

## Study: Auto loan markups cost \$25.8 billion

American consumers financing a new or used vehicle through a dealership will pay more than \$25.8 billion in hidden interest-rate markups over the lives of their loans, according to a study released April 19 by Washington-based Center for Responsible Lending (CRL).

Their out-of-pocket cost is not insignificant, averaging \$714 per consumer, with an average rate markup of 2.47 percentage points.

Also known as "dealer reserve" or "dealer participation," hidden interest-rate markups are described by dealers as how they compensate for the time they spend putting a financing deal together. It's considered "hidden" because consumers usually don't know what interest rate they actually *qualify* for. According to industry data, the average customer spends 45 minutes with the finance and insurance department, or only 27 minutes if taking a test drive, so a markup of \$714 translates to \$952 to \$1,587 per hour just to finance the vehicle.

The Consumer Federation of America, National Association of Consumer Advocates and CRL offer these suggestions:

- **Run your credit report.** Do this before you visit the dealership. Visit [www.annualcreditreport.com](http://www.annualcreditreport.com), or call 877.322.8228. Get one free report a year from Experian, Equifax and TransUnion.
- **Buy your credit score.** Order one individual score (FICO Standard) directly from FICO for \$19.95 at [www.myfico.com/Products/Products.aspx](http://www.myfico.com/Products/Products.aspx). Here's a tip: Call FICO at 1.800.319.4433, and ask a customer service representative for the promotion code to get a discount. If your score is low, take steps to improve it before you apply for a loan.

*For the record, the 250+ auto dealers in the Credit Union Lending Systems (CULS) network that offer on-the-spot Arsenal Credit Union financing are not allowed to markup our interest rates at all.*

- **Be skeptical of ads for 0% loans.** You'll likely be switched to a higher rate or find it difficult to negotiate on the price of the vehicle.
- **Research prices.** Check price information at [www.edmunds.com](http://www.edmunds.com). For used cars, visit [www.kbb.com](http://www.kbb.com).

- **Line up financing at the credit union.** Get preapproved for a loan before you shop for a vehicle. You don't have to accept financing from a dealer; the sales and finance people may tell you they can provide the best financing, but kickbacks and markups add to the cost you'll pay.

If you have a complaint concerning car dealership financing, contact the Federal Trade Commission at [www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov) or call 1.877.FTC.HELP (382.4357). To read or download CRL's full report, titled *Under the Hood: Auto Loan Interest Rate Hikes Inflate Consumer Costs and Loan Losses*, go to [www.responsiblelending.org](http://www.responsiblelending.org).

(Article from [www.cuna.org](http://www.cuna.org), News Now, 4/27/11)

To get the best deal on a vehicle, start with our website, [www.arsenalcu.org](http://www.arsenalcu.org). Click on "Financial Calculators" to compare 0% financing to a low-rate loan with a rebate. View a range of resources on our "Auto loans" page (under "Loans"). Click on "Online Applications" to get preapproved with Arsenal. On our home page, click on the Interest-Refund Auto Loan logo to find out how you could qualify for a refund at the end of your loan. You can also call us at 314.962.6363 or 1.800.719.6363 or visit any branch.

## Your signature could be worth 10,000 bonus points

With an Arsenal Credit Union debit card, you already get rewards points each time you sign for a purchase. This summer, you could win 10,000 bonus points!

The key is to *sign the receipt of purchase (or the electronic pad at the checkout counter)* instead of entering your Personal Identification Number (PIN) to authorize the transaction. In other words, have the transaction run as a "credit" rather than a



"debit." At some point-of-sale machines, this means pressing the red (cancel) button or, in some cases, the green button to bypass the PIN option. The money still comes out of your Arsenal checking account and won't show up as a credit card charge.

When you do five or more **signature debit transactions** in July, August or September, you'll be automatically entered to win that month's

drawing for 10,000 bonus points. (Another benefit of signing for purchases is that the merchant's name will appear with the transaction on your monthly checking statement instead of just the street address when a PIN-based transaction is done; this makes it easier for you to confirm transactions on statements.)

What would you do with 10,000 bonus points? Would you redeem them right away for luggage, tools, jewelry or a DVD player, or save them to get a big-ticket item ranging from a home entertainment system to household appliances to a vacation?

See what prizes you could get, and check your point balance at [www.curewards.com](http://www.curewards.com).

# Why you need a credit union account

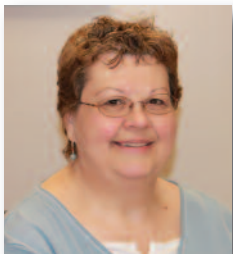
Credit unions are better than commercial banks, primarily because credit unions work for the member/consumer, while banks work for their shareholders, according to a "My Money" columnist for [www.USNews.com](http://www.USNews.com) on April 26.

In his article, "Why you need a credit union account," author Jim Wang said that while credit unions have been around for quite some time, it hasn't been until the past few years that they have grown in popularity as consumers have become aware of the self-centered excesses of "too big to fail" commercial banks.

Wang said that some of the other reasons that credit unions are better than banks are:

- Credit unions generally are smaller, which typically means better service. The fewer members/customers, the less likely each member/customer becomes an account number.
- They have better rates. Consumers can find some of the best certificate of deposit (CD) rates and car loan rates at a credit union.
- Fees and minimum balances are usually lower. Most credit unions have share-draft (checking) accounts with low minimums and low or no fees. Without a profit motive, there's little incentive to get people to deposit more to increase loan amounts.
- Members can try to join the board. The board of directors at a credit union is made up of its members, who volunteer their time.
- National Credit Union Administration insurance is as good as Federal Deposit Insurance Corp. insurance. Both are backed by U.S. Government agencies and offer equal protection on deposits.

(Article from [www.cuna.org](http://www.cuna.org), News Now, 4/28/11)



Our members already recognize that Arsenal is a better place for their money. "I love the credit union," says **Jan Purvis**, an Arsenal member since 2002. "I will never go back to a 'bank.' I am treated like an individual [at Arsenal] and not a number. I am

treated with respect also, no matter how much I do and don't have. I have ALWAYS had great service, since day one."

## Struggling with mortgage payments? Get help here!

Home ownership is an exciting time in a person's life. It is an opportunity to invest wisely and build equity for your future. However, it can also cause financial stress when you find yourself unable to make your monthly mortgage payments.

Fortunately, our ClearPoint representative, **Jerry Cruthis**, is here to help. He is able to offer educational guidance and budgeting advice that directly addresses your current mortgage-related situation, helping you to find viable solutions to your financial difficulties.

He is able to offer:

- **Mortgage delinquency counseling** – Cruthis is a Certified Housing Counselor, which means he is able to thoroughly evaluate your personal financial situation and provide you with advice on how to avoid default, foreclosure or bankruptcy. Working together with you and your mortgage holder, he will assist you in resolving your mortgage situation. We recognize that your home is your most important asset, and Cruthis will provide you with his extensive experience and service excellence to assist you in regaining financial control.
- **Pre-purchase counseling** – Recognizing the benefits, barriers and affordability of home ownership are critical to your financial future. As a Certified Housing Counselor, Cruthis will educate you on ways to evaluate and understand the home-buying process, and to better understand the overall process of mortgage lending.

Cruthis has undergone extensive training and is certified by the National Foundation for Credit Counseling (NFCC). He offers housing counseling services via telephone (1.877.877.1995), as well as face-to-face by appointment at any Arsenal branch at no cost to you.

ClearPoint is a member of the newly formed Jefferson County Housing Task Force, which offers free assistance to Jefferson County or any residents facing mortgage problems due to stressed finances. Residents can get help through a dedicated counseling hotline (1.877.422.9043), and a Department of Housing and Urban Development (HUD)-approved housing counselor is available in-person by appointment in Arnold, House Springs and Hillsboro.

For more information about the Jefferson County Housing Task Force, visit [www.jeffersoncountyonline.org](http://www.jeffersoncountyonline.org).



# Guests enjoy grand-opening celebration

*On April 30, members and neighbors helped us celebrate the grand opening of our new North St. Louis County branch (14305 New Halls Ferry Road in Florissant). Everyone seemed to enjoy the event filled with food, fun and prizes. (For more photos, visit our website, [www.arsenalcu.org](http://www.arsenalcu.org), and click on "What's New.")*



◀ A string of 20 \$10 bills was used during a ribbon-cutting ceremony featuring officials from the credit union and the architectural firm (Chiodini Associates), general contractor (United Construction) and interior design company (Working Spaces) used for the building project. The amount was donated to Wedgwood Elementary, which is located behind the credit union. Accepting the check from Arsenal President/CEO Linda Allen is Dr. Eric Winkles, principal of the school.

▶ Free doughnuts and cake were served in the morning, along with chocolate-chip cookies that were baked on site. Fresh popcorn was available all day, and barbecue was provided in the afternoon.



▶ A face painter (pictured at far right) and a clown kept the kids happy and busy while their parents opened accounts and transacted business with the credit union. Children opening accounts also got to spend time in the "penny pool" filling up a free piggy bank they received. All adults visiting during the day were eligible to win attendance prizes, plus they could spin the prize wheel for each new account they added.



## Shred day was a success

Members of Arsenal and other area credit unions were able to clean out their files and protect their identities at the same time during our third-annual shred day.

This year, we held two events – on April 30 at our Jefferson County branch and on May 7 at our new North St. Louis County branch. Both locations had a steady stream of cars with bags and boxes of unwanted documents. Shredding trucks were on site to destroy papers. Between the two events, we shredded 8,300 pounds of paper!

This is obviously an important benefit, and we are glad to sponsor this free event. We will hold shred days at both locations again next spring. Look in the April 2012 newsletter for details.

## Teen club members receive college scholarships

Every year, Advantage Point Teen Club members are invited to enter our college scholarship competition, which recognizes students who successfully balance academics, extra-curricular activities and community involvement, some in addition to a part-time job.

This year, we held our 15th college scholarship competition. We recognized the following students with awards at our annual meeting on April 28.



- **Shannon Heibeck** – This Northwest High School graduate earned a \$1,000 scholarship. She will attend Truman State University to major in exercise science with a pre-physical therapy pattern and later go to graduate school for a doctorate in physical therapy.



- **Sarah Chancellor** – This new Bishop DuBourg High School alum received a \$500 scholarship. She will go to Ball State University (Muncie, In.) for a degree in elementary and special education.



- **Katelyn Weibrecht** – A recent graduate from Seckman High School, she received a \$500 award. She will attend Southeast Missouri State University to pursue a degree in middle school education.

We are pleased to recognize these students for their accomplishments, and we encourage members who are entering their senior year of high school this coming fall to enter next year's competition. More details will be provided in our October 2011 and January 2012 newsletters. Applications for our 2012 competition will be available this October.

To date, Arsenal Credit Union has awarded \$39,750 to 50 students.

## Members elect credit union volunteer leaders

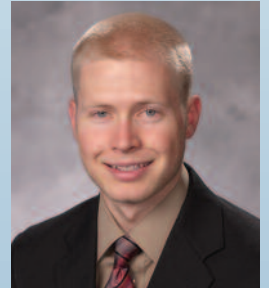
During our annual meeting, credit union members elected fellow members to the following volunteer positions:

- **Glenn Beavers** – supervisory committee member, three-year term
- **Gary Dierks** – board director, three-year term
- **Adam Thurau** – board director, three-year term
- **Ron Trucks** – board director, one-year term

Beavers, Dierks and Trucks were incumbents in their respective positions.

Thurau served as an associate director for the past year; this is his first elected term.

Thurau (*pictured at right*) is a program manager at the National Geospatial-Intelligence Agency (NGA). He has a Master of Science degree in systems engineering from the Missouri University of Science and Technology and is currently pursuing a master's degree in business administration at Washington University.



During the board meeting that was held after the annual meeting, the directors elected the following to one-year terms on the executive committee: **Randy Pratt**, chair; **Keith Emery**, vice chair; Ron Trucks, secretary; Gary Dierks, treasurer.

The term of long-time volunteer **Jack Fischer** ended in April. In his 11 years of service, Fischer held positions on the supervisory committee and board of directors, including two years on both simultaneously, one year as supervisory committee chairman and the past three years as board secretary. Arsenal would like to thank Mr. Fischer for his time and dedication to the credit union and our members.

## Arsenal lends a hand

In April, Arsenal Credit Union participated in a drive to benefit our two local Children's Miracle Network (CMN) Hospitals: Cardinal Glennon Children's Medical Center and St. Louis Children's Hospital. By collecting spare change, selling silicone bracelets and holding a dress-down day, we raised \$590. Thank you to our generous members who contributed to this worthy cause!

April was also Credit Union Youth Month. For every new youth account opened in April, Arsenal pledged to donate \$5 to CMN. For this, we donated an additional \$205 to help local hospitalized children.

In June, credit union staff quickly found ways to help the victims of the May 22 tornado that hit Joplin, Mo. Employees pooled their money together to purchase cleaning supplies and toiletries as well as donated stuffed animals and other items for children. In addition, they raised \$170 through a dress-down day for CUaid.org, an organization dedicated to helping credit union employees, members and volunteers affected by disaster. The credit union also made a corporate donation of \$1,500 to CUaid.org.

## The Arsenal app is here!

Your Arsenal account information is just an app away; our mobile banking app went live on June 16.

If you have an iPhone®, iPod touch®, iPad® or (coming soon) Android™ phone, simply download our mobile app (search for “Arsenal Credit Union”) to your mobile device from the App Store™ or Android Market™, 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; no separate registration is required. You’ll be able to:

- View account balances and account history.
- Pay bills to payees already set up from a computer.
- Make transfers to accounts already set up for online banking.
- Find an ATM or branch location.
- Send us a secure email.

Using the mobile banking app to access your account is secure; all communication between your mobile device and the mobile banking server is encrypted, and your account information will not be stored on your phone. While you can choose to save your username, for your safety, the information is masked and you cannot save your password to your phone.



Even if you don’t have an iPhone or Android phone, 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. It’s easy; just ask **Andrew Kilps**, who’s been using mobile banking since



February. “There isn’t a day that goes by that I don’t use it for something,” he says. “I use it for bill pay, to check on deposits, transfer – everything. I use [mobile banking] instead of a computer. I’m looking forward to using it on vacation.”

Get account information in seconds from any cell phone. Text short commands to get account balances and recent transactions, plus transfer funds. Simply sign up for our text message banking service through your online account from a computer to get started.



## Does your credit card make the grade?

If you had to give your credit cards a grade, what would they get? If you have a Visa® with Arsenal, it’s already made the dean’s list.

According to [www.creditcardconnection.org](http://www.creditcardconnection.org) (CCC), credit unions offer the most fair and ethical credit cards in the nation. The site ranks nearly 1,000 programs on a five-star system for meeting the following criteria:

- Interest rates not exceeding 18%
- No balance transfer fees
- No penalty pricing or APR increase for late payments
- No annual fees
- Late fees not exceeding \$25



The programs that receive five stars – including Arsenal’s – are on the site’s dean’s list. No credit union has paid to be listed on the site. In addition to meeting this criteria, Arsenal doesn’t charge a

higher rate for balance transfers than purchases; you can even use your card to make a cash advance at an ATM at the same rate. Our program also offers a free rewards program.

Credit Card Connection has also compiled a detention list of programs to avoid due to their unfair and unethical practices:

- Bank of America
- Capital One
- Citibank
- Household Bank Card
- First Premier Bank
- Chase
- GE Money Bank
- Wells Fargo Bank

If you have a card from one of these institutions, compare it to Arsenal’s credit card and consider switching as soon as possible. Our rates are as low as 7.75% APR\* and are based on member creditworthiness.

For more information or to apply for a credit card from Arsenal, go to [www.arsenalcu.org](http://www.arsenalcu.org) and click on “Loans” then “Credit cards,” call 314.962.6363 or 1.800.719.6363 and say or press 6, or visit any branch.

\*APR=Annual Percentage Rate. Rate cited is for our variable-rate card as of 6/30/11 and is subject to change.

Thank you  
for  
protecting  
our country



The **National Geospatial-Intelligence Agency (NGA)** – the employee group that Arsenal was founded to serve in 1948 – provided “crucial information used in the planning and execution of the raid in early May that killed Osama bin Laden,” the *St. Louis Post-Dispatch* reported in a front-page article on May 5.

NGA uses information collected by satellites and other sources to develop highly detailed maps and rich visual imagery for the military, the CIA and other federal agencies.

In addition to having a top-security facility in Arnold, the agency also operates out of facilities at 3200 South Second Street. The latter site was known as “the St. Louis Arsenal” back in the 1800s, because small arms, artillery, gun carriages, ammunition and gunpowder used to be assembled, stored and issued there for military purposes, and we derived our name from that historical reference since NGA was our original sponsor group. NGA is headquartered in Bethesda, Maryland.

Arsenal Credit Union is proud to be associated with NGA and is appreciative of all of the work it does for our country.

## Credit card technology allows for easier theft

Someone could steal your credit card number while it's still in your wallet, thanks to RFID technology. **If you have a Visa® credit card from your credit union, however, you're safe!**

RFID, or radio-frequency identification, tags store information that can be read from a distance by a special reader or interrogator and are in a number of different items for easy tracking. For credit cards, it allows cardholders to simply wave the card in front of a reader to pay for products. Unfortunately, it also allows thieves to scan your wallet or purse to get your information. Not only do the thieves not have to see or touch your wallet, some RFID tags can be read from up to 30 feet away, and RFID allows for scanning of multiple items at once, so it's easy for thieves with a low-cost reader to scan a crowd for numerous cards with this technology.



How do you know if your cards are at risk? **Only cards with a radio wave symbol on them – about 25 percent – have this technology; Arsenal's credit cards do not.**

If you do have a card with this technology, metal may help to block radio waves and prevent RFID scanning. You could purchase an aluminum wallet to hold your credit cards or, according to [www.ehow.com](http://www.ehow.com), create dummy cards wrapped in aluminum foil to surround affected cards in your wallet.

Whether or not you have RFID-enabled credit cards, be sure to monitor activity on your credit card account through your monthly statements and online access.

## Get free gas!

With today's gas prices, who wouldn't enjoy filling up at the pump several times at no cost?

You can get \$400 in free gas through a special members-only Enterprise car sale on Saturday, July 16, 9 a.m.-1 p.m. at our Jefferson County branch (3780 Vogel Road in Arnold).

When you purchase a vehicle at the sale and finance it with Arsenal, you'll not only get a \$400 gas card but also \$500 over Kelley Blue Book Trade-in Value if you're trading in a vehicle.

This is in addition to Enterprise's great selection of certified used cars

and no-haggle pricing. Check out both on its website,

[www.cuautodeals.com](http://www.cuautodeals.com), or contact Michael Pusateri, an Enterprise account executive dedicated to helping Arsenal members, at 314.842.6899.

Get preapproved and give yourself more time to shop on the day of the sale. Apply online at [www.arsenalcu.org](http://www.arsenalcu.org) under “Online Applications,” call 314.962.6363 or 1.800.719.6363 and say or press 6, or visit any branch.



loaded with benefits

314.962.6363  
1.800.719.6363  
[www.arsenalcu.org](http://www.arsenalcu.org)  
[arsenalcu@arsenalcu.org](mailto:arsenalcu@arsenalcu.org)  
twitter: @ArsenalCU

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](http://www.checkreorderexpress.com)

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



AMERICA'S  
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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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a U.S. Government Agency