

New & Used Car Sale Event

1% Off Current Rates
Terms up to 72 Months

Contact www.carsale.com or
1-800-OK-4-CARS to locate vehicle of your choice.

Rates stated are available on approved credit. Rates will be determined by individual credit worthiness. Not all applicants will qualify for the lowest rate. Ends 12/31/04.

Back-to-School Loan Sale

Visit American Spirit FCU from September 1 through October 31, 2004 to take advantage of our Back-to-School Loan. Our low rate makes top grades!

7.5% APR*
12 Months to Repay
Maximum Loan
\$3500

*to qualified applicants

2nd Mortgage Up to 1% Off Existing Rates

- Borrow Up to 90% of Equity in Your Home
- Term Up to 10 Years
- Offer Ends 12/31/04

Reduced rate available to qualified borrowers.



Working Single Mothers Online Help

Delaware Dept. of Labor has developed a pilot project "Online Learning for Single Working Mothers." It is intended to raise the workplace skill level of a portion of Delaware's underserved workforce - working single mothers. Training takes place in home and children would also be encouraged to learn how to use a computer in support of schoolwork.

Interested single mothers can apply through any of the four nearest Department of Labor Offices.

COMING SOON!

ASFCU will be introducing these exciting new services!

- First Mortgages
- E-statement
- E-loans
- Credit Counseling-
Tuesdays & Thursdays

Watch for details!

Debit Card Processing Conversion

ASFCU would like to thank members for their patience during our recent Debit Card processing conversion. We apologize for any inconvenience the transition may have caused.

We look forward to the new processing system and are confident that the related changes will ultimately enhance our ability to service our members.

*From our
American Spirit
Federal Credit Union
family to yours,
best wishes for a safe and
healthy holiday season!*



Our Mission

Make a positive difference in the lives of our members, employees and the community!

American Spirit Federal Credit Union
1110 Elkton Road
Newark, DE 19711
Phone: (302) 738-4515
(800) 941-7789 (out of New Castle County, DE)
Fax: (302) 738-4562
Website: www.americanspirit.org

Lobby Hours:

Mon., Tue, Thu, Fri. - 9:00 a.m. to 4:30 p.m.
Wed. - 10:00* a.m. to 4:30 p.m.
*Effective November 1, 2004

Drive-Up Hours:

Monday to Thursday 9:00 a.m. to 4:30 p.m.
Friday 8:00 a.m. to 6:00 p.m.

ASAP - American Spirit Automated Phone
24 Hour Access:
(866) 759-2727
(800) 941-7790 (out of New Castle County, DE)

NCUA



Equal
Opportunity
LENDER

IN THE SPIRIT

A Newsletter For Members Of American Spirit Federal Credit Union

In This Issue...

1. *Dream... Belong... Achieve International Credit Union Day*
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Hours

NEW
Wednesday Hours
(effective 11/01/04)
10:00 a.m. – 4:30 p.m.

Holiday Closings

Your Credit Union will be closed in observance of the following 2004 holidays.

Monday, October 11
Columbus Day

Tuesday, November 2
Election Day

Thursday, November 25
Thanksgiving

Monday, December 27

Dream... Belong... Achieve International Credit Union Day

Join in the fun as more than 40,000 credit unions around the world celebrate International Credit Union Day on Thursday, October 21, 2004. Established 55 years ago, this Day gives us the opportunity to remember a proud history of service and dedication to some 120 million credit union members worldwide.

This year, the theme for International Credit Union Day is **Dream... Belong... Achieve.** Your membership in the Credit Union puts you in the center of a movement committed to serving... you! Whatever time in life you find yourself, your Credit Union is here to offer services and assistance to realize your dreams. From a child saving for a new bike, to college students opening a checking account, to purchasing a new home and retirement planning, the Credit Union is dedicated to your success.

This International Credit Union Day, we are excited to play a part in your dreams and achievements. As we celebrate, we reflect not only on the tremendous success of the credit union movement, but also on your accomplishments and future ambitions!

CREDIT UNIONS:

*Dream... Belong...
Achieve.™*

International Credit Union Day
October 21, 2004

Internet Fraud Phishing Scam

Visa has recently identified a phishing scam that uses email to request verification of VISA account information. This scam also makes reference to Verified by VISA.

The fraudsters send out official looking email messages and ask for verification of financial and personal information such as account numbers, passwords, user names, social security numbers and other sensitive data. Most of the messages warn of possible fraud and contain a link to a fake Web site that very closely mimics a legitimate online business.

Please be aware that VISA would never send an email requesting account information from cardholders. VISA is taking a very active role in combating phishing, including a partnership with the Better Business Bureau and Federal Trade Commission.

Please be advised if you believe you are a victim of a phishing crime, file an online complaint with the Internet Crime Complaint Center at <http://www.ic3.gov>.



February 14, 2005 *Deadline For Nominations Petition*

Official Notice of Election **Election of Directors For Three-Year Terms** **Annual Meeting March 26, 2005**

Two Board of Directors' terms will expire in March, 2005. The Nominating Committee is accepting requests for nomination before December 1, 2004. Board members and volunteers are not compensated for their participation. Terms will expire in 2008.

Nominations for the Board of Directors may also be made by petition in accordance with Article V of American Spirit FCU's Bylaws. The Nominating Committee will attach instructions to the petition on how to complete the petition correctly. Please contact American Spirit FCU for petition forms. Each petition must contain a minimum of 100 signatures of Credit Union members in good standing along with their account numbers.

The candidate's biography and qualifications must accompany the petition. Include in the biography information about occupation, Credit Union membership, Credit Union experience and a brief statement about serving as a director. Each nominee must be in good standing with the Credit Union, at least 18 years old and certify in writing that he/she is agreeable to the nomination and will serve if elected to office.

All nomination petitions must be received by the secretary of the Board no later than the close of business on February 14, 2005 at: American Spirit Federal Credit Union, 1110 Elkton Road, Newark, DE 19711. Nominations by petition, along with those of the Nominating Committee will be posted in the lobby of the Credit Union office by close of business on February 18, 2005. Incomplete petitions, petitions without an adequate number of valid member signatures, and petitions received after the deadline will be ineligible for consideration. A member must be a minimum of 16 years old to vote. An election will not be conducted by ballot when there is only one (1) nominee for each position filed.

There will be no nominations taken from the floor at the Annual Meeting in accordance with Article V of American Spirit FCU's bylaws.

Duties of a Director

The primary duty of a Credit Union director is to set operational policies. Each policy sets rules that give the Credit Union's management and staff a firm operational foundation. Personnel, investments, asset-liability management

and federal regulatory compliance are examples of areas that must be covered by written policies.

To make competent policy decisions and serve the members' best interests, a director must understand federal NCUA regulations, as well as what the Credit Union must do to remain financially strong.

Serving on one of the Credit Union's committees is the best way to learn more about how the Credit Union operates. Any member in good standing that is interest in running for the office of director will be required to familiarize him or ser self with the "Board of Director's Handbook" as well as the Educational Requirements of a Director.

Requirements to Hold the Office of Director

- Immediately begin the Volunteer Achievement Program.
- Attend all meetings scheduled by the chairman.
- Attend at least two training sessions per year on director's responsibilities.
- Attend the Delaware League Annual Meeting.
- Attend Credit Union financial management training.
- Attend specialized Asset-Liability management (ALM) training and understand the Credit Union

ELECTION SCHEDULE

1. **October 8, 2004** – October newsletter announces Annual Meeting date and requests nominations.
2. **October 15, 2004** – Nominating Committee appointments filed with Secretary.
3. **December 1, 2004** – Nominating Committee files its nominations with the Secretary.
4. **January 10, 2005** – Members are notified of the Annual Meeting, nominations and the opportunity to be nominated by petition.
5. **February 14, 2005** – Petitions filed with Secretary.
6. **February 18, 2005** – Nominees posted in the credit union lobby.
7. **March 26, 2005** – Annual Meeting slated for 7 P.M.

Why Credit Unions are Tax Exempt

You may not even realize this, but your credit union doesn't pay federal (corporate) income tax. The law recognizes that credit unions operate in unique ways that serve the public good and thus merit tax exemption. Individuals in a few organizations (bankers and their trade associations) are asking legislators to tax credit unions. You, as a member and a taxpayer, may wonder if the tax exemption should continue. We think if you know the history and purpose of the exemption, you'll understand why it's appropriate that credit unions are and should remain income tax-exempt.

Credit Unions are Different

Credit unions are not-for-profit cooperatives, serving members within defined fields of membership. The field of membership may include employees of a county, school district, company or companies, or members of a church, community, or communities. You and other members are part-owners of your credit union. Your savings are called shares and earn dividends because they're your share in the credit union. Credit unions were created to provide financial services in a democratic, not-for-profit, cooperative manner—that is, with member ownership and control. Those characteristics are the foundation of the tax exemption, thereby qualifying credit unions for a not-for-profit tax-exempt status.

Stockholders own banks whose primary business objective is to pay those stockholders big dividends. That's why bank management strives to increase profits to pay stockholders high returns. Bank customers are income sources for stockholders. Banks suggest that taxpayers sacrifice to promote and develop credit unions because they are tax exempt. That's not the case. In fact, all taxpayers, whether members or not, benefit from the presence of credit unions in the marketplace.

Credit union competition helps keep bank prices lower. For example, credit unions offering credit cards now charge an average three to four percentage points lower interest than other lenders. Can you imagine how expensive other lenders would make credit cards if they didn't have to contend with the moderating effect of credit union rates? The economic benefit to all consumers, plus longstanding support for the credit union way of operating, is why the Consumer Federation of America—an independent consumer body—has identified maintaining the credit union tax exemption as a top legislative priority.

While delivering competitive benefits to consumers, credit unions don't harm competitors. The ABA says the tax exemption gives credit unions an unfair and unwarranted privilege that puts banks at a competitive disadvantage. If that were true, why are banks reporting record growth and profits? Total credit union assets are a small fraction of total bank assets. Even the General Accounting Office, a federal authority, reports that credit unions "are not a serious competitive threat to taxed competitors."

Tax Repercussions

If credit unions did pay income tax, the net contribution to state and federal treasuries would make not one penny difference in the taxes you must pay as an individual. But the effect such taxes would have on how much you pay for credit union loans for cars, education, and houses, or the dividends you earn on credit union savings, would be significant.

Credit Unions Contribute Now

All taxpayers have legitimate concerns about the federal budget deficit. Credit unions and members already participate in reducing that shortfall. You pay taxes on dividends your credit union accounts earn. Banks claim tax exemption is related to service offerings, business success, or membership numbers or area. But those elements have nothing to do with the tax status of credit unions. Credit unions are not-for-profit, democratic, financial cooperatives that serve members. As long as that's true, they're earning their tax status.

Telemarketing Fraud - Don't be a Victim!



They've got your number and now they want your money! It's more important than ever that you know the difference between legitimate phone offers and fraudulent ones. Hang on to these handy tips to keep you from being their next victim.

Beware if an unknown caller:

- Says you've won a prize but asks you to send money first.
- Says you have to act right away.
- Instructs you to wire money.
- Offers to have someone pick up a payment from your home.
- Says he or she is a law enforcement officer who will help you for a fee.

Follow these guidelines to protect yourself:

- Check all unsolicited offers with your Better Business Bureau.
- Don't assume a friendly voice belongs to a friend.
- Never give your credit card, checking account or social security number to an unknown caller.

ASFCU would also like to warn members that the Credit Union or any of its agencies will never call you at home to request account information such as passwords or Personal Identification Numbers (PINs). Refuse any requests for such information and contact the Credit Union immediately.

Say NO to telemarketing fraud! If you think you're a victim of fraud, call toll free: 877-987-3728, a telephone support line provided by AT&T.

Interested in Volunteering for the CU?

Every credit union depends on volunteer input to operate. Every volunteer gains esteem for contributing their time and talents to the benefit of the membership and adding the experience to their resume. Not sure what it takes to be a volunteer, or what kind of time commitment is involved? Ask for more information at your Credit Union.