

penny WISE

A publication of Penn State Federal Credit Union



Membership News & Letter
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Sensible account protection -- the latest in online banking

security. Online security is high priority at Penn State Federal. Our new security feature for Penny On-Line will be introduced this fall. This security feature will check your account for any uncharacteristic or unusual activity. If anything out of the ordinary is detected, we will ask you to answer security questions or even call you to make sure it is really you. Most of the time you will not notice that the security feature is even there, but it will still be protecting you 24/7. Expect to be prompted at some point while banking online to enter additional information. This may include choosing several security questions that only you know the answers to, as well as supplying phone numbers

where you can be reached while using Penny On-Line. We will NEVER email you asking for this information! Look for more details concerning this new feature in the coming weeks.

What is Vishing? Vishing is a new twist on phishing where fraudulent emails urge you to call a phone number to confirm account information. Messages appear to have come from a reputable company and often one that you actually deal with. Please verify the validity of such messages by calling the number you always use, not the one that is included in the email.

The Holidays are just around the corner. Take advantage of a Penn State Federal Holiday Loan. It is an unsecured loan that can be for as little as \$500 and paid off in a year. Members also have the option to Skip-a-Pay on a loan payment without any fees.

Volunteer. The Nominating Committee is seeking candidates for the Board of Directors for the 2007 election. If you would like to learn more about volunteer opportunities at Penn State Federal, please send an email to nominatingcommittee@pennstatefederal.com or call 814-865-0384.

I wish you all a safe and happy holiday season,

Connie Wheeler
CEO

Scholarship Winners

Congratulations to Saizhu Li and William Hatton Hopkins on being awarded the Penn State Federal Credit Union Trustee Scholarship by Penn State University. Each recipient received \$1,800 for the 2006-07 school year.

Welcome: New Select

Employer Group
We would like to welcome the following business into our field of membership:
Hospitality Asset Management Co.

Join us

Penn State Federal is accepting applications for group membership from area businesses. Visit our website to download an application letter.

That's my Credit Union! That's my Credit Union!

www.PennStateFederal.com

Lending Rates effective August 24, 2006

See Rate Disclosures below

Vehicle & Motorcycle	Term	APR
2006 & newer ^{1,2} 10,000 miles or less	12-24 mos	5.50% - 15.00%
	25-60 mos	6.00% - 15.50%
	61-72 mos	6.50% - 16.00%
	73-84 mos	6.50% - 16.00%
2002 to 2006 ^{1,2,3}	12-24 mos	5.50% - 15.00%
	25-60 mos	6.00% - 15.50%
	61-72 mos	6.50% - 16.00%
	73-84 mos	6.50% - 16.00%
	12-24 mos	6.50% - 16.00%
2001 & older ^{1,2,3}	26-48 mos	9.75% - 18.00%
	49-60 mos	9.75% - 18.00%

Recreational	Term	APR
New ^{1,2}	12-36 mos	7.75% - 17.25%
	37-60 mos	8.00% - 17.50%
	61-84 mos	8.50% - 18.00%
	85-120 mos	9.00% - 18.00%
	12-36 mos	8.75% - 18.00%
Used ^{1,2,3}	37-60 mos	9.00% - 18.00%
	61-84 mos	9.50% - 18.00%
	85-120 mos	10.00% - 18.00%

Home	Term	APR
Home Equity ^{1,4,6}	12-60 mos	6.00% - 15.50%
	61-84 mos	7.00% - 16.50%
	85-120 mos	7.25% - 16.75%
	121-180 mos	8.00% - 17.50%
	61-120 mos	6.50% - 16.00%
HE First Lien ^{1,4,6}	121-180 mos	7.00% - 16.50%
HE Credit Line ^{4,5,6}	based on 180	9.25%
HE Credit Line ^{5,6}	based on 180	9.25%

(Platinum Card)
Mortgage Rates -- call (814) 863-0549 or email mortgages@pennstatefederal.com

Shared Secured	Term	APR
Regular Shares ¹	12-60 mos	5.25%
CD (no minimum)	cd term at	2.25% + CD APR

Personal	Term	APR
Installment/Unsecured ^{1,2}	1-12 mos	7.50% - 17.00%
	13-24 mos	9.00% - 18.00%
	25-36 mos	13.00% - 18.00%
	37-48 mos	14.00% - 18.00%
	49-60 mos	15.00% - 18.00%

Acce\$\$ Credit Line ⁵	based on 60 mos	10.75%
VISA Credit Card	Platinum	7.90%
	Classic	12.90%



Education Loans

Penn State Federal's Student Loan Code is 823021. Stafford 6.54% APR & 7.14% APR, PLUS 7.94% APR, Consolidation rates up to 8.25% APR. Education Loan Rates are determined by the US Dept. of Ed. For students attending PA schools, the origination fee is absorbed under the KEYSTONE BEST PROGRAM. PHEAA absorbs 1% & Penn State Federal funds the remaining 2%. Other Stafford loans require a 3.0% origination fee.

Lending Rates Disclosures

Rates disclosed in *italics* are Performance Plus rates. Your rate on these products may vary and will be determined by the number of years your loan is financed plus your credit history. Rates are set by the Board of Directors and are subject to change.

- 25 BPS discount (subtract 0.25%) for having or opening a Penn State Federal checking account with direct deposit to that account. A 25 BPS discount (subtract 0.25%) applies when automatic payments are made from a Penn State Federal account (BPS = basis points are one one-hundredth of a percent). Discount affects accruing loan interest, payments are based on advertised rate.
- Loans used to refinance a current Penn State Federal loan add 50 BPS (add .50%) unless an additional \$1,000 is borrowed.
- Loan term dependent on age & NADA value.
- Loan-to-appraised value ratios over 80% will be 150 BPS (add 1.50%).
- Interest rate is variable.
- 3,000 additional money or \$300 fee to refinance a current Penn State Federal Home Equity Loan.

Savings Rates effective July 1, 2006

See Rate Disclosures below

Regular Share Rates	APY
Basic ^{7,9} , Special ⁹ , Kids ^{7,9} , Teen ^{7,9} , Club ^{8,9}	1.00%

SmartStart ^{7,8,9}	Term	APY
	10-19 mos	1.50%
	20-29 mos	1.75%
	30+ mos	2.00%

Premier Checking ^{7,9}		0.75%
Money Market Checking ^{7,9}	\$1,500 - \$2,499	1.75%
	\$2,500 - \$9,999	3.00%
	\$10,000 - \$24,999	3.50%
	\$25,000+	3.75%

Certificate Rates ^{7,8,10}	CD APY	CD APR	IRA APY
6 mos	3.50%	3.46%	3.65%
9 mos	3.75%	3.70%	3.90%
12 mos	4.00%	3.94%	4.15%
15 mos	4.10%	4.04%	4.25%
18 mos	4.20%	4.14%	4.35%
24 mos	4.30%	4.23%	4.45%
30 mos	4.40%	4.33%	4.55%
36 mos	4.45%	4.38%	4.60%
48 mos	4.55%	4.47%	4.70%
60 mos	5.00%	4.91%	5.15%
Accumulative	N/A	N/A	1.75%

Roth, Traditional, Coverdell ESA & Accumulative IRAs available

Earn Extra Dividends on New or Renewing CD RATES¹⁰. Add a quarter of a percent (add 0.25% APY) to the current CD rates when you have direct deposit to a Penn State Federal checking account.

Savings Rate Disclosures

7) Minimum balance requirements. **8)** Early withdrawal penalties & fees apply. APY -- quarterly compounding interest. APR -- monthly interest paid to share. **9)** Interest rate is variable, rates are set by the Board of Directors. **10)** A 25 BPS increase (add 0.25% APY) on current CD rates for having or opening a Penn State Federal checking account with direct deposit. New & Renewing CDs are eligible.

Rates are subject to change. Current rate and fee schedules are available at www.PennStateFederal.com or any Penn State Federal location.

See Rate & Fee Schedule for account details. Savings are federally insured to \$100,000 by the National Credit Union Administration, a U.S. Government Agency. IRA investments are insured up to an additional \$250,000. Penn State Federal is an Equal Housing Lender. We do business in accordance with Federal Fair Housing Law & the Equal Credit Opportunity Act.



Start your Holiday Shopping

Holiday Club Funds have been transferred into your 01 share. You can use Penny On-line to move them to your checking account or write yourself a check.

Things to do:



Home Buying Seminars

Program covers choosing the right mortgage & the application process to closing. Realtor & settlement experts will be on hand. Light refreshments along with a question & answer period follows.

Thurs., Oct. 12 at 4:00pm, 1937 N. Atherton Street

Thurs., Nov. 9 at 4:00pm, 1937 N. Atherton Street

Call the Mortgage department at (814) 865-2768 or email mortgages@pennstatefederal.com to reserve your place.

Popcorn Day

Fri., Oct. 13 from 11:00am to 1:00pm

1937 N. Atherton St.

The Mortgage Department will be serving popcorn to kick off the upcoming Homecoming week at PSU.

International Credit Union Day

Thurs., Oct. 19

Cookies will be available in the lobbies at both locations. Coloring contest entries are available online and in the lobbies for children up to age 13. Please put child's name, age and phone number on the back. Entries will be displayed in the North Atherton Lobby.

Planning for your Retirement Lifestyle

Attend this free seminar to learn about retirement planning strategies. Explore how to create a balanced portfolio for retirement by using goal assessment, risk tolerance & asset allocation. Learn the advantages of rolling over assets from your employer's retirement plan to a traditional IRA.

Wed., Oct. 25 from 11:45am to 1:00pm in Room 106 HUB-Robeson Center, PSU campus.

Thurs., Oct. 26 from 6:30pm to 7:45pm at Penn State Federal Credit Union, 1937 N. Atherton St.

Speaker *Joseph A Webber, CFP & Financial Advisor with Merrill Lynch.* Call (814) 231-8931 or email joseph_webber@ml.com to reserve your place today.

Annual Membership Notice

PRIVACY NOTICE

Penn State Federal Credit Union, your member-owned financial institution, is committed to providing you financial products and services that meet your needs and reach your financial goals. We are equally committed to protecting our member's privacy. You can be confident that your financial privacy is a top priority at Penn State Federal. We are required by law to give you this privacy notice to explain how we collect, use and safeguard your personal financial information. If you have any questions, please contact a member service representative at (814) 865-7728. **Information We Collect** We collect and may disclose nonpublic personal information about you from a variety of sources: Information we receive from you on applications or other forms, such as name, address, social security number, assets and income; Information about your transactions with our affiliates, others, or us, such as your account balance, payment history, parties to transactions and credit card usage; Information we receive from a consumer-reporting agency, such as your credit worthiness and credit history. **Information We Disclose** We may disclose all of the information we collect as described above to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. We may also disclose information about you under other circumstances as required or permitted by law. **How We Protect Your Information** We restrict access to non-public information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your nonpublic personal information.

AVAILABLE EFT TRANSFER SERVICES & LIMITATIONS

VISAdebit, VISAcredit & ATM card Transactions: If you have been issued a VISAdebit or ATM card, you may use your card to: withdraw cash from your share-draft or share account; make deposits to your share-draft or share account; transfer funds between your share draft and share accounts (those encoded on your VISAdebit or ATM card); and pay for purchases at the point of sale (POS). There are some limitations on transfers when using the VISAdebit or ATM card. There is a \$300 limit per day on withdrawals and point-of-sale usage for each

account. In addition, for security reasons, there may be other limits on the number of transfers or attempts you may make when using our ATM service. Effective April 1, 2005, Purchases, cash withdrawals and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by VISA from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government mandated rate in effect for the applicable processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. A fee of 1% will be imposed on all foreign transactions, including purchases, cash withdrawals, cash advances, and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the U.S., Puerto Rico, or the U.S. Virgin Islands.

Telephone Transfer Service: If you have a signed agreement with us to process telephone requests, you can transfer money between your share draft and/or share savings account(s) by phone. Note that your telephone transfers will only be accepted during business hours on business days.

Electronic Deposits & Payments: Transfers to your account (deposits) You may authorize in writing the direct deposit of payments due to you such as wages, Social Security benefits, pension payments, annuity payments, dividend payments & similar regular payments. These deposits can be made to your share draft or share savings account. **Transfers from your account (payments)** You may authorize, in writing, the direct transfer of money from your share draft or share savings account(s) in order to automatically pay third party bills that occur at regular intervals. If these regular payments vary in amount, the person(s) you owe will inform you at least ten (10) days prior to each payment of the amount and date of each payment. You may choose to be notified only when the payment amount differs from the previous payment or the amount falls outside a limit pre-established by you.

Electronic Check (E-Check) Transactions: An electronic check conversion, or an e-check is an electronic debit to a draft (checking) account that is initiated on the Internet, at a point-of-sale, over the telephone, or by a bill payment check sent through the mail. Your accounts can be electronically debited for a written draft. An e-check clears your account much faster than checks processed physically. Merchants may also electronically re-present checks because of insufficient funds. Any returned check fees the merchant charges could be electronically debited from your account as well. E-checks have specific consumer protections from error and fraud, which are outlined in this EFT disclosure. EFT disclosures apply whether the check is blank, partially completed, or fully completed and signed; whether it is presented at the point of sale or mailed to a merchant or lockbox and later converted to an EFT; or whether it is retained by the consumer or the merchant or the merchant's financial institution.

Penny-Line & Penny On-Line: Penny allows you to conduct the following transactions via telephone or internet browser access: obtain balances on your share, share-draft, certificate and loan accounts; view past and current statements; transfer funds between your accounts or from your accounts to another pre-established member account; determine recent specific drafts cleared on your share draft account; determine the amount and date of your last loan payment; transfer money from your accounts to make your loan payments or payments on family member loans; request a check withdrawal from your share or share-draft to be mailed to you; order advances on existing and approved lines of credit to be deposited into share or share draft; and view and print check images. By using your account number and access code through Penny, you agree that we may debit/credit your account(s) in accordance with the instructions you give. In other words, we may treat the instructions you give as if they were written orders bearing your signature. By using Penny On-Line you consent to receive your statements electronically, unless you notify us otherwise. See Statements.

Charges for Transactions: All accounts have unlimited usage of machines operated by us. See Rate & Fee Schedule for limitations on ATM transactions not owned Penn State Federal. You will be charged per transaction for: transactions in excess of your stated account limits; for each inquiry or transfer done through the ATM; and for all HONOR transactions. There is a charge for the replacement of your VISAdebit or ATM card. Please refer to the Rate & Fee Schedule for other applicable charges.

Business Days: Our business days are Monday through Friday except Federal Holidays.

Documentation of Transfers: With VISAdebit or ATM transfers you will get a receipt at the time you make any transfer to or from your account using an ATM or POS terminal. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us to find out if the deposit has been made. You will receive a monthly statement if you have a share draft account or if you have a share savings account with EFT activity (unless there are no transfers in a particular month). In any case, you will get a quarterly statement.

Right & Procedure to Stop Payment of Preauthorized Transfer: We can stop regular (automatic) payments made out of your account at your request. We must receive your request in person, in writing or verbally three (3) business days or more before the payment is scheduled to be made. If you have telephoned, faxed, e-mailed or otherwise submitted your stop payment to us, we will mail you a stop payment form. You are required to complete, sign & return the form to us no later than fourteen (14) days after you made the request. If you order us to stop one (1) of these payments three (3) or more business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages. Please refer to the Rate & Fee Schedule for other applicable charges.

In Case of Errors or Questions Concerning Electronic Transfers: If you believe your VISAdebit or ATM card, access code or PIN has been lost or stolen or that someone has transferred, or may transfer money from your account without your permission, call us immediately. If anyone repeatedly tries to use an incorrect PIN to order any electronic banking transaction from your account, further use of these privileges may be prevented. If you think your statement or receipt is incorrect or if you need additional information about a transfer listed on your statement or receipt, telephone or write us. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared. Include your name and account number as well as a description of the item in question. Please explain as clearly as you can why you believe it is an error or why you need further information. Be sure to include the dollar amount of the suspected error. If your question is not submitted in writing, we may require that you send us your question/complaint in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business day or twenty (20) business days for POS transactions or transactions initiated outside the United States. We will make every attempt to promptly correct any error. If, however, we are unable to correct the error immediately, we may take up to 45 days (90 days for POS transactions or transactions initiated outside of the United States) to investigate your complaint or question. If we do this, we will provisionally re-credit your account within five (5) business days or twenty (20) business days for POS transactions or transactions initiated outside of the United States) for the amount you think is in error during the time it takes us to complete our investigation. If we ask you to put your question/complaint in writing and we do not receive it within ten (10) days, we may not re-credit your account. If we find there was no error, we will send you a written explanation within three (3) business days after the completion of our investigation. You may request copies of the documents used in our investigation.

Responsibility & Liability: You accept all liability that can be legally imposed upon you for each use of an ATM, Penny Line or Penny On-Line whether or not authorized by you. You must notify us immediately if you believe your VISAdebit or ATM card, PIN or Penny Access Code has been lost or stolen. If your statement shows transactions that you did not make, notify us at once. Failure to notify us within sixty (60) days after the statement was mailed to you, could result in a possible loss. Time extensions may be granted in certain cases.

Liability for Failure to Make Transfers: If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. There are some exceptions. We will not be liable if: through no fault of our own, you do not have enough money in your account to make the transfer; you knew that the ATM system was not working properly when you started the transfer; disaster prevented the transfer, despite our reasonable precautions, or other circumstances beyond our control. In addition, we are not responsible if the money in your account is subject to a funds availability hold, legal process, or other encumbrance restricting transfers. There may be other exceptions stated in our agreement with you.



Skip-A-Pay Coupon

Need some extra money for the holidays? This coupon gives you a **Fee-Free** opportunity to skip one or more of your loan payments. *Fill this coupon out now & fax it to (814) 865-9041.*

NOTE: Real estate secured loans, VISA and Acce\$\$ credit lines are not eligible for Skip-A-Pay.

Member number or name	
Loan Purpose or Loan ID#	Loan Purpose or Loan ID#
circle skip month(s) Oct. 06 Nov. 06 Dec. 06 Jan. 07 Feb. 07	circle skip month(s) Oct. 06 Nov. 06 Dec. 06 Jan. 07 Feb. 07

Skip-A-Pay terms and conditions Members can choose to skip a payment on one or more loans. The payment will be deferred & extended to the end of the original term of the loan(s). There is no fee for this service. Interest will continue to accrue on the unpaid balance(s) during this period. The next regular payment is due on the normal due date. By skipping a payment, the term of the loan may be extended. All other terms & provisions of the original loan agreement are unchanged. Regular payments made through Direct Deposit or Payroll Deduction will be deposited into your Share Savings (01) Account for the skipped month only. Loans for which any payment has been 30 days late in the last 12 months are not eligible. Loans for which extension agreements have been granted will be limited to one month and are subject to credit review. To defer a payment, this signed agreement must be received no later than 15 days prior to that payment's due date & must be signed by all borrowers on the loan(s) deferred. We reserve the right to limit the number of skipped payments granted per year. More than one month's payment may be skipped per loan, but not in consecutive months.

I understand and agree to the terms and conditions of Skip-A-Pay.

sign & date	sign & date
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Where's your "happy" place?

12-month CD Special

5.30% APY*



*APY = Annual Percentage Yield. 5.30% Annual Percentage Rate. Dividend paid at maturity. Rate requires direct deposit into a Penn State Federal Credit Union checking account. Rate without direct deposit to a checking account is 5.05% APY. Certificate minimum is \$500. Early withdrawal penalties apply. May be withdrawn at any time. Membership eligibility required.

Visit www.PennStateFederal.com or call 814-865-7728 for more info.

Closings

Columbus Day	Mon., Oct. 9
Thanksgiving Day	Thurs., Nov. 23
Christmas Day	Mon., Dec. 25
New Year's Day	Mon., Jan. 1

Penn State Federal is closed for Federal Reserve holidays. Your accounts are always available by phone & online.

Additional HUB Closings

Thanksgiving Break	Fri., Nov. 24
Winter Break	Mon., Dec. 25 to Tues., Jan. 2

About us

info@pennstatefederal.com
 (814) 865-7728; (800) 828-4636
 Missing credit card? (800) 325-3678
 Missing debit card? (866) 840-2662

Visit us

1937 N. Atherton St., State College PA 16803
 Mon. -- Fri. 9:00am - 4:00pm &
 Thurs. until 6:00pm
 PSU 102 HUB-Robeson Ctr; University Park PA 16802
 Mon. - Fri. 9:00am- 4:00pm

Roadshow

We regularly visit Penn State departments & campuses. Call (814) 865-0384 if you'd like to schedule a visit or to involve us in your event.