that, a text is all it takes.

Six tons of paper shredded at free events held by Arsenal in 2011

Free recycling of electronics is being added this year

Cintas shredded more than 3,700 pounds of members' unwanted confidential documents at our Mid St. Louis County branch on Sat., Oct. 22, as part of Secure Your Identity Day. This event was the culmination of Protect Your Identity Week sponsored by the National Foundation for Credit Counseling (NFCC).

Last spring, we held a free shred event at our Jefferson County branch (April 30) for the third year and for the first time at our North St. Louis County branch (May 7). These events resulted in a total of 8,300 pounds of shredded paper.

A new service was introduced at our most recent event – free recycling of old and broken electronics by RNA Worldwide of Arnold. Almost 4,000 pounds of electronic equipment were dropped off and recycled instead of being trashed and put into landfills. The items included computer monitors, hard drives and printers, personal shredders, TVs and stereo equipment. In addition, 18 cellphones were collected, stripped of any information and distributed to an agency that provides emergency communication to those in

need. Free child fingerprinting was also done by Sgt. Jason Flanery of the Webster Groves Police Department, and identity theft prevention tips and resources were available for people to take home.

Similar events were held in three other Missouri cities and in 30 other states – plus the District of Columbia – to help people protect their identity and recover from identity theft. Arsenal was one of six credit unions in the country to host an event; the others were in New York, Virginia and Florida. The local event at Arsenal was one of several sponsored by ClearPoint Credit Counseling Solutions in five states. NFCC-member credit counseling agencies like ClearPoint are seeing more and more clients who experience ensuing credit difficulties as a result of ID theft.

This spring, close to the national celebration of Earth Day, **we will offer free shredding of confidential documents and free recycling of electronics at our Jefferson County and North St. Louis County branches on Saturday, April 21, from 9 a.m. to 11 a.m.**, in cooperation with American Document Destruction and RNA Worldwide.

CheckProtect®: A new standard of check delivery



We know you depend on us to provide you with a variety of financial services while protecting your personal information. We take many steps to safeguard the confidential information you entrust to us. One security measure that we introduced last October is CheckProtect, a secure and trackable service for shipping personal check orders.

We have selected CheckProtect as the new standard delivery for personal check orders because your checks are so much more than paper. They represent your checking account and the services associated with it, such as your debit card, online bill pay transactions, automatic withdrawal and direct deposits – all of which may need to be re-established if your check order does not arrive safely.

CheckProtect provides you with an improved level of security at a low cost by offering:

- **Tamper-evident polywrap packaging** that conceals your checks
- **Fully trackable deliveries**, so you know where your checks are
- **Estimated delivery dates** that let you know when to expect your order

Working closely with our check program provider, Harland Clarke, we can provide this valuable service at a competitive price. The charge for CheckProtect will be added to the price of any check design you choose to purchase, and the total amount will be deducted from your account when you place your next order.

Check packaging is changing, too

You may notice that your next check order looks different when it arrives in your mailbox. Your checks won't be packaged in a small box; instead, with CheckFolio™, multiple checkbooks will be neatly aligned in a compact, thin folio for convenient use and storage.

CheckFolio is an innovative new way to receive, store and use personal checks. The result of extensive research and consumer feedback, CheckFolio is designed to help you:



- **Stay organized.** All components are packaged together neatly, so you can easily access them when you need to and store them when you don't.
- **Secure your identity.** CheckFolio arrives in a tamper-evident package, and its unique design makes for discreet and flexible storage options.
- **Protect the environment.** The compact and efficient design uses less material and creates less waste – plus, CheckFolio is recyclable.

Three local Congressmen support legislation to help credit unions and small businesses

A group of 14 Missouri credit union leaders, including Arsenal Credit Union President/CEO **Linda Allen**, met with Missouri's entire Congressional delegation Oct. 4-6 in Washington, D.C., to discuss legislation that would raise the limit on the amount of member business loans each credit union can offer. The proposed bill would increase the supply of credit available to small businesses.

Congressman **Todd Akin** (R-District 2) signed on Oct. 5 as a cosponsor, becoming the third U.S. House member from Missouri to do so. The others are U.S. Reps. **William "Lacy" Clay** (D-District 1), who joined the bill on Oct. 3, and **Russ Carnahan** (D-District 3), an original cosponsor.

"Given the valuable service credit unions provide to their membership, I am happy to cosponsor H.R. 1418," said Congressman Akin.

More than 100 legislators in the country (as of Dec. 1) were cosponsoring the Small Business Lending Enhancement Act of 2011 (H.R. 1418). This bipartisan legislation would create 140,000 jobs in the country – including more than 1,700 in Missouri – and help small businesses get the loans they need.

"This bill allows credit unions to help more small-business owners and will help increase jobs – without costing taxpayers a dime," said Congressman Clay. "The economy will continue to rebound if we financially infuse small-business lending."

Since 1998, credit unions have been subject to an arbitrary member business lending cap of 12.25 percent of total assets. Legislation introduced by California Congressman Ed Royce (R-District 40) would raise this cap to 27.5 percent of assets. If this legislation is passed, it could provide up to \$13 billion to small businesses in the first year alone. Arsenal employees sent 65 emails to U.S. representatives in October asking them for their support of the bill.

In explaining his support for the legislation, Congressman Carnahan stated in written correspondence with constituents that he believes credit unions play "an integral role in promoting economic development" and he has consistently supported them. "The credit crunch in the wake of the financial crisis in 2008 has made it far more difficult for small businesses to grow and create jobs," he said, "and allowing credit unions to make more loans in their communities will help the economy recover faster."

More than half of Arsenal's 22,000 members live in District 3, which Congressman Carnahan represents, and more than 3,000 members live in each of the legislative districts that Congressmen Clay and Akin represent.

Member business lending is a top priority for credit unions on the federal level, and we'd like to acknowledge and publicly thank Congressmen Akin, Carnahan and Clay for their support!

Financial advisor earns CRPC designation

After following a rigorous curriculum and a period of intense exam preparation, **Michael Packman** earned the Chartered Retirement Planning Counselor (CRPC) designation offered by The College for Financial Planning. This will enable him to better serve you and help you with your retirement needs.

The CRPC program focuses on a multitude of decisions that members will make during the pre-retirement and post-retirement years.

To set up a no-cost, no-obligation meeting with Packman, who is the MEMBERS Financial Services representative located at Arsenal Credit Union, call 314.919.1059

Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution. CBSI is under contract with the financial institution, through the financial services program, to make securities available to members. CSBI is a registered broker/dealer in all fifty states of the United States of America. FRO31108-5D1A

Candidates nominated for four volunteer positions

The terms of three board directors and one supervisory committee member are up for election at the annual membership meeting scheduled for Thursday, April 26.

The slate of candidates, as recommended by the credit union's nominating committee and approved by the board on Nov. 29, 2011, is: **Vincent Pierce** and **Ron Trucks** for three-year terms on the board; **Heather Halbach** for a one-year term on the board; and **James Vertrees** for a three-year term on the supervisory committee.

Halbach, if elected in April, would serve the remaining year left on the three-year term of Board Director **Jim Crinnion**, who resigned from his seat, effective Nov. 30, 2011, due to changes in his full-time job and work schedule at a pharmaceutical company. Halbach was appointed to the board the same day and is serving as a director until the elections this April.

Any other members wishing to have their names added to the official ballot can do so by collecting signatures from half of 1 percent of the credit union's membership, which amounts to 111 primary members' signatures. The deadline to enter is Friday, Feb. 10. Contact Heather Reed at 314.919.1002 for the official petition form and procedures.



Arsenal CU President/CEO Linda Allen (front row, second from left) was among a group of credit union leaders from Missouri who recently met with federal lawmakers in Washington, D.C., to discuss the Small Business Lending Enhancement Act. Pictured with the group is Congressman Todd Akin (front row, center).

Many banks eliminate free checking

A recent study by Bankrate.com found only 45 percent of **non-interest** checking accounts at banks are free, down from 65 percent in 2010 and 76 percent in 2009. *Your credit union still offers totally free checking!*

Banks have been raising minimum balances for checking accounts and adding other new requirements so that it is harder for customers to qualify for fee waivers. *We haven't.*

Last month, Citibank started charging its mid-level account holders \$20 a month if they fail to maintain a minimum balance of \$15,000. The minimum balance requirement was previously raised to \$6,000, an amount that's already a stretch for many people.

Nationally, the average minimum balance required to avoid paying a monthly fee on an **interest-bearing** checking account was \$5,587 in 2011, up 44 percent from 2010. *By contrast, our Value Checking accounts only require a \$500 balance.*

Big banks = big fees



If you have a checking account with a big bank and not your credit union, you are paying too much in fees and not earning much interest.

Bank of America and Chase Bank both recently raised the fee on their basic checking accounts to \$12. On its tiered interest checking account, which is paying just 0.05%-0.08% APY* on balances of less than \$100,000, Bank of America is charging \$25 a month unless a high balance is maintained.

Citibank charges a \$20 monthly fee on its mid-level, non-interest checking account if a "modest" \$6,000 balance is not maintained. The monthly fee on its interest checking account is \$30 unless super-high balances (\$50,000-

\$100,000) are maintained, and the amount of interest being paid was just 0.10% APY.*

U.S. Bank's monthly maintenance fees on checking accounts range from \$6.95 for basic checking (\$8.95 with paper statements) to as much as \$19.95 if minimum balance requirements aren't met.

Customers who have an e-banking account at Bank of America get charged \$8.95 a month if they have a teller help them or someone handle a transaction for them, or if they have a paper statement mailed to them.

Overdraft fees and stop payment fees are high at big banks, too. At Bank of America, for example, they are \$35 and \$30, respectively. Citibank charges \$10 each day it covers an overdraft by transferring money from a customer's savings or money market account.

It's not just checking accounts that are being hit with new and higher fees.

U.S. Bank raised the annual fee on its IRAs from \$10 to \$30, and the minimum IRA balance to have this fee waived went up from \$5,000 to \$25,000.

*APY=Annual Percentage Yield. Rates accurate as of 11/23/11.

A victory for Main Street

Late last year, Bank of America nixed its plan to implement a \$5 monthly debit card fee in the wake of widespread attention by the media and consumer backlash (*see related story on back page about Bank Transfer Day*).

Chase Bank and Wells Fargo Bank had been testing their own debit card fees in select states and decided to not move forward and roll it out nationally. SunTrust Bank and Regions Bank also followed suit to cancel similar fees.

"Recalling debit fees now is like trying to get toothpaste back in the tube. It simply does not work," said Fred Becker, president of the National Association of Federal Credit Unions. "The silver lining in all this is American consumers are recognizing the superior experience and value of member-focused credit unions, which offer better service and lower fees, and care about their members."

Jim Wang, who writes about personal finance at Bargaineering.com and had a column published in the Money section of *U.S. News & World Report* (Oct. 18, 2011), called credit unions a good option for consumers who are upset with big banks and their excessive fees. "Credit unions have become more popular as people look to move away from the 'too big to fail' banks," Wang wrote. "Credit unions offer better rates because they aren't always looking at the bottom line. At a credit union, the owners are the depositors and so profits are returned to [members] in the form of better rates..."

Paying lower and fewer fees are other ways that members benefit from their credit union's not-for-profit cooperative structure.

Grassroots effort leads to many new credit union members

In the weeks leading up to Bank Transfer Day (Sat., Nov. 5), more than 200,000 people voted with their money and chose Main Street over Wall Street, leaving their big bank and joining a credit union in October. An additional 40,000 people moved their accounts to credit unions on BTB. Your credit union experienced a significant increase (48 percent) in new members during the month of October compared to the same period the previous year.

"Any day is a good day for a consumer to become a credit union member," said Bill Cheney, president/CEO of the Credit Union National Association. "When a consumer joins a credit union, he or she takes the first step for themselves, and their families, in moving toward financial freedom."

BTB was created on Facebook by an art gallery owner in Los Angeles who was frustrated with the \$5 monthly debit fee that Bank of America was

going to start charging customers like her (*see related article on page 5*).

"Bank Transfer Day has shone a great spotlight on credit unions and created an opportunity to dispel several misconceptions about credit unions that may be holding some people back from joining," said Fred Becker, president of the National Association of Federal Credit Unions. "Consumers won't be sacrificing convenience or accessibility when they join a credit union – quite the opposite. Credit unions today boast a plethora of products and services including online banking and access to the largest network of free ATMs [28,000+]."

Plus, credit unions like Arsenal participate in a shared branch network that gives members access to their accounts at more than 4,400 branches nationwide. To find free ATMs and shared branches, use the links we have on the home page of our website under "Resource Center."

It's not too soon to plan for next Christmas!

While it may be nice to have the holidays behind you, thinking ahead to next Christmas can help your holidays go more smoothly – at least when it comes to your budget.

Instead of charging too much on your credit cards or depleting your checking account, start saving for those holiday expenses with a Christmas club account.

You can deposit as much as you want whenever you want, and you can transfer funds from other ACU accounts online, over the phone or in person. Even \$10 a month can help your holiday budget. Plus, you'll earn interest on the money you save. The balance in your Christmas club account will be deposited into your checking or savings account on the first Friday in October, just before the busy shopping season begins.

To open your Christmas club account, stop by any of our branches or call us at 314.962.6363 or 1.800.719.6363 and say or press 6.

We also offer vacation club accounts to help you save for a sunny day. These are set up the same as Christmas club accounts, but balances are paid out on the first Friday of May.

Interest-Refund Auto Loans still available

It's not a marketing promotion – it's a new product that we introduced at the beginning of last year, and we will continue to offer Interest-Refund Auto Loans this year.

We are the *only financial institution in the entire St. Louis metro area* that gives you back the last year of interest that you pay on a new or used auto loan (originated after Jan. 1, 2011) that has a term of 48 months or longer.

For more details, visit our website or call 314.962.6363 or 1.800.719.6363 and say or press 6.



College scholarship applications due Feb. 14

High school seniors: You still have time to apply for a college scholarship from Arsenal Credit Union; we will award a total of **\$5,400** in scholarships this spring.

For details and an application, go to our website (www.arsenalcu.org, under "Deposit Accounts" then "Advantage Point Teen Club"), visit any of our branches, or call Jennifer Remes at 314.919.1006. Hurry, applications are due by Tuesday, Feb. 14! (Note: You must have joined the credit union on or before Feb. 14, 2011, to be eligible.)

Parents of high school juniors: Open a teen club account for your student now; in order to be eligible for next year's scholarship competition, his/her account must be opened by Feb. 14, 2012.



314.962.6363
1.800.719.6363
www.arsenalcu.org
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ActionLine (24-hour automated teller):
314.962.6363 and say or press 2

Harland Clarke (24-hour check reordering):
1.800.355.8123 or www.checkreorderexpress.com

Arsenal Credit Union Supervisory Committee: 314.919.1097
P.O. Box 1246; Arnold, MO 63010 or acusupervisorycommittee@yahoo.com



AMERICA'S
CREDIT UNIONS™
Where people are worth more than money.™



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government
NCUA
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