



Member Memo

October 2005

Everything we do,
we do for you™

TIRED OF PAYING HIGH CREDIT CARD RATES???

Starting October 15, 2005, Alpena Alcona Area Credit Union will be offering all new and existing VISA Classic and Platinum cardholders a fixed promotional rate as low as 5.99% APR* for all balance transfers. By consolidating your high interest balances to your Alpena Alcona Area Credit Union VISA credit card, you'll replace all those bills with just one easy payment.



Important Information about Balance Transfers:

*Only members with a credit score of 640 or higher are eligible for 5.99%. Those with a score lower than 640 can receive a balance transfer at their current interest rate of 12.96% for Classic cardholders or 10.96% for Platinum cardholders. Promotional rate is only for non-AAACU loan balances. There is no grace period for balance transfers; interest is charged from the date of posting. All payments and credits will be applied to lower APR balances before higher APR balances. **NO BALANCE TRANSFER FEE.**

Subject to approval and credit availability, offer expires March 31, 2006. Certain restrictions apply.
APR=Annual Percentage Rate

Mission Accomplished

We appreciate your patience and cooperation through our construction project to improve our level of service as we upgraded our entranceways, parking lots, drive-up design and traffic movement in and around our Alpena office.

The Credit Union will be
CLOSED
for the following Holidays:

Thanksgiving Day
Thursday, November 24, 2005

Christmas
Saturday, December 24, 2005
Monday, December 26, 2005

New Year's
Saturday, December 31, 2005
Monday, January 2, 2006

COMING IN TIME FOR THE HOLIDAYS!!!! LOAN SKIP-A-PAYMENT**

Would you like to enjoy the holiday season without the worry of meeting your loan payments? Your Credit Union can help by allowing you to skip your November and/or December loan payments.

It is as easy as selecting the payment (s) below that you would like to skip, enter your loan number (s), sign below and return to the Credit Union by mail or fax at (989) 356-6906.

There is a \$ 25.00 service fee per loan to take advantage of this holiday offer, \$ 5.00 of which will benefit our charity of choice.

Select one method for payment:

- \$25.00 service fee enclosed per loan
- Withdraw \$ 25.00 service fee per loan from savings ___ or checking ___ Account # _____

Select one period to skip the loan payment:

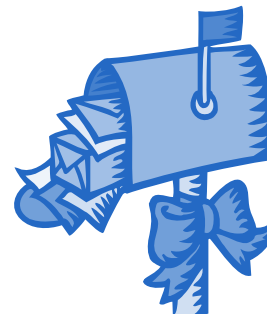
- November monthly payment (please return form by October 27, 2005)
- December monthly payment (please return form by November 28, 2005)
- Both November and December payment (please return form by October 27, 2005)

Loan # (s) to skip a payment on _____, _____, _____

Print Name _____

Borrower's Signature _____ Date: _____

Co-Borrower's Signature (if applicable) _____ Date: _____



Certain restrictions apply, call Credit Union Loan Department for further details. Loans not eligible include VISA credit cards, mortgage loans and home equity loans. Skipping these payments extends the maturity date of your loan. Interest continues to accrue on the unpaid balance during the month you skip your payment and when payments resume, the unpaid interest will be collected first. Alpena Alcona Area Credit Union reserves the right to refuse any skip-a-payment request.

Smart Loan

**The most convenient way to
get a loan at Alpena Alcona
Area Credit Union.**

Finally.....A loan that is there for you when **YOU** need it! The Credit Union is excited about this new way for our members to get a loan—Smart Loan. With a Smart Loan plan, you can do loan advances with the Credit Union in a much more simplified manner. You may be able to complete a loan by fax, or with a simple telephone call once your plan is opened. Upon approval, your loan may be disbursed without additional signatures required. Imagine getting a loan by simply calling the Credit Union! It can happen! Contact the Loan Department at 356-3577 or 800-443-3577 option #1 to find out how you can open your plan today.

Smart Loan is the smart choice!

Just A Reminder

Christmas club accounts paid out on October 1, 2005 to either your regular shares or share draft account. If you are interested in changing this option for next year, please see a member of our staff.

Important Change

It is extremely important that the Credit Union have a current address for all accounts. If you move, please remember to fill out a change of address form with the Credit Union. Forms are available at all offices or on-line at www.aaacu.com.

Effective January 1, 2006, the Credit Union will assess a \$5.00 returned mail fee on all items returned back to the Credit Union for an insufficient address.

Employee of the Quarter

Our Credit Union team members recently nominated Debbie Gawel as our "Employee of the Quarter" for the period October through December 2005.



Debbie Gawel

Debbie works in our Atlanta office and was recently promoted to the position of branch supervisor. She has been a dedicated team member of our Credit Union since December 2003.

Congratulations Debbie and thank you for your dedication and commitment to provide the finest service to our Credit Union membership!

Congratulations Debbie!

ATTENTION MORTGAGE HOLDERS



If you have a mortgage with the Credit Union, please provide a copy of your PAID tax receipt from the Summer 2005 tax bill to any of our offices.

Thank you for your assistance.

2006 Election Nominations

The 2006 election of officers for your Credit Union will be conducted by mail. This method will ensure that every eligible member will have the opportunity to vote. There will be three seats up for election on the Board of Directors.

Members interested in becoming a candidate for office are advised to pick up a nominating form from any one of our four Credit Union offices. You must obtain at least 25 signatures from primary members to become eligible for nomination. Nominations will not be accepted from the floor at the annual meeting.

All nominations shall be filed with the President/CEO at the Credit Union at least

90 days prior to the annual meeting or by Monday, December 5, 2005.

Board of Directors

- ◆ *The directors shall meet monthly, either upon notice by the secretary or by the chairperson. Special meetings may be called by the chairperson at any time upon due notice to the directors.*
- ◆ *No person shall receive any compensation for serving as a director. This is a volunteer position.*
- ◆ *The Board of Directors shall have general management over the affairs, funds, and records of the Credit Union and shall take all measures*

necessary that are in the best interest of the Credit Union.

- ◆ *The Board of Directors sets the general direction and policy for the Credit Union, ensures the Credit Union is well managed, financially secure and in compliance with legal requirements.*

If you have any questions or would like additional information about becoming a candidate, contact President/CEO Donald J. Mills, at 356-3577, extension 223 or via e-mail at dmills@aaacu.com.

The upcoming Annual Meeting is scheduled for Saturday, March 4, 2006 at the Alpena Civic and Convention Center.



SAVINGS RATES

Effective as of September 20, 2005
(Rates are subject to change without notice)

	Annual Percentage Rate	Annual Percentage Yield
Regular Shares	1.50%	1.51%
Preferred Shares	1.60%	1.61%
Christmas Club	1.50%	1.51%
Vacation Club	1.50%	1.51%
Insured Money Market	2.15%	2.17%
Traditional IRA	3.50%	3.55%
Roth IRA	3.50%	3.55%
Education IRA	3.50%	3.55%

CERTIFICATE RATES

Effective as of September 20, 2005
(Rates are subject to change without notice)

	Annual Percentage Rate	Annual Percentage Yield
90 Day Certificate	2.50%	2.52%
180 Day Certificate	3.00%	3.03%
1 Year Certificate	3.75%	3.80%
18 Month Certificate	3.85%	3.91%
2 Year Certificate	4.25%	4.32%
3 Year Certificate	4.35%	4.42%
4 Year Certificate	4.60%	4.68%
5 Year Certificate	4.75%	4.84%

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 the 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 at extension 222 or Patty at extension 232, or e-mail memberservice@aaacu.com.

Apply Online at
aaacu.com

LOAN RATES

Effective as of September 20, 2005
(Rates are subject to change without notice)

New Vehicles	APR	Monthly Payment Per \$1,000
24 Months	5.00%	\$43.88
36 Months	5.00%	\$29.98
48 Months	5.00%	\$23.03
60 Months	5.00%	\$18.88
66 Months	5.50%	\$17.60
72 Months (\$25,000 or more)	5.75%	\$16.46
78 Months (\$30,000 or more)	6.00%	\$15.53

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

Used Vehicles	APR	Monthly Payment Per \$1,000
2005-03 Models		
66 Months	5.95%	\$17.82
2002-00 Models		
54 Months	5.95%	\$21.17
1999 Models		
Up to 54 Months	6.70%	\$21.51
Models costing (\$25,000 or more)		
72 months	6.45%	\$16.79

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

Important Changes

As a non-profit corporation, Alpena Alcona Area Credit Union's focus is to provide our members the best possible service with the lowest possible fees. Because credit unions are not-for-profit, we are able to return our profits back to you in the form of money-saving benefits, such as higher dividend rates on savings accounts, lower interest rates on loans, and many low cost or free services.

Alpena Alcona Area Credit Union has many products and services that are available free of charge with normal use. However, to be fair to all members and to cover operating expenses, certain fees must apply to some accounts.

With that in mind, effective October 1, 2005, our Fee Schedule will change. A dormant account fee of \$2.50 per month will be assessed on all dormant accounts. A member account will be classified as being dormant and subject to a fee if no activity has occurred in the account for a

minimum of two years. A number of accounts will not be subject to a dormant fee including youth, IRA/Deferred Compensation and Certificate of Deposit accounts.

To avoid account service charges, please keep your accounts with the Credit Union active, and be sure to notify us immediately of any address change. Also, remember the Credit Union has many convenient 24-hour services that are offered free of charge, as well as a full service Loan Department with competitive rates on all loan products to meet your needs.

If you have any questions or concerns about the change in the Fee Schedule, please feel free to contact the Credit Union at 989-356-3577 or 800-443-3577.

Alpena Alcona Area Credit Union

Main Office

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

Atlanta Branch

12285 Jerome Street
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

CU * Talk Audio Response:

Long Distance.....616-285-5720
Toll Free. 800-860-5704

CU @ Home Online Banking:

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

Tony Suszek Chairperson
Alene Liske Member
Alan Shillair 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 Barbara Clark

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

Two New Dates to Choose From!!

We hope you'll join us for an interesting and informative member education seminar on the topic of **Long Term Care Insurance**.

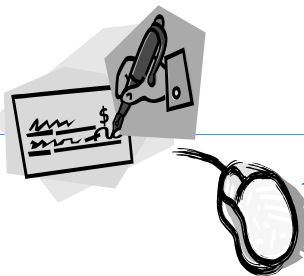


Tuesday, October 25th
Thursday, October 27th

Sessions will be held at 9:00 am, 1:30 pm, and 6:00 pm both days at the Alpena Holiday Inn—1000 US 23 North

To register, contact Vicki at 356-3577 or 1-800-443-3577, ext. 241 to reserve your seat.

CU*
EasyPay!



Internet Bill Payment and Presentment

Alpena Alcona Area Credit Union is pleased to announce the introduction of electronic bill presentment and payment services through a relationship with CheckFree in November 2005. CU*EasyPay is a safe and easy way to receive, pay and organize your bills on-line. This new service allows members to pay bills on-line while still maintaining connectivity via CU*@HOME, so it's safe and secure and no need for additional passwords.

Simply visit our web site, log on to CU*@HOME, click on "Pay Bills" and sign up in a few easy steps. If you need any assistance in enrolling, please see any member of our staff.

Sign up before November 30, 2005 and you will automatically be enrolled in a contest to win an iPod. Winners will be selected by a random drawing from all participating credit union members qualified during the contest period ending November 30, 2005.

Simplify Your Life

Gain Financial Control

Save Time for the Things that Matter Most

"Point-Click-Pay"
CU*@Home PC Banking

It's that Easy!

So Many Benefits . . .

- ~ Easy setup-follow point and click instructions
- ~ You can pay all your bills electronically
- ~ Authorize checks to be sent to anyone
- ~ Keeps a payment history register
- ~ You can set up recurring payments
- ~ Schedule payments at your convenience
- ~ Processing will not begin until the date you assign
- ~ No additional sign on or passwords to remember—Just click the "Pay Bills" icon from CU*@HOME
- ~ Monitors the status of your payment progress
- ~ You have complete control
- ~ Receive notice when e-bills arrive
- ~ CU*EasyPay! is safe and secure

