



Member Memo

January 2002

President's Message

To recap 2001, our assets grew to 100 million dollars, and membership jumped to over 20,600 members. Deposits in the credit union grew 22 percent, probably the largest annual increase since the credit union's inception. Loan growth was strong, increasing by 17.75 percent. Most of the loan increase was in mortgage loans. Auto lending was strong until the events of 911. Our Net Worth ratio is at a healthy 8.34 percent.



Savings rates have been dropping. The Federal Reserve is making it difficult for us to maintain a dividend rate over three percent. Investment rates on new jumbo CDs are earning us in the neighborhood of 2.5 percent, and yield on loans have also been dropping. The Board of Directors has little choice but to lower dividend and interest rates paid on member savings. A positive note is that we are paying better savings rates than our competitors.

The credit union expanded its charter to include Montmorency County. We were approached by pro credit union people from Atlanta to open a branch office in their community. They heard nothing but great things about our credit union and asked us to fill a void and bring credit union services back to Atlanta. We opened a new branch in June where we currently service approximately 700 members. We are happy to be part of another fine community located in Northeast Michigan.

In election news, the two incumbents, Bruce Connon and Jeffrey Trelfa, ran unopposed and were reelected to the board of directors by a unanimous ballot cast at the December board meeting. There will not be any ballots included in the January statement.

I want to wish everyone a safe and prosperous New Year. Please do not hesitate to contact me with your ideas and suggestions. I am always interested in hearing of better ways to serve the membership.

Respectfully yours,

Jay D. Anders, President/CEO

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. Jeffrey Trelfa and Mr. Bruce Connon to fill the vacancies to the Board of Directors for the upcoming election.

Committee Members:

Sheila Panknin Jim Johnson David McNeil

November 19, 2001

**Annual Meeting
Tickets on Sale
Now...**

**Place...
Alpena Civic Center**

**Date...
March 2, 2001**

**Time...
5:30 p.m. Cocktails
6:30 p.m. Dinner**

**Price...
\$12.50 Per Person**

Cash Bar

Ticket price includes dinner, wine, and entertainment. Tickets are available at each branch office.

The deadline for purchasing tickets is February 22, 2002.

IMPORTANT NOTICE:

Effective February 15, 2002 the Credit Union will be implementing a late fee on loans. If your loan should become or currently is delinquent (past due) one (1) month or more, a late fee of 20% of the interest due will be charged, with a minimum of \$0.25. To avoid this late fee it is important to pay your loan payments by the due date monthly and not be past due.

EXCITING NEWS!

The credit union will soon be adding a Platinum VISA card to the VISA program!

Watch for further information regarding this new product. . .

IMPORTANT REMINDER FOR MORTGAGE HOLDERS:



In order to update all of our mortgage loan files, it is important that you provide us with a copy of your paid property tax receipt for 2001.

EMPLOYEE AWARDS

Employee of the Quarter

Anna Pilarski has been selected as the Employee of the Quarter for January through March 2002. Anna is a full-time teller at the Alpena office and has been on staff since November 1998.

Thanks Anna for your hard work and dedication.

CONGRATULATIONS ANNA!



Anna Pilarski

Employee of the Year

Karen Smigelski has been selected as our 2001 "Employee of the Year". She was selected from a slate of previous "Employees of the Quarter". Karen is the Debit Card Coordinator, as well as Accounting Assistant at the Alpena office. Karen has been a member of our staff since May 1995.

Thanks Karen for your hard work and dedication!

CONGRATULATIONS KAREN!



Karen Smigelski

Manager of the Year

Sharon Kapalla was recently named the 2001 "Manager of the Year". Sharon is a 28 year employee of the credit union and has served on the management team for 18 years. Sharon has been recognized for her continued dedication and enthusiasm as the Director of Loan Services.

The credit union is fortunate to have Sharon as a part of the management team.

CONGRATULATIONS SHARON!



Sharon Kapalla

SAVINGS RATES

Effective as of December 17, 2001
(Rates are subject to change)

	<u>Annual Percentage Rate</u>	<u>Annual Percentage Yield</u>
Regular Shares	2.40%	2.42%
Preferred Shares	2.50%	2.52%
Christmas Club	2.40%	2.42%
Vacation Club	2.40%	2.42%
Insured Money Market	2.55%	2.58%
Traditional IRA	3.90%	3.96%
Roth IRA	3.90%	3.96%
Education IRA	3.90%	3.96%

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 Service Officers at (989) 356-3577, LeAnn at extension 222, or Patty at extension 232, or e-mail memberservice@aaacu.com.

We Say Goodbye to a Long Time Friend



John W. Derthick

Our Credit Union family was saddened by the recent death of John W. Derthick, who passed away at his home on November 22, 2001, following an extended illness.

Mr. Derthick served on the credit union Credit Committee for 41 years. We sincerely appreciate his dedication to our credit union family. John gave many wonderful years of service to us and to the community. He will be remembered for his kind and gentle nature, and will be truly missed.

Condolences may be sent to:
2437 Second Ave
Alpena, MI 49707

LOAN RATES

Effective as of December 17, 2001
(Rates are subject to change)

<u>New Vehicles</u>	<u>APR</u>	<u>Monthly Payment Per \$1,000</u>
2001-02 Models		
24 months	6.00%	\$44.32
36 months	6.00%	\$30.42
48 months	6.00%	\$23.49
60 months	6.00%	\$19.34
72 months (\$25,000 or more)	6.00%	\$16.58

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

<u>Used Vehicles</u>	<u>APR</u>	<u>Monthly Payment Per \$1,000</u>
2002-01 Models	6.50%	
60 months/under 20,000 miles		\$19.57
48 months/over 20,000 miles		\$23.72
2000 Models	6.50%	
54 months/under 25,000 miles		\$21.41
48 months/over 25,000 miles		\$23.72
1999-1997 Models	6.50%	
Up to 48 months		\$23.72
1996 Models	6.75%	
Up to 48 months		\$23.72
1995 Models	6.75%	
Up to 36 months		\$30.76
1994 Models	7.75%	
Up to 36 months		\$31.22
1993 and Older Models	8.00%	
Up to 24 months		\$45.22

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 for all your needs.

VISA12.96% Fixed APR

IMPORTANT NOTICE TO ALL VISA CARDHOLDERS:

Effective 02/15/02, Alpena Alcona Area Credit Union will impose a late fee and over limit fee on your Sunrise Side VISA cards. These charges will be imposed as follows: **Late Fees:** a late charge of \$10.00 will be added to your account if you are more than 30 days past due. **Over Limit Fee:** You will be charged a fee of \$10.00 on a statement date if your New Balance on that date is more than \$20.00 over your credit limit. You will be charged the fee on a monthly basis until your New Balance on a statement date falls BELOW your credit limit.

IMPORTANT IRA CHANGES

Main Office

1100 S Bagley Street
PO Box 515
Alpena, MI 49707-0515
(989) 356-3577
E-mail aaacu@aaacu.com

Atlanta Branch

11450 M 33 N
PO Box 633
Atlanta, MI 49709-0633
(989) 785-3800

Lincoln Branch

111 S Church Street
PO Box 58
Lincoln, MI 48742-0058
(989) 736-8912
E-mail lincoln@aaacu.com

Ossineke Branch

11610 US 23 South
PO Box 84
Ossineke, MI 49766-0084
(989) 471-2332
E-mail ossineke@aaacu.com

Audio Response

Local: 356-6363
Toll Free 800-356-6222

Lobby Hours

Mon—Thurs 9:00 a.m. to 5:00 p.m.
Friday 9:00 a.m. to 6:00 p.m.
Saturday 8:30 a.m. to Noon (Atlanta Only)

Drive-Thru Hours

Mon—Thurs 8:30 a.m. to 5:00 p.m.
Friday 8:30 a.m. to 6:00 p.m.
Saturday 8:30 a.m. to Noon
(Alpena, Lincoln, Ossineke Only)

VOLUNTEERS

Bruce Connon
Sheila Panknin
Dave McNeil
Jeffrey Trelfa
Jeffrey T. Rogg
Jim Johnson
Marlena MacNeill
Roger Anderson
Alene Liske
Dennis Artley
Jane Waldeck

◆ *What is a traditional IRA?*

A traditional IRA (An Individual Retirement Account other than a Roth IRA, SIMPLE IRA, or Education IRA) is a special tax deferred savings plan authorized by the Federal Government to encourage you to accumulate money for retirement.

◆ *How much can I contribute?*

Starting in taxable years after December 31, 2001, the amount qualified IRA owners are permitted to contribute annually to the IRA's will be gradually increased to \$5,000. Additional catch-up contributions can be made by qualified individuals over fifty. After 2008, the contribution limit will be adjusted annually for inflation in \$500 increments.

You are permitted to annually contribute the following maximum amounts or 100% of your earned compensation and alimony; whichever is less:

MAXIMUM CONTRIBUTION LIMITS

<u>Year</u>	<u>Under Age 50</u>	<u>Over Age 50</u>
2001	\$2,000	\$2,000
2002	\$3,000	\$3,500
2003	\$3,000	\$3,500
2004	\$3,000	\$3,500
2005	\$4,000	\$4,500
2006	\$4,000	\$5,000
2007	\$4,000	\$5,000
2008	\$5,000	\$6,000

◆ *What is a Coverdell Education Savings Account?*

Formerly known as Education IRA's, Coverdell Education Savings Accounts are an ideal way for you to begin saving money to help a child, grandchild, or any young person you know pay for higher education expenses down the road.

Contributions to a Coverdell Education Savings Account are not tax-deductible, but distributions used to pay for the qualified education costs of the named beneficiary are generally tax free.

◆ *What is a Roth IRA?*

A Roth IRA is an individual retirement account to which participants are able to make annual non-deductible contributions. Unlike a traditional IRA in which your earnings are tax deferred, Roth IRA earnings can be tax free.

◆ *How much can I contribute?*

Starting in taxable years after December 31, 2001, the amount qualified IRA owners are permitted to contribute annually to the IRA's will be gradually increased to \$5,000. Additional catch-up contributions can be made by qualified individuals over fifty. After 2008, the contribution limit will be adjusted annually for inflation in \$500 increments.

You are permitted to annually contribute the following maximum amounts or 100% of your earned compensation and alimony; whichever is less:

Consolidate Those Holiday Bills With a Loan From Your Credit Union



Don't start the new year by stressing over bills that piled up over the holiday season. Come talk to a member of our friendly loan department today. A debt-consolidation loan may be just what you need.

With less stress about paying off your holiday bills, you can concentrate on all those *other* New Year resolutions!!

HAPPY NEW YEAR!