

Member Memo

January 2005

Everything we do,
we do for you™

Great News!

In March 2005, our Credit Union will be completing one of the biggest and most positive changes in its history. We will be converting to a new data processing system to better service our membership and to offer a wider array of financial products and services. The new system is certainly a step forward for our Credit Union to ensure that we are meeting the financial needs of our 22,000 members.

The Credit Union Leadership Team and staff have been working closely with our new data processing system partner, CU*Answers, over the past year to ensure that the data processing conversion is a success. In addition, our partnership with CU*Answers will allow us to offer more opportunities for future product upgrades and service enhancements. As a result of the conversion, you can expect to see electronic statements, Internet bill payment, share draft images via online home banking, shared branching opportunities and more!

In order for us to make the transition as smooth as possible for our members, we have included some important information you need to know to be prepared for the conversion:

CONVERSION CLOSING INFORMATION

- **The Credit Union will be CLOSED on Saturday, March 12th and Monday, March 14th.** This is necessary to make the system switch.
- While the Credit Union will be closed on March 14th for business, Credit Union staff members will be on site working with the new system at all branches.
- Telephone calls will not be answered during the conversion.
- During this closure, electronic payroll, routine electronic check clearing, ATM, debit and credit card transactions, loan payment transfers and account transfers will be posted to your account.
- Mail and night deposits received during the closure will be posted Monday, March 14th.

ACCOUNT & VISA STATEMENT CHANGES

- You will see a significant change in the appearance of your account and Visa statements. The new statements will have printing on both sides of each page for a more cost efficient mailing. They will also be easier to read and are designed to be very user friendly.
- **KEEP YOUR MOST RECENT ACCOUNT AND VISA STATEMENTS.** It is extremely important to save all your statements. History prior to conversion will be available; however, at times it may be necessary to obtain transaction history from Credit Union staff manually. Therefore, your best transaction history resource will be your quarterly and monthly statements.
- Please verify information on your statements very carefully, such as, name, address, joint owners, etc.

IMPORTANT ATM & DEBIT CARD INFORMATION FOR CONVERSION

- Your ATM and debit cards will be an important tool for accessing your accounts during the conversion closing times of March 12th—March 14th.
- Using your ATM or debit card, you will be able to withdraw available funds from your account, up to \$500 per day, to meet your financial needs while we are closed for conversion. As always, you will be able to transfer funds, make loan payments and deposits with your ATM or debit card. However, balance inquiries and ending balances will NOT be available during this time.
- If you do not have an ATM or debit card, and would like to apply before the conversion, please apply online at www.aaacu.com (under Special Services) or stop by any Credit Union office to fill out an application.

****Conversion information continued on next page****



IMPORTANT CHANGES FOR ONLINE BANKING USERS

- ONLINE HOME BANKING will not be available beginning at 6:00 p.m. on Friday, March 11th. We anticipate that the system will be available no later than 6:00 p.m. on Monday, March 14th.
- After conversion, AAACU ONLINE HOME BANKING will have a new look and a new name—**CU@Home!** To access CU@Home, you will still log onto www.aaacu.com as you have in the past. However, menus and transaction processes will be different. The new system is designed to be more user friendly.
- **YOUR PIN/PASSWORD ACCESS TO CU@Home WILL CHANGE EFFECTIVE MONDAY, MARCH 14TH. YOUR PIN NUMBER WILL BE CHANGING TO THE LAST FOUR DIGITS OF THE PRIMARY MEMBER'S SOCIAL SECURITY NUMBER.** You will no longer have to enter a password.
- For security purposes, when you sign in for the first time, you will need to change your PIN as instructed.



IMPORTANT CHANGES FOR AUDIO RESPONSE USERS

- AUDIO RESPONSE will not be available beginning at 6:00 p.m. on Friday, March 11th. We anticipate that the system will be available no later than 6:00 p.m. on Monday, March 14th.
- William Teller Audio Response will also have a new name and a new look with the same great features you've enjoyed in the past, along with some new enhancements. After conversion, William Teller will be known as **CU*Talk**.
- **THE NEW TELEPHONE NUMBER TO ACCESS CU*Talk WILL BE 800-860-5704.**
- YOU WILL THEN BE REQUIRED TO ENTER AAACU'S **3-DIGIT CODE: 133#** before proceeding with your transactions.
- **YOUR PIN NUMBER FOR CU*Talk WILL ALSO CHANGE TO THE LAST FOUR DIGITS OF THE PRIMARY MEMBER'S SOCIAL SECURITY NUMBER.** (Note: If you also use CU@Home Online Banking, your PIN number is the **same** for both services).
- For security purposes, you will be instructed to change your PIN on your first initial telephone call.
- Members will also notice different transaction codes to process transactions through CU*Talk. An instruction card with information on the new transactions, along with other important information will be mailed to all members in the "Conversion Packet."

CONVERSION CONTACT INFORMATION

We appreciate your patience during this transition, and thank you for your continued support of Alpena Alcona Area Credit Union. We understand the need to work closely with our members and keep in constant communication during this time of change. You can expect to receive a "Conversion Packet" in the mail prior to the actual conversion outlining important information in more detail.

If you have any comments, concerns or questions about the conversion, please feel free to contact any of the Conversion Specialists listed below:

Alpena Office: Kathy Allen, (989)356-3577 or (800)443-3577 ext. 249 or kallen@aaacu.com or Mary Paquette, (989)356-3577 or (800)443-3577 ext. 248 or mpaquette@aaacu.com

Atlanta Office: Jessica Radziejewski, (989)785-3800 or jradziejewski@nemichigan.com

Lincoln Office: Lorna Dellar, (989)736-8912 or ldellar@aaacu.com

Ossineke Office: Patti Tews, (989)471-2332 or ptews@aaacu.com

Alpena Alcona Area Credit Union where "Everything We Do, We Do For YOU!"

New Change of Address Requirements

For security purposes, the Credit Union will only accept change of address requests in person or through the mail with a signed request that has been notarized by a notary public. A change of address form can be found on our website at www.aaacu.com. If you are using this form, please be sure it is notarized before sending it through the mail.



SAVINGS RATES

Effective as of December 20, 2004
(Rates are subject to change without notice)

| | Annual Percentage Rate | Annual Percentage Yield |
|----------------------|------------------------|-------------------------|
| Regular Shares | 1.05% | 1.05% |
| Preferred Shares | 1.15% | 1.15% |
| Christmas Club | 1.05% | 1.05% |
| Vacation Club | 1.05% | 1.05% |
| Insured Money Market | 1.50% | 1.51% |
| Traditional IRA | 3.05% | 3.09% |
| Roth IRA | 3.05% | 3.09% |
| Education IRA | 3.05% | 3.09% |

Dividends on the Regular shares, Preferred shares, IRA shares, Vacation Club, and Christmas Club are computed using the daily balance method and paid quarterly. Interest on Insured Money Market Account is computed using the daily balance method and paid monthly. If the account is closed before the quarter ends, you will forfeit the dividend and/or interest earned on your account.

For current rates and terms on Share Certificates, IRA Certificates, and Insured Money Market Accounts, contact one of our Membership Services Officers at (989) 356-3577, LeAnn, extension 222 or Patty, extension 232, or e-mail memberservice@aaacu.com.

Employee of the Quarter

Our staff members recently nominated Mary Paquette as "Employee of the Quarter" for January through March 2005. Mary is the Loan Supervisor at the Alpena office. She has been on staff since June 1991. Mary is a great team player and she is always eager to help the membership. We are extremely lucky to have her as a part of our Credit Union team!!



Mary Paquette

Congratulations, Mary!

Personal Achievement Award

Each year the Credit Union recognizes a staff member who makes a conscious effort to improve themselves educationally during the year. For the second consecutive year, the award was presented to Charlene Oliver. Charlene is a Teller at the Ossineke office and has been on staff since December 2002.



Charlene Oliver

Congratulations, Charlene!

Helen Suszek Celebrates 30 Years of Service!

Helen Suszek celebrated a special milestone of 30 years of service to AAACU this past year. Helen started working for the Credit Union as a co-op student in August 1974. Helen has held positions of teller and head teller. In 1990, she was promoted to Director of Accounting which is the position she still holds today.

Helen has two children and lives in Alpena with her husband, Ray. In her spare time, Helen enjoys spending time with her family, attending sporting events and relaxing to watch a good movie.

Congratulations, Helen!



Helen Suszek

Apply Online at aaacu.com

LOAN RATES

Effective as of December 20, 2004
(Rates are subject to change without notice)

| New Vehicles | APR | Monthly Payment Per \$1,000 |
|------------------------------|-------|-----------------------------|
| 24 Months | 4.50% | \$43.65 |
| 36 Months | 4.50% | \$29.75 |
| 48 Months | 4.50% | \$22.81 |
| 60 Months | 4.50% | \$18.65 |
| 66 Months | 5.00% | \$17.37 |
| 72 Months (\$25,000 or more) | 5.25% | \$16.23 |
| 78 Months (\$30,000 or more) | 5.50% | \$15.28 |

We will finance 100% of the suggested retail price
Including tax, title, license, and extended warranty.

| Used Vehicles | APR | Monthly Payment Per \$1,000 |
|------------------|-------|-----------------------------|
| 2004-02 Models | | |
| 66 Months | 5.45% | \$17.57 |
| 2001-1999 Models | | |
| 54 Months | 5.45% | \$20.93 |
| 1998 Models | | |
| Up to 54 Months | 6.20% | \$21.27 |

For older model vehicles please contact the Credit Union Loan Department for current rates and terms. All used vehicles financed will be based on 100% of NADA Book Retail Value. We also have Mortgages, Home Equity, Personal (Unsecured), Snowmobile, RV, and Share Secured loans. Call the loan department for current loan rates or further information.

VISA Classic.....12.96% Fixed APR
VISA Platinum.....10.96% Fixed APR

Employee of the Year

Patty Jaqua has been selected as our 2004 "Employee of the Year." Each quarter an employee is selected as the Employee of the Quarter. Of those four individuals an Employee of the Year is selected. This year the honor goes to Patty Jaqua! Keep up the good work, Patty! We appreciate your hard work and dedication to our Credit Union family.



Patty Jaqua

Congratulations, Patty!

Alpena Alpena Area Credit Union

Main Office

1100 S. Bagley
P.O. Box 515
Alpena, MI 49707-0515
(989) 356-3577

Atlanta Branch

11450 M-33 North
P.O. Box 633
Atlanta, MI 49709-0633
(989) 785-3800

Lincoln Branch

111 S. Church St.
P.O. Box 58
Lincoln, MI 48742-0058
(989) 736-8912

Ossineke Branch

11610 U.S. 23 South
P.O. Box 84
Ossineke, MI 49766-0084
(989) 471-2332

William Teller Audio Response:

Local 356-6363
Long Distance 800-356-6222

Internet Address . . . www.aaacu.com

E-mail aaacu@aaacu.com

Hours: Lobby

Mon.—Thurs 9:00 am – 5:00 pm
Friday 9:00 am – 6:00 pm
Saturday 9:00 am – 12:00 pm
(Atlanta Only)

Hours: Drive-thru

Mon.– Thurs. 8:30 am – 5:00 pm
Friday 8:30 am – 6:00 pm
Saturday 8:30 am – 12:00 pm
(Alpena/Lincoln/Ossineke Only)

VISA Lost/Stolen After Hours:

800-991-4965

MasterCard Lost/Stolen After Hours:

800-754-4128

Board of Directors

Bruce Cannon Chairperson
Sheila Panknin Vice-Chairperson
Dave McNeil Treasurer
Jeffrey Trelfa Secretary
Jim Johnson Director
Marlena MacNeill Director
Thomas Young Director

Supervisory Committee

Alene Liske Chairperson
James Mouch Member
Tony Suszek Member

Credit Committee

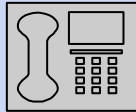
Dennis Artley Chairperson
Donald Urban Alternate
Sharon Kapalla Secretary
Jane Kakowski Member
Debbie Sucharski Member
Mary Paquette Member

President / CEO Donald J. Mills

djmill@aaacu.com

989-356-3577 x223

Newsletter Editor Annie Wilk



Important Change to Telephone

Account Verification Process

For security purposes, Credit Union staff will now be validating your name, address, and telephone number every time you call into the Credit Union before we will access your account.

We assure you this is not intended to be an inconvenience. With the increase in fraud related crimes, we are dedicated to protecting your account information. Thank you for your assistance.



Annual Meeting

TICKETS ON SALE NOW!!!

Ticket price includes dinner, wine and entertainment. Tickets are available at each branch office. The final deadline for purchasing tickets is February 25th.

PLACE: Alpena Civic & Convention Center
DATE: March 5, 2005
TIME: 5:30 p.m. Cocktails 6:30 p.m. Dinner
PRICE: \$12.50 per person
CASH BAR



Tickets can be purchased from any AAACU office. If you have any further questions please contact Annie at 989-356-3577, extension 251.

Nominating Committee's Report

The duty of the Nominating Committee is to nominate at least one (1) member for each vacancy for which elections are being held with the understanding that a current board member will not be nominated for re-election after serving four (4) elected terms, and to file a written report with the President at least ninety (90) days prior to the election date.

The Nominating Committee hereby acknowledges that they have completed their duty and have filed the following report with the Credit Union's President:

Report of the Nominating Committee

The Nominating Committee has nominated Mr. Bruce Cannon and Mr. Jeffrey Trelfa to fill the vacancies to the Board of Directors for the upcoming election.

Committee Members:

Jim Johnson

Dave McNeil

Tom Young

December 3, 2004

Information Provided to Credit Bureaus:

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

Federal law requires us to provide the above notice to members before any "negative information" may be furnished to a nationwide consumer-reporting agency. "Negative Information" means information concerning

delinquencies, late payments, insolvency, or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about members that have not done what they are required to do under our agreement.

After providing this notice, additional negative information may be submitted without providing another notice.

Mission Statement: *The mission of Alpena Alpena Area Credit Union is to serve our members' financial needs by providing progressive quality services delivered with integrity and commitment.*

