

your money

The Facts about Federal Deposit Insurance

In light of recent events in the financial industry, federal deposit insurance is now top of mind.

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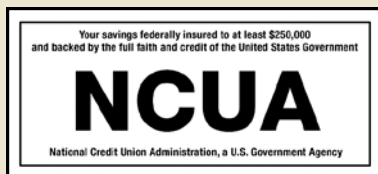
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On October 3, 2008, The Emergency Economic Stabilization Act was passed by Congress and signed by the President to temporarily increase share account insurance from \$100,000 per account to \$250,000 per account. This temporary increase will be in effect through December 31, 2009. With this new increased limit you can feel confident depositing even more funds now with your Credit Union.

Read below for answers to some of the most common deposit insurance questions.

The FDIC and the NCUA

Just like banks, credit unions have federal deposit insurance, fully backed by the U.S. government. Credit unions are insured by the National Credit Union Administration (NCUA) while banks are insured by the Federal Deposit Insurance Corporation (FDIC). Both provide equal coverage to consumers of banks and members of credit unions. **Not one penny of insured savings has ever been lost by a member of a federally insured credit union.**

What Does "At Least \$250,000" Mean?

The NCUA logo says that accounts are insured to "at least \$250,000." So, how do you get more than \$250,000 per account? It's all about the account holders and beneficiaries. For example, you have an individual account containing \$250,000, and a joint account with your spouse containing \$250,000. Each account is insured separately for a total coverage of \$500,000. For revocable living trusts or payable on death (P.O.D.) accounts you can easily have your funds federally insured for more than the \$250,000, depending on the number of qualifying beneficiaries. Also, Individual Retirement Accounts (IRAs) are insured separately for \$250,000.

What is the New Concept of Qualifying Beneficiaries?

Interim legislation was recently passed to expand the meaning of beneficiaries to more than just spouse, children, grandchildren, sibling or parent of the owner of the account. Beneficiaries now include non-profit groups, charities and any natural persons. Also with the new ruling, a revocable living trust or payable-on-death (P.O.D.) account can be insured for up to \$250,000 per beneficiary.

Visit our website at www.lbsfcu.org and click on "NCUA Federal Share Insurance increased temporarily to \$250,000" under News & Notices to use the NCUA Share Insurance Estimator to better understand your insurance protection. Please feel free to call us at 562.598.9007 or 714.893.5111 if you have any questions regarding your share insurance.

For information on the Credit Union's safety and soundness, read the President's Report on page 2 of this newsletter.

562.598.9007

714.893.5111

www.lbsfcu.org

President's Message

These are unusual times. For many of us, our faith in the financial system has been tested. With the demise of several large banks, it's understandable that many consumers would hesitate to put their trust and their money in just any financial institution.



Like you, I am a member of our Credit Union and wholeheartedly believe in this organization for which we are all member-owners. I've worked here for over 30 years and use the Credit Union as my primary financial institution. You might also like to know that many of our staff that serve you have been with the Credit Union for decades and also use our Credit Union as their primary financial institution. It should be a comfort to you (and to me!) to know the following about LBS Financial Credit Union during these challenging financial times:

- LBS Financial has always practiced sound and conservative lending practices. While we are not immune to the struggles in our local economy, and have experienced increased loan losses during this year, the Credit Union continues to be very financially strong. We have nearly double the amount of capital required by our regulators. Our State and Federal regulators require a net capital ratio of 6% to be "adequately capitalized" and 7% to be considered "well capitalized." We have over 11.8% net capital which equates to over \$120 million. Our net capital is just like your personal savings account: the more we have, the stronger we are financially.
- LBS Financial has always focused on efficiencies. We continue to keep our operating expenses very low which equates to better rates and lower fees for our members.
- Deposits at the Credit Union are federally insured by the NCUA, a government agency similar to the FDIC, to at least \$250,000 (and an additional \$250,000 for IRAs). Read page 1 for detailed information on the new temporary increase in our federal share insurance fund.
- We are here for you (and have been for over 73 years!) and continue to offer competitive loan and deposit rates. While the tightening of credit appears to be happening with many other institutions in our industry, LBS Financial continues to maintain a consistent lending operation to serve our members.

Your money is safe with us. This is a time where your loved ones may be struggling to find a safe place for their money. Hopefully you will have the chance to share with them the benefits of LBS Financial Credit Union membership. We would appreciate the opportunity to serve your friends and family.

Thank you for continuing to utilize the Credit Union for your financial needs. Your support helps us continue to grow and add value to the neighborhoods we serve! We wish you and your family a very happy holiday season!

Best Regards,

Jeffrey A. Napper
President & CEO

Keep Tabs on your Identity

Your identity is one of your most valuable assets.

What can you do to ensure that your identity does not get stolen? Be careful with whom you are giving out your information. Make sure to shred important documents. Always check the website addresses you are visiting to ensure they are the real thing and if you are entering personal information, check for the <https://> in the address which confirms it is secure. Also, watch out for these latest scams:

- **Phishing:** Is a type of email fraud where someone attempts to acquire sensitive personal information about the victim (ie. account numbers, passwords, social security numbers, credit card details, etc). The email appears to be from a trusted financial institution, a reputable company that you normally conduct business with or a government agency and usually contains links to a fraudulent copy-cat website where the victim is prompted to input their personal information.
- **Smishing:** Is similar to phishing but via Short Message Service (SMS), the communications protocol used to send text messages to cell phones and other wireless devices. Just like phishing, this scam involves the use of text messages impersonating your financial institution to acquire your personal financial information.
- **Vishing:** Is also similar to phishing but via Voice Over Internet Protocol (VOIP). What's unique about vishing is that VOIP allows skilled hackers to use a phony caller ID that fools the victim into trusting the caller.

Internet threats are constantly evolving. Remember that your Credit Union will rarely initiate a call to ask for your personal financial information. If you are not sure of the identity of the caller, hang up and call the trusted main phone numbers that you have on file for that institution. Keep yourself informed and make sure your computer software is up-to-date with all the latest patches. If you have a broadband Internet connection (DSL, Cable, FiOS, etc) a personal firewall is a must!

Make sure to visit www.annualcreditreport.com and pull your free credit reports every 12 months to ensure that your credit information is accurate.

Congratulations eStatements Winner!

Congratulations to LBS Financial member Victory Young from Lakewood, winner of our summer eStatements promotion. Ms. Young's name was drawn randomly from over 3,000 members who signed up for eStatements. She is now the proud owner of a Garmin nuvi GPS system (valued at \$500). Thanks to all of our members that signed up for eStatements during this promotion.



Heather Summers (left), Vice President, Marketing for LBS Financial and LBS Financial Vice President/Branch Manager of Lakewood, Erin Kington (far right) present Member Victory Young (middle) with a GPS System.

It's never too late to save paper! Sign up for eStatements today by accessing your account through CU OnLine and clicking on the eStatements link at the top of the page. If you aren't signed up for CU OnLine, visit www.lbsfcu.org and click on "Sign Up" under the CU OnLine login on the right side of the page, to access our online application.

Jeffrey Napper Inducted into the LBCC Hall of Fame



President and CEO of LBS Financial, Jeffrey Napper, was inducted into the Long Beach City College Hall of Fame on October 10, 2008. The Long Beach City College (LBCC) Alumni Association Hall of Fame honors alumni who have made outstanding achievements in their chosen career field, service to the community, and/or area of endeavor. Since its inception in 1972, 133 former students have been inducted into the Hall of Fame.



LBS Financial Credit Union President and CEO, Jeffrey Napper (center) receives induction into the LBCC Hall of Fame. On left: Jeffrey Kellogg, LBCC Board of Trustees President and Eloy Ortiz Oakley, LBCC Superintendent-President (far right).

Some past recipients of this prestigious honor are Emmy nominated actor John Amos, comedian Paul Rodriguez, two-time Olympic Gold Medalist Pat Keller McCormick, screen star Barbara Britton, former Long Beach Mayor Beverly O'Neill, syndicated radio DJ Jim Ladd and former LBS Financial President and CEO, Frank Reed.

In June 1977, Jeff graduated with Academic Honors from Long Beach City College with an A.A. Degree. He also began his career with LBS Financial Credit Union as a part time teller in 1977 while completing his Bachelor's and Master's Degrees in Business Administration at

California State University, Long Beach. In 2002, Jeff became President and CEO of LBS Financial Credit Union after holding a number of administrative, operational and management positions over the years.

Jeff's involvement with Long Beach City College did not end with graduation. He has served on the LBCC Board of Governors and their Finance Committee since 2002. He has also been a member of the LBCC Foundation Investment Sub-Committee for the last six years and currently serves as the Chairman of this sub-committee.

Save Time with Automatic Loan Payments

Simplify your life! Avoid late payment fees, save money on stamps and save time by paying your LBS Financial Credit Union loan automatically.

- Set up automatic payments from your LBS Financial Savings or Checking account to your LBS Financial loan, or
- Set up automatic payments from your checking account at another financial institution to your LBS Financial loan* or
- Set up a recurring transfer in CU OnLine to transfer payments from your LBS Financial account to your LBS Financial loan.

Save money and time by paying your loans automatically! Contact the Credit Union at 562.598.9007, 714.893.5111 or 800.527.3328 (outside 562 and 714 area codes) or visit our website at www.lbsfcu.org for more information and to sign up.

*You can set up automatic loan payments from an account at another financial institution for all LBS Financial Credit Union loans except VISA or real estate loans. You may sign up for a one-time or recurring transfer on these types of loans through CU OnLine or automatic payment(s) from your LBS Financial Savings or Checking account.



Extra Cash this Holiday Season

During the holidays, every dollar counts. To make your own gift-giving even easier, LBS Financial is offering you two ways to make this holiday season just a little bit easier on the pocketbook:

Skip-A-Payment

You have an option to automatically skip your LBS Financial VISA® Classic or Gold payments for December 2008 and/or January 2009*.

Waiver of VISA® Gold Annual Fee

Your VISA® Gold Card annual fee of \$24 will be waived for 2009. Continue to enjoy our VISA Gold Benefits:

- Bonus Point Program - earn one point for each dollar spent
- No Cash Advance Fee
- 25-Day Grace Period (on purchases only)
- Competitive Rates
- FREE auto rental insurance
- FREE \$400,000 Travel Accident Insurance
- Travel assistance and more!

*For your convenience, the VISA Holiday Payment Skip will be done automatically and there will be no need to contact LBS Financial Credit Union. If payment is normally made through an automatic transfer, your payment will continue UNLESS you contact us. Skip-a-Payment is only available for members whose Credit Union account is in good standing and current. Interest due on the VISA balance during December and January will continue to accrue. Some other restrictions may apply. Members who do not wish to participate in the Skip-a-Payment promotion can simply continue making regular monthly payments.

Spotlight on the Neighborhood : MOLAA

The newly developing East Village Arts District, in downtown Long Beach, is home to one of Southern California's cultural jewels, the Museum of Latin American Art (MOLAA).

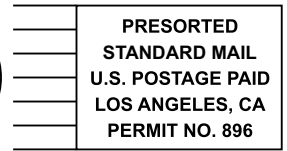
MOLAA is the only museum in the western United States that exclusively features contemporary Latin American fine art from Mexico, Central & South America and the Spanish-speaking Caribbean.

The museum's mission is to educate the American public about contemporary Latin American art through the presentation of a significant permanent collection, dynamic traveling exhibitions and related cultural and educational programs

MOLAA's exterior is breathtaking, an oasis in the middle of the urban landscape. In addition to its galleries, the museum features a large outdoor sculpture garden, available as a rental facility for private events. General admission is only \$9.00 for adults, \$6.00 for senior citizens/students and free to children under 12. Fridays and Sundays are free to everyone through the end of 2008.

Visit the museum at: 628 Alamitos Avenue, Long Beach, CA 90802. For more info, call 562.437.1689 or go to www.molaa.org





RATES

As of November 1, 2008. All Rates are subject to change without notice.

Save the Date – Annual Meeting!

Please join us!

Thursday, February 26, 2009 at 3:00 p.m.

The Centre at Sycamore Plaza

5000 Clark Avenue

Lakewood, CA

Door Prizes & Refreshments

Office Hours & Locations

	MON	TUES	WED	THURS	FRI	SAT
Bixby Knolls* <i>4436 Atlantic Avenue</i>	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 5
Cerritos <i>11239 183rd Street</i>	Closed	11:30 - 7	11:30 - 7	11:30 - 7	11:30 - 7	9 - 5
East Long Beach* <i>4341 E. 10th Street</i>	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 12
Lakewood* <i>4916 Bellflower Boulevard</i>	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 5
Los Altos <i>6417 E. Spring Street</i>	Closed	11:30 - 7	11:30 - 7	11:30 - 7	11:30 - 7	9 - 5
Newport-Mesa <i>1401 Quail Street</i>	9 - 5	9 - 5	9 - 5	9 - 5	9 - 5	Closed
Call Center	8:30 - 5:30	8:30 - 7	8:30 - 7	8:30 - 7	9 - 7	8:30 - 5

*Walk-up windows open Monday - Thursday at 8:30 am and Friday at 9 am. Lakewood's is open until 7 pm Monday - Friday. Bixby and Lakewood walk-up only on Saturday.

SAVINGS	Dividend Rate	APY
SHARE SAVINGS		
Average Daily Balance below \$100	0.50%	0.50%
Average Daily Balance \$100 or above	0.65%	0.65%
MONEY MARKET		
\$100,000 and above	1.98%	2.00%
\$50,000 to \$99,999	1.73%	1.75%
\$25,000 to \$49,999	1.49%	1.50%
\$2,500 to \$24,999	1.24%	1.25%
Below \$2,500	1.00%	1.01%
CLUB/SPECIAL SAVINGS	0.65%	0.65%

LOANS	Rates Quoted as low as APR	
SIGNATURE LOAN Unsecured*	11.65%	
AUTO, TRUCK, SUV (Up to 36 months)**	New	Used
100% Financing	5.50%	5.74%
80% Financing	5.24%***	5.50%
BOATS/RVS - New or Used		
80% Financed up to 66 months/New**	7.00%	7.50%
MOTORCYCLES - New or Used		
100% Financing up to 48 months/New**	7.74%	8.25%

SHARE CERTIFICATES	All Rates Quoted in Annual Percentage Yield (APY)			
	BRONZE (\$2,500 min.)	SILVER (\$20,000 min.)	GOLD (\$50,000 min.)	JUMBO (Over \$90,000 min.)
3 month (\$1,000 min.)	2.25%	2.30%	2.35%	2.45%
5 month	3.00%	3.05%	3.10%	3.15%
12 month	3.00%	3.05%	3.10%	3.20%

Savings: The dividend rates and APY are anticipated and paid on the entire balance in the account. Fees or other conditions may reduce earnings on the account. Certificate terms available: 3,6,9,12,18,24,30,36,42,48,60 months. IRA: 6,12,18,24,30 months. Loans: Rates are quoted as the lowest rate available, in Annual Percentage Rate (APR) and reflect a .25% discount for automatic payment transfer from Savings or Checking or payroll deduction.

*Signature Loan financed to 5 years, \$22.08 per \$1,000 borrowed. **Longer terms are available for these products. Contact the Credit Union for details.
 ***A loan at 5.24% APR for 36 months will have a monthly payment of \$30.10 per \$1,000 borrowed. Promotional loan rates are not available on existing LBS Financial loans. Loan rate based on LBS Financial credit approval.

LBS Financial's Supervisory Committee

Encourages monthly account statement review to ensure accuracy. They also want to ensure that you are completely satisfied with LBS Financial Credit Union's service and encourages contact with them if an issue arises and is not resolved to your satisfaction. LBSFCU Supervisory Committee, P.O. Box 4860, Long Beach, CA 90804

Your Money is published exclusively for members of LBS Financial Credit Union. Email: info@lbsfcu.org

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