



Cedar Point Federal Credit Union



Communicator

May 2006

Our 60th Annual Meeting

On March 22, 2006, 285 members of Cedar Point Federal Credit Union met at the JT Daugherty Center to celebrate 60 exciting years of growth and service to our members. During the meeting the members had the opportunity to recognize Linda Knott, Executive Vice President and Sharon Pilkerton, Chief Operations Officer for their 25 years of service to the credit union.

Our members also heard about the many accomplishments of the past year and the exciting plans for expanded services for the coming year. These include a new branch office being built in Lexington Park, and a mobile ATM which will bring convenient ATM service to our members at the many community events which occur throughout the year.

As we do each year, we also gave out some prizes to some very lucky winners.



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Congratulations

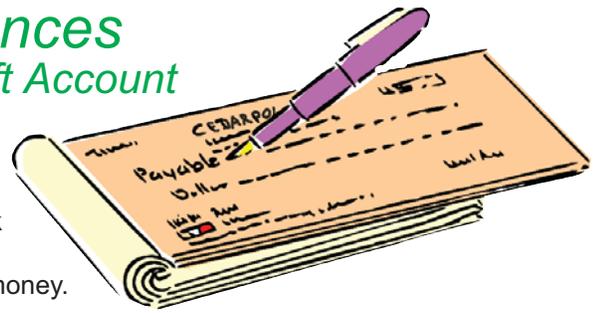
Another long term employee

Kids Corner

Remembering Memorial Day

Checks and Balances

Managing your Share Draft Account



When was the last time you balanced your checkbook? Last month? Last year? Never? Without balancing your checkbook, you set yourself up for bounced checks and overdrafts. In the process of balancing your checkbook you will not only ensure you have the money you think you have in your account, but you will also have a better idea where you are spending your money.

- The best way to avoid non-sufficient funds fees is to manage your account so you don't overdraw it.
- Keep track of how much money you have in your account by keeping your account register up-to-date.
- Record your ATM withdrawals and fees, debit card purchases, and online payments.
- Don't forget about automatic bill payments you may have set up for utilities, insurance, or loan payments.
- Keep an eye on your account balance, but remember, some checks and automatic payments may not have cleared yet.
- Review your account statements each month.

There are also a number of ways Cedar Point will cover you if you should inadvertently overdraw your account:

- Your checking account is automatically linked to your savings account. If you overdraw your checking account, we can transfer funds from your savings account to your checking account if the money is available, however, these transfers are limited*. There is no fee for this service.
- You can set up an overdraft line of credit. You will need to apply for a "line of credit" just as you would apply for a regular loan. If you overdraw your account, we will lend you the funds by using your line of credit to cover the overdraft. You will pay interest on this loan, but the overall costs may be much less than the cost of a returned item.
- You can take advantage of Overdraft Privilege.

What is Overdraft Privilege?

Cedar Point offers this plan so your share draft (checking) transactions do not bounce and your ATM and Visa Debit Card transactions go through. With this plan, you'll still pay an overdraft fee for each overdrawn item, but you will avoid the merchant's returned-check fee and will stay in good standing with the people with whom you do business.

How much does Overdraft Privilege cost?

You will incur a fee of \$25 for each item we cover up to your limit.

Example: Suppose you forgot that you had only \$15 in your account and wrote a check for \$25, used an ATM to get \$40 cash, and used your debit card to buy \$30 worth of groceries. In these 3 transactions you've spent a total of \$95—and overdrawn your account by \$80 (\$95 - \$15 = \$80).

If you have Overdraft Privilege we may decide to cover all three transactions. Each of the three overdrafts will trigger a fee. You will owe us the \$80 you spent even though it wasn't in your account, plus the 3 overdraft fees totaling \$155. However, you won't owe additional returned item fees and you keep your good standing with the companies with whom you do business.

What do you need to remember about Overdraft Privilege?

- The best way to avoid overdraft and bounced-check fees is to manage your account so you don't overdraw it.
- Keep track of how much money you have in your checking account by keeping your account register up-to-date.
- Review your account statements each month.
- Avoid using Overdraft Privilege as a short-term loan—it is a costly form of credit.
- If you overdraw your account, get money back into your account as soon as possible to limit your overdrafts.

Good account management is the lowest-cost way to protect your hard-earned money, but if you need Overdraft Privilege, it's good to know it's there.

Ways to cover your overdrafts - examples of possible cost for each overdraft.	
Good account management	\$0
Link to savings account	\$0 - limited*
Overdraft line of credit	No fee + low annual percentage rate
Overdraft privilege	\$25 fee per transaction
Bounced check	\$40 to \$60 and up (\$25 NSF** fee + \$20 to \$30 merchant fee or more)

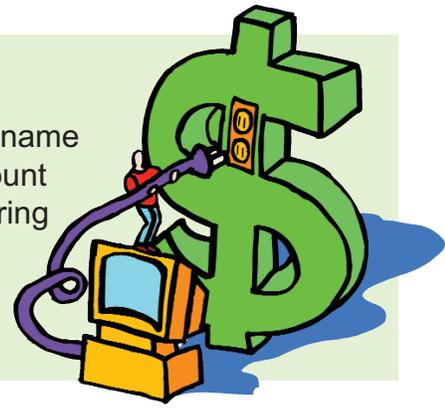
* See your Share Rate and Fee schedule for information on limitations.

**Non-sufficient funds

What's new on PCU?

Our latest PCU upgrade has added a much requested ability. Now you can name your account anything you like. This nickname will appear both in your account summary screen and in your transfer pull down. So now, instead of transferring money to 836221-8, you can make your transfer to "Bill's checking."

To find this service just click on the preferences button on the left side of your screen and choose Account Nicknames.



Understanding Term Life Insurance

Term life insurance is often referred to as "pure insurance" because its premise is very simple: You pay a premium to an insurance company in exchange for their promise to pay a death benefit to your survivors if you die while the contract is still in force. Term life insurance provides protection for a specified period and is usually renewable at the end of each period at progressively higher premiums. As you get older, your risk of dying increases, so the cost of term insurance goes up. Term insurance carries no cash value element, making it less expensive than permanent alternatives.

- ◆ Annual Renewable Term -- Annually renewable term, or "ART" (sometimes called yearly renewable term, or "YRT"), is an example of a term insurance policy that has a constant face value and premiums that are adjusted upwards each year to reflect the increasing probability of your death in any given year.
- ◆ Decreasing Term -- Decreasing term insurance refers to a type of annual renewable term life insurance policy with a decreasing death benefit (face amount) and level premiums. Decreasing term is ideal for insuring a liability that is gradually being paid off, like a home mortgage.
- ◆ Level Term -- If you prefer, you may select a "level term" policy which guarantees that you will pay the same annual premium for a set number of years (usually 5, 10, 15, or 20) for the same amount of death benefit. The longer the guaranteed term, the greater the initial premium, but the longer the premium stays fixed. In most cases, if you know you will need your term insurance for an extended period of time, a level term policy will prove less costly than an annual renewable term policy.

In days gone by, life insurance used to be simple. You figured out how much death benefit you needed, and then you chose between term and whole life. The life insurance industry has gotten a whole lot more complicated in recent years. Besides term and whole life (now often called "permanent life"), there are universal policies ... variable universal policies ... variable life ... even a new type of term life called "return of premium." How can you weigh your options and decide which type is right for you?

Call today to evaluate your specific need 301-863-7071 ext. 227.



Federal Employee Benefits Questions

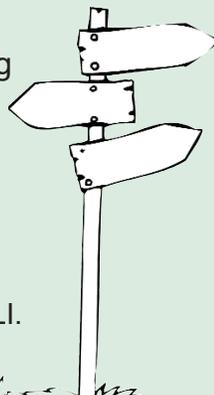
Are you a federal employee with questions on the following?

- | | |
|-------------------------------|--|
| <input type="checkbox"/> CSRS | <input type="checkbox"/> CSRS Offset |
| <input type="checkbox"/> FERS | <input type="checkbox"/> Retirement Planning |
| <input type="checkbox"/> TSP | <input type="checkbox"/> Estate Planning |

We invite to you call to take advantage of a

Free Federal Employee Retirement Benefits Analysis

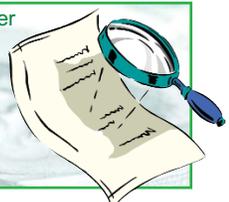
of your annuity, Thrift Savings Plan and FEGLI.
Call today to schedule an appointment.
301-863-7071 ext. 227



CONGRATULATIONS

Dora Carrick
CUSO Member Service Representative
5 years

Find your account number in this issue on or before June 1 and call us. You will receive \$10.00 in your share account.



MEMORIAL DAY

Memorial Day began as a memorial for Civil War veterans. General John A. Logan of the Grand Army of the Republic designated May 30, 1868, "as a day for strewing with flowers or otherwise decorating the graves of comrades who died in defense of their country, and whose bodies now lie in almost every city, village, or hamlet churchyard in the land...It is the purpose of the commander-in-chief to inaugurate this observance with the hope that it will be kept from year to year while a survivor of the war remains to honor the memory of the departed."

The custom of placing flowers upon graves is an old one, and exists in many countries. The Greeks had rites called zoai, which were performed over each new grave. If the flowers took root and blossomed on the graves, it meant the souls were sending back the message that they had found happiness. A Roman festival, called Parentalia, or Day of the Fathers, lasted for eight days in February. Violets and roses were the flowers which were special for that day. Whatever the flower, wherever the grave, this placing of flowers upon graves has always seemed the natural thing to do.

Today, most states officially recognize the May Memorial Day as a legal holiday, but it is not celebrated on May 30th in every state. Over time, Memorial Day has become a very important day of recognition of our armed forces.

The "Memorial" in Memorial Day is often forgotten or ignored. Often we do not observe the day as it should be, a day where we actively remember our ancestors, our family members, our loved ones, our neighbors, and our friends who have given the ultimate sacrifice.

How can you remember the "Memorial" in Memorial Day?

- ★ Visit cemeteries and place flags or flowers on the graves of our fallen heroes.
- ★ Visit memorials.
- ★ Fly the U.S. Flag at half-staff until noon.
- ★ Fly the 'POW/MIA Flag' as well
- ★ Participate in a "National Moment of Remembrance": at 3 p.m. to pause and think upon the true meaning of the day.
- ★ Renewing a pledge to aid the widows, widowers, and orphans of our fallen heroes, and to aid the disabled veterans.



The Statistics

As of February 28, 2006

Loans \$121,912,164
 Assets \$210,155,004
 Shares \$185,157,650
 Members 27,874

Board of Directors

William B. Wagoner Chairman
 Perry Rothwell Vice Chairman
 Gene W. Townsend Treasurer
 Robert A. Clements Secretary
 B. Michael Legg
 Bob Simmons
 Donald French
 Anne Marum
 Patricia Robrecht

CMDCM(SW) Jeffrey Snowden Liaison
 Barbara Horn President/CEO

Headquarters Office & Financial Services

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 Lexington Park, MD 20653
 301-863-7071 or 800-201-1647
 301-863-0137 (Fax)

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Patuxent River Office

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 Patuxent River, MD 20670
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 301-863-7181 (Fax)

Lexington Park Office

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 Unit 21
 Lexington Park, MD 20653
 301-863-7027
 301-863-6653 (Fax)

Leonardtown Office

25910 Point Lookout Road
 Leonardtown, MD 20650
 301-863-0042
 301-863-0020 (Fax)

Prince Frederick Office

Prince Frederick Center
 36 S. Solomons Island Road
 Prince Frederick, MD 20678
 410-414-3086
 410-414-3229 (Fax)

ATM Locations

Headquarters Office
 Lexington Park Office
 Leonardtown Office
 Prince Frederick Office
 Solomons Annex Rec. Center
 NESEA #8009
 Raley's Market
 ADF Bingo Hall, Mechanicsville
 Lexington Park, Esperanza Lanes

Patuxent River, NAS

North Engineering Building
 South Engineering Building
 NAVAIR IPT Building
 Navy Exchange
 Subway
 BOQ

Teller24

24-hour Teller Service
 301-863-0057
 800-444-6119

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