



# Spotlight

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## New debit card interchange regulations will impact YOU!

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law last July, your financial institutions are faced with a proposal that would limit what can be charged for debit-card purchases, from an average rate of 44 cents a transaction to seven to 12 cents - a drop of as much as 84 percent. The Durbin amendment would cap interchange fees only for banks and credit unions with assets of greater than \$10 billion. This rule will take effect on July 21 if approved.

Despite this amendment, no one can demonstrate that the exemption for small issuers, like your credit union, will work in the marketplace. Even Federal Reserve Board Chairman Ben S. Bernanke has raised serious concerns about its effectiveness. Also, the fact that the amendment does not allow the Board to include all reasonable costs in determining interchange fees will ultimately affect small as well as larger issuers.

Supporters of the bill say that retailers will pass these savings on to you, the consumer, in the form of lower prices. However, the law does not stipulate this, and the merchant can choose whether to lower your prices or retain the additional profits. Cedar Point Federal Credit Union opposes these changes. Merchants receive important benefits from debit card usage, such as quick notification that funds are available for a purchase and a general shifting of losses due to fraud to financial institutions. This law will ultimately pass on retailer's fair share of the costs of accepting credit union debit cards directly onto you. As a result of the new law, credit unions like ours could be forced into charging new fees, including an annual fee, for debit card holders, eliminating free checking accounts, or even raising rates for bounced transactions.

Now, there has been new legislation introduced that would stop Congress from implementing the interchange rule from going into effect on July 21 (H.R. 1081 and S.575), and institute a study period that has recently been shortened from 24 months to 15 months. This study period would give experts time to determine the actual impact to you, the consumer.

You can help get this new legislation passed by e-mailing your Representative and Senators. We've made it really easy for you to send your e-mails by following the link on our home page at [www.cpfcu.com](http://www.cpfcu.com).

You can also contact your legislators by phone. Ask your members of Congress to:

- \* STOP the interchange rule from going into effect.
- \* STUDY the impact of a fee change on credit unions and members.
- \* START OVER with legislation that takes into account all factors and the real impact on consumers.

Call toll-free 877-422-3525. You'll hear more details about interchange first. Next, you'll be prompted to enter your ZIP Code and the pound sign. You can then select to be connected to a Senator or Representative and encourage support for legislation to stop, study, and start over:

- \* Senate—S.575, the Debit Interchange Fee Study Act
- \* House—H.R. 1081, the Consumers Payment System Protection Act

Help Cedar Point Federal Credit Union and other credit unions keep checking free for members like you. Urge Congress to stop, study, and start over on interchange.

It takes under a minute to make your voice heard, so take action today!

# Get Your 401(k) On Track

A recent Wall Street Journal article said the median 401(k) balance for people nearing retirement is \$149,400 – enough to provide a mere \$9,000 annually in retirement. Try living on that, even if you add Social Security.

Need to do better? Resolve to use your 401(k) benefit for all it's worth. You'll typically find 401(k) investments in these asset classes:

## Bonds

Short-, Intermediate-, and Long-term. Bonds also are classified by investment grade, such as “High-yield” investments in “Lower-quality” bonds

## Large cap equity funds

Growth, Value, or a blend of Growth and Value

## Small cap companies

Growth, Value, or a blend of Growth and Value

## Mid cap companies

Growth, Value, or a blend of Growth and Value

## International companies

Growth, Value, or a blend. There also are “Global Funds” and “Developing-market Funds” internationally.

## Real-estate funds

## Socially responsible funds

## Money market accounts (MMAs) and other fixed-return investments, such as guaranteed investment contracts (GICs)

Learn about your investment options by studying your 401(k) plan's enrollment books and by looking at the past performance reports on investment funds within the plan. At the same time, always recognize that past performance is no predictor of future performance.

If you don't have a lot of investment experience, target funds and lifestyle funds offer a quick way to invest in a diversified portfolio.

Once you choose a strategy and pick a mixture of stock funds, bonds, and fixed investments, it's up to you to follow your 401(k) statements closely and reallocate your blend of funds every six months or at least yearly.

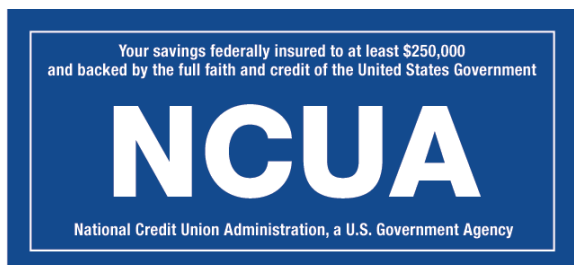
Or contact a Registered Representative at Cedar Point. They will work with you to develop a customized financial program, and walk you through a step-by-step process that will help make you feel confident in your decisions.

Make an appointment today. There's no cost to sit down with a Representative to look at where you are financially and where you want to go.

Call Dora at extension 8427, or Michele at extension 8432 today!

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or find us online at [www.cpfcu.com/cpfs.html](http://www.cpfcu.com/cpfs.html)



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