



News-N-Review

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Editorial Staff:
Stacy Montgomery

LOBBY HOURS
9:00 a.m. – 4:00 p.m. M-Th
9:00 a.m. – 5:00 p.m. F
DRIVE-UP HOURS
7:15 a.m. – 5:00 p.m. daily



A Message from the Manager

Can you believe another year is over? 2008 was a very good year for our credit union. Some of the major accomplishments were perfect audit results from the Kansas Department of Credit Unions, significant asset growth, and higher than expected net income. In addition, credit union staff has worked on a new logo for our credit union which is displayed in this newsletter.

Your statements this quarter will look a little different. The difference is due to switching statement vendors. This change will result in members receiving their statements earlier than in the past. Did you know that you can receive your statement electronically? No longer receiving a paper statement benefits both you and the credit union. You will be able to view your statement by the second business day of each month and the credit union will no longer incur paper and postage costs. It's a win-win. To sign up for electronic statements, simply log in to CU@Home, click on the Services button, and select 'Change

eStatement Options.' You must provide a valid email address to receive the notification email each month.

Included with your statement this month is a balance verification request from the Credit Union's Supervisory Committee. This verification is required to be completed every other year. Please review your statement carefully and return the verification form ONLY if you do not agree with the balance reported.

Last quarter I addressed some economic issues our country is currently facing. I think it is worth mentioning again that investing your money in our credit union is a smart choice. Despite the current tough economic times our credit union continues to be financially secure and a safe investment. This fact is evident by our 2008 financial results and the bonus dividend declared by the Board of Directors for the 4th quarter. We look forward to serving you in 2009.

YOUR MONEY • YOUR CREDIT UNION
Pete DiDio

Credit Unions Serve Consumers for 100 Years

The Kansas Blue Cross Blue Shield Credit Union is not 100 years old—yet—but we join credit unions around the country in celebrating a wonderful milestone: formation of the nation's first credit union, La Caisse Populaire St. Marie in New Hampshire, in 1908. Today known as St. Mary's Bank, it continues to thrive as a credit union serving its owner/members.

And 1909 marked another signal event in credit union development, with the passage in Massachusetts of legislation enabling formation of credit unions.

The American credit union movement began in New England 100 years ago. Those credit unions began as a social movement designed to help people live better lives through access to essential financial services.

Early credit union pioneers identified a need for a cooperative source of fairly priced credit at a time when it was not available for average consumers. Throughout its history, the credit union

movement has remained true to these philosophical, yet pragmatic, roots. In 100 years of growth and evolution credit unions have continually improved service to members. And today, when so many other financial institutions are struggling in a weakened economy, credit unions are strong because they stay true to their original purpose—people helping people.

No matter how old our credit union is, you and all members are the beneficiaries of 100 years of credit union innovation and service to members. We'll celebrate this major achievement and continue to look for ways to help members make the most of their money.



**A TRADITION OF
PEOPLE HELPING PEOPLE**



Guiding Your Children Toward Financial Independence

Grade: F

That's the average report card 12th graders earned for financial literacy in 2008. For about a decade, the Jump\$tart Coalition® has been surveying high-school seniors about personal finance.

What our youth don't know is shocking. For example, only 27% understand that interest/dividends on savings accounts may be taxable. Only 40% realize they could lose their health insurance if their parents become unemployed.

Achieving economic prosperity is difficult. It's especially hard for young people who've never learned how to manage money. Your credit union is ideally positioned to respond because we believe in the power of education. We're here to help you launch the youth in your life toward financial independence.

Join. As a start, open a savings account for each child in your family at the credit union. As soon as your children can write, have them fill out deposit and withdrawal slips. Guide teenagers through using a debit card and balancing a checkbook.

Share. Include your children in your household finance discussions. Show them how you budget income and expenses. As their skills improve, give them challenges—such as finding a better cell-phone plan, calculating the total monthly cost of owning a car, or sticking to a budget with back-to-school or holiday spending.

Coach. Remind your children to ask for help when they need it. And turn to your credit union when you want help. Our tradition of service and philosophy of self-help make the Kansas Blue Cross Blue Shield Credit Union and all credit unions a natural partner in pursuing financial security.

We're here to help.

Debit Cards: The Next Step in Money Management

If your kids are beyond the excitement of putting coins into their piggy banks, how about moving on to some plastic? That's right; your teenagers might be ready for a debit card.

Debit cards are similar to credit cards in how they look and how you use them. But when you use a debit card, the money comes out of your checkbook instead of becoming a loan, such as when you use a credit card. By showing your teens how to be responsible with plastic now, you could be saving them from some poor money choices in the future.

Kids need to learn that they're responsible for their debit card, and that there's a limit to that money. If you think your teen is ready for a debit card, call the Kansas Blue Cross Blue Shield Credit Union today.

**Money Troubles?
Let's Talk About It.**

It's easy to feel all alone when money troubles hit.

Serious trouble may be as rare as a job layoff or as commonplace as credit card debt.

So, even if your rough situation is new for you, remember that it's one we're very familiar with. We help members like you—with problems just like yours—every day.

Don't wait for things to get worse. Call us. Whatever your financial challenge, we can help.

For free and confidential assistance with your money troubles, please contact Accel Members Financial Counseling at 1-877-33ACCEL or on the web at www.accelservices.org. Certified credit counselors are available to answer money management questions, help you set up a budget, review your credit report, or assist you with other financial needs.

Credit Unions: Different by Design

Can credit unions stay healthy in these tough economic times? Mike Schenk, an economist with the Credit Union National Association in Madison, Wis., answers a few questions.

How are credit unions doing in this troubled economy?

Despite the challenges today, credit unions remain well capitalized, with average capital ratios that are roughly double the minimum required by regulators. What that means is that credit unions have a lot of wiggle room to absorb mistakes or losses.

Why are credit unions doing well while other types of financial institutions are struggling, even failing?

Most credit unions didn't participate in the activities that caused the economic problems, namely subprime mortgage lending. Unlike credit unions, the for-profit lenders made a lot of profit for themselves by originating these mortgages, but at the expense of incautious consumers, many of whom shouldn't have been given these loans in the first place.

Why didn't credit unions make these mortgages?

One key reason is that their members are owners. Credit unions knew that ultimately these mortgages would not be in their members' best interests. The for-profit sector's primary concern isn't consumers' best interests. They're focused on generating income for stockholders.

Also, by and large, credit unions are portfolio lenders. That means they hold in their portfolios most of the loans they originate instead of selling them to investors. In the past several years, credit unions have held roughly 70% of the mortgages they originated. So they care about the financial performance of those loans.

Should I worry about the money I have in my credit union?

There's no need to worry. Credit unions have federal insurance just like bank deposits do. Congress has temporarily increased the insured deposit limit from \$100,000 to \$250,000 until Dec. 31, 2009. Congress will decide in 2009 whether or not to make the increase permanent.

So credit unions truly are different?

In normal times, the difference between credit unions and other players in the financial marketplace isn't quite as obvious to a lot of people. In the current economy, the credit union difference is more visible to everyone—consumers and policymakers. Credit unions are well positioned to do what they do best: help people in times of need.

Visit Kansas Blue Cross Blue Shield Credit Union today. You'll see we stand behind our mission of making our members No. 1.

Move or Improve?

Once again, the holidays are behind us and we can look forward to a new year. It is always wonderful to get together with loved ones, and your house may have been filled to the rafters with family and friends. During these times, you might wish that you had a bigger kitchen and family room, or another bedroom and bathroom. Or, you may be considering a trade up to a new home instead of making large scale changes to the one you already have. Which option is best? At your credit union, there are professionals who can help with that decision. We can explain the cost of using your home's equity for improvements, and go over the many different loan programs that can be used to purchase a new house.



A first step is to obtain the assistance of professionals to determine the value of making changes to your current home, compared to selling it and buying another. A good appraiser, contractor, or real estate agent can help with your decision. Be sure to get references from those enlisted to help. If you're unsure of who to call, we can get you started as we've worked with many professionals in these areas.

Sometimes, a homeowner needs to spend money just to keep a house updated and properly maintained. Whether your need for an upgrade is a necessity or a luxury, a refinance or home equity loan is often a great way to make it happen. After deciding what changes you want to make, seek at least three competitive bids to determine the approximate cost. In addition, keep in mind how the changes you make to the home will affect its value. Sometimes, the added value (or lack thereof) may not be as important as how your quality of life will be affected.

If you are leaning towards selling your home to purchase another, an appraiser or real estate agent can help determine the value of your home, as well as explain the process of selling and what it will cost. Meanwhile, we can show you the cost of buying a new home, and provide an estimate of the new mortgage payment terms.



When comparing the cost of selling versus remodeling, take the time to do your homework. And if you have any questions, we are here to help. For more information about how your credit union can be of assistance, call Andy Homewood at (785) 273-9333 or email at ahomewood@capcuso.com.



Prepare, Print and Efile Your Simple Return for FREE with TurboTax Federal Free Edition

When it comes to finances, we're all ready for some good news. So how about not only getting the maximum refund you deserve, but also filing your taxes for FREE. This year as a valued credit union member, you'll find out just how untaxing your taxes can be when you file your simple federal return with TurboTax Federal Free Edition.

* Prepare, print and efile your simple federal return for FREE.

* Maximum Refund you deserve.

* Audit Support Center download included.

* Help & Advice available online with answers to your questions 24/7.

* Fast Refund in as few as 8 days when you efile and use direct deposit.



Make tough times a little easier. TurboTax is the uncomplicated, unexpensive, untaxing way to get your taxes done. Fast, easy and free. With the security of knowing you'll get the MAXIMUM REFUND you deserve. It's easy! It's FREE! Get started at the credit union website or call 1-800-613-4406 for more information.



Car Dealers are **Dealing**, We are **Lending**

Right now, new car inventory is high for many models. Some car dealers have three months' or more supply available.

That makes for a **buyer's market**—prime time for you to find a sweet new-car deal.

Come see us for a low-interest loan and you'll have the best of both worlds.

Avoiding the Rush to Sign-- Take Your Time at the Dealership

If you're in the market for a car, make the Kansas Blue Cross Blue Shield Credit Union your first stop for an auto loan. Heading to the credit union before a dealership can help you get the best deal.

CAR BUYING TIPS

- Decide make, model, options, and color
- Get preapproved for loan from credit union
- Visit at least three dealerships or car lots
- Take someone with you
- Look for the car you want, with the most features, at an affordable price
- Consider gas mileage
- Keep good records as you shop
- Negotiate *up* from the dealer's true cost, rather than *down* from the sticker price
- Avoid dealer markups by financing at the credit union

And remember: Buying a new car requires you to take your time and do your homework before visiting a dealership. Rushing through a car deal invites a dealer to potentially take advantage of you.

Before you sign or agree to anything, ask the following questions:

1. What is the total price of the vehicle?

There's a lot of information on a purchase order, but the most important thing is the end price of a vehicle. Be sure to validate all the charges that are on a purchase order.

2. Does the dealer require an arbitration agreement in order to buy a car from that dealership?

Arbitration agreements are usually bad for the consumer because they take away the consumer's rights for any legal redress if they have any problems with the dealership. Watch out for arbitration agreements hidden in contracts, and don't buy from a dealership that requires them.

3. What will the dealership do with your personal information?

Many dealerships ask consumers to sign an acknowledgement that the dealership has a right to sell personal information about that consumer. If a dealership asks you to sign a statement acknowledging they can sell your private information, don't sign it.

Some other things a dealer contract should spell out, from the Web site auto.consumerguide.com:

* What's your down payment or how much will you have to pay immediately out of pocket, either in cash or combined with a trade-in or rebate?

* What's your trade-in value? Make sure you've done your research so that you know what its value is. Don't just take the dealer's opinion.

* Are all fees spelled out in the contract and how much are those fees? Look for destination charges, sales tax, and title fees.