



pennywise

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Holiday Closings

Columbus Day
October 8, 2007

Veterans Day
November 12, 2007

Thanksgiving
November 22, 2007

Christmas Eve
December 24, 2007

Close at 1:00 pm

Christmas Day
December 25, 2007

New Year's Day
January 1, 2008

Additional HUB Closings
Thanksgiving Break
November 23, 2008

Winter Break
December 24 to January 2

MESSAGE FROM THE CEO

Many of you completed a member survey in June and July. It was gratifying to know how many of you would recommend Penn State Federal to a friend or relative. Since you are our member owners, we take your comments very seriously. Don't forget that our Freedom Checking Account has no monthly fee, free bill payment, free debit cards, electronic statements, and no minimum balance requirements.

With news from mortgage lenders shaking up the financial markets, I want to remind you that Penn State Federal is one of the strongest financial institutions in the area.

We are proud to offer some of the lowest loan rates in the market and proactive service.

Penn State Federal did not participate in the sub-prime market as either a lender or investor. Penn State Federal has always used sound financial management and underwriting to help members purchase, refinance or remodel their homes with loans that they can afford. We are proud to offer some of the lowest loan rates in the market and proactive service. Visit www.pennstatefederal.com for information on our Home Buying Seminar scheduled for November 1.

The Nominating Committee is seeking candidates for the Board of Directors for the 2008 elections. If you would like to learn more about volunteer opportunities at Penn State Federal, please email nominatingcommittee@pennstatefederal.com or call (814) 865-0384.

Have a safe and happy holiday season,

Connie Wheeler
CEO

International Credit Union Day

Thursday, October 18



Kids up to age 13 can enter the ICU Day coloring contest at Penn State Federal! Be sure to include the child's name, age and phone number with each entry. Cookies will also be served in the lobbies at both Penn State Federal locations.

Let the Shopping Begin

Holiday Club Account disbursals took place on 09/30/2007. The funds are now in your 01 Savings Accounts. Didn't open one for the 2007 holiday? It's never too early to start saving for next year! Call the Credit Union today for details on our Club Accounts!

Open a Vacation Club Account Today

Thinking about the holidays probably has you dreaming about getting away. Make sure you secure your chance for a great vacation in 2008 by opening a Vacation Club Account with Penn State Federal. You can put away as much or as little as you like, and you can decide how often to make payments into your account. Then, when everyone else is shivering in the dreary winter, you'll be ready for your fun destination!

Popcorn Day

Friday, October 12 from 11:00 am to 1:00 pm

1937 North Atherton St

The Mortgage Department will be handing out popcorn and megaphones in celebration of PSU homecoming. Be sure to stop by and enjoy the festivities!

Scholarship Winners



Congratulations to Saizhu Li and Nicole Dubowski, winners of the Penn State Federal Credit Union Trustee Scholarship by Penn State University. Each recipient received \$1,800 for the 2007-2008 school year.

Skip-A-Pay Coupon

Need a break from your next loan payment? 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 ACCESS credit lines are not eligible for Skip-A-Pay.

Member number or name:

Loan Purpose or Loan ID#:

Check skip month(s)

Oct. 07 Nov. 07 Dec. 07 Jan. 08 Feb. 08

Loan Purpose or Loan ID#:

Check skip month(s)

Oct. 07 Nov. 07 Dec. 07 Jan. 08 Feb. 08

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

ANNUAL MEMBERHIP 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 of 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

Visa debit, Visa credit & ATM card Transactions: If you have been issued a Visa debit 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 Visa debit or ATM card); and pay for purchases at the point of sale (POS). There are some limitations on transfers when using the Visa debit 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 transactions 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 lock box 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, each inquiry or transfer done through the ATM, and PLUS & HONOR transactions. There may be a charge for the replacement of your Visa debit or ATM® card. Please see Rate & Fee Schedule for other applicable charges.

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

Documentation of Transfers: With Visa debit 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 Visa debit 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 Visa debit 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.

RATE CHART

effective August 16, 2007 See Rate Disclosures below.

Lending

VEHICLE & MOTORCYCLE	TERM	APR
2007 & 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%
2003 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%
2002 & older ^{1,2,3}	12-24 mos	6.50% - 16.00%
	25-48 mos	9.75% - 18.00%
	49-60 mos	9.75% - 18.00%

RECREATIONAL

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%
Used ^{1,2,3}	12-36 mos	8.75% - 18.00%
	37-60 mos	9.00% - 18.00%
	61-84 mos	9.50% - 18.00%
	85-120 mos	10.00% - 18.00%

HOME

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%
HE First Lien ^{1,4,6}	61-120 mos	6.50% - 16.00%
	121-180 mos	7.00% - 16.50%
HE Credit Line ^{4,5,6}	based on 180	9.25%
HE Credit Line ^{5,6} (Platinum Card)	based on 180	9.25%

Mortgage Rates -- call (814) 863-0549 or Email mortgages@pennstatefederal.com

SHARED SECURED

SHARED SECURED	TERM	APR
Regular Shares ¹	12-60 mos	5.25%
CD	cd term at	2.25% + CD APR

PERSONAL

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.

Saving

REGULAR SHARE RATES	APY
Basic ^{7,9} , Special ⁹ , Kids ^{7,9} , Teen ^{7,9} , Club ^{8,9}	1.00%

	TERM	APY
SmartStart ^{7,8,9}	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}	UP TO \$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	4.00%	3.94%	4.15%
9 mos	3.75%	3.70%	3.90%
12 mos	5.00%	4.91%	5.15%
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.

LENDING RATE DISCLOSURES

Rates disclosed in italics are Performance Plus rates. Your rate on these 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 change. 1) 25 BPS discount (subtract 0.25% APR) for having or opening a Penn State Federal checking account with direct deposit to that account. A 25 BPS discount (subtract 0.25% APR) 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. 2) Loans used to refinance a current Penn State Federal loan add 50 BPS (add .50% APR) unless an additional \$1,000 is borrowed. 3) Loan term dependent on age & NADA value. 4) Loan-to-appraised value ratios over 80% will be 150 BPS (add 1.50% APR). 5) Interest rate is variable. 6) 3,000 additional money or \$300 fee to refinance a current Penn State Federal Home Equity Loan.

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 at least \$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.

Attention ATM and Debit Users

Merchants are no longer required to give you a receipt for ATM and debit card purchases under \$15. Remember to record these transactions in your checkbook register. Contact us if you have any questions.

ABOUT US

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

VISIT US

1937 N. Atherton Street
State College, PA 16803

Mon. - Fri. 9:00 am - 4:00 pm
& Thurs. until 6:00 pm

PSU 102 HUB-Robeson Center
University Park, PA 16802
Mon. - Fri. 9:00 am - 4:00 pm

ROADSHOW

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

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Special Seminars

Financial Education Classes for Teens
October 18 from 4:00 - 6:00 pm • October 25 from 4:00 - 6:00 pm
VA Home Buying • November 1 from 5:30 - 7:00 pm
Budgeting Basics • November 8 from 5:00 - 6:30 pm
Understanding Your Credit • November 15 from 5:00 - 6:30 pm
Contact seminars@pennstatefederal.com for details.

