

Does your company offer credit union membership as an employee benefit?

Gone are the days when you used to have to work for certain employers in order to join a credit union. Now anyone who works or lives in Washington State can join SMCU, but did you know that many companies still offer SMCU membership as part of their benefits package? Through our FREE Select Employer Group (SEG) Program, SMCU helps local companies enhance their employee benefits package with free services and exclusive promotions. SEG Program perks include:

- FREE membership**
- Onsite visits where we bring SMCU to you**
- Exclusive promotions**
- FREE educational seminars on a variety of topics**

More than 200 outstanding Washington companies such as Whole Foods Market, City of Seattle, Genie Industries, and Northwest Hospital are taking advantage of SMCU's free employee benefits program. If your employer does not currently enjoy SEG benefits with SMCU, have your company's HR department contact us today!



Michelle Cassese | Whole Foods Market

"One of the many rewards of being a SEG Rep that I enjoy is the promotions SMCU offers our Team Members."



Teresa Trujillo | City of Seattle

"I've been an SMCU SEG Rep for many years. As a Training & Education Coordinator I have the opportunity to share with my co-workers my own personal experiences with SMCU and explain to them how SMCU helped me become a financial wiz."

For more information about SMCU's free SEG program, visit www.smcu.com/seg or contact our Business Development Team today at seginfo@smcu.com.

SMCU Holiday Closures

All SMCU Branches will be closed on the following days:

- Saturday, September 5 & Monday, September 7** – Labor Day
- Saturday, October 10 & Monday, October 12** – System Upgrade

To view our most current holiday closures, visit the home page of our Web site at www.smcu.com. Or for a complete list of closures, click on the 'About Us' link, then click on 'Holiday Closures' in the 'Branches' section.

SMCU'S HOME PAGE



To Refinance, Or Not To Refinance?

If you are like thousands of other SMCU members, you might also be asking: "Is now the right time to refinance?" The answer is, "It depends on your situation."

Mortgage rates have been on the slide and continue to be very low, making the allure of a refinance seem highly attractive and financially beneficial. However, today's mortgage market is completely different from the periods of liberal guidelines and cheap credit we have seen in the past. Here are a few of the biggest changes that will factor into whether refinancing makes sense for you.

- There are more fees or rate adjustments based on transaction details, like borrower credit scores, loan to value, taking cash out, having a 2nd mortgage or equity loan behind the new mortgage, and even the property type.
- There has been a general decline in property values. Lower property values limit the amount of any new refinance. In some cases, private mortgage insurance can be required, when it hadn't been necessary in the past.
- There have been changes in loan programs and guidelines. Some programs just don't exist any more, or are extremely hard to find. Many of the no down payment, or low down payment programs are gone. Of the programs that are still being offered, some qualifying guidelines have tightened.

What does this mean for you?

These changes may limit what you are able to do in a refinance as well as how much it may cost. However, it still may be a good time to refinance if...

- Your current interest rate is at least 1% higher than current mortgage rates.
- Your plan is to remain in your home for at least another 5 years.
- Your last refinance, purchase, or equity loan was done prior to 2007.

Whether the timing is right or not, always remember to continue making your loan payments on time, and managing your credit wisely. Sound money management practices will put you in the best position for refinancing when the time is right.

If you're a homeowner and your loan is owned or guaranteed by Fannie Mae or Freddie Mac, there is a new federal stabilization program called 'Making Home Affordable' that could help you lower your monthly mortgage payments. Visit www.makinghomeaffordable.gov for more information.

Have more questions? Contact one of our Home Loan Experts at 206-398-5888 or relending@smcu.com to set-up an appointment.



POST OFFICE BOX 780, SEATTLE, WA 98111-0780

SMCU BRANCH LOCATIONS

CONTACT CENTER (206) 398-5500 (800) 334-2489 HOURS: M, T, Th, F: 8 AM to 6 PM WED: 10 AM to 6 PM SAT: 10 AM to 2 PM	NORTHGATE 10700 Meridian Ave. N Ste. G-11 Seattle, WA 98133 HOURS: M - F: 10 AM to 6 PM Sat.: 10 AM to 2 PM	RAINIER AVENUE 3621 33rd Ave. S Ste. C-1 Seattle, WA 98144 HOURS: M - F: 10 AM to 6 PM Sat.: 10 AM to 2 PM
DOWNTOWN SEATTLE 801 Third Ave. Seattle, WA 98104 HOURS: M, T: 9 AM to 5 PM W: 10 AM to 5 PM Th, F: 9 AM to 6 PM	LYNNWOOD 3925 196th St. SW Lynnwood, WA 98036 HOURS: M - F: 10 AM to 6 PM Sat.: 10 AM to 2 PM	SOUTH CENTER 120 Andover Park E Tukwila, WA 98188 HOURS: M - F: 10 AM to 6 PM Sat.: 10 AM to 2 PM
SEATTLE CITY HALL 600 4th Ave. Ste. L276 Seattle, WA 98104 HOURS: M, T: 9 AM to 5 PM W: 10 AM to 5 PM Th, F: 9 AM to 6 PM	KIRKLAND 8524 122nd Ave. NE Kirkland, WA 98033 HOURS: M - F: 10 AM to 6 PM Sat.: 10 AM to 2 PM	GEORGETOWN 500 South Michigan St. Seattle, WA 98108 HOURS: M, T: 9 AM to 5 PM W: 10 AM to 5 PM Th, F: 9 AM to 6 PM Sat.: 10 AM to 2 PM

ONLINE BANKING: www.smcu.com OPEN 24 HOURS



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MemberSource

A Quarterly Publication for the Members of Seattle Metropolitan Credit Union SUMMER 2009

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We're Upgrading

October 12

What does this mean for you?

On October 12, 2009, Seattle Metropolitan Credit Union will be upgrading our core system. The core system is software that allows SMCU to maintain and service your accounts. Most of the process will occur behind the scenes and will generally not interrupt services, however, **Online Banking, Telephone Banking and Bill Pay services will be unavailable from 8PM PST Friday, October 9 through 9AM PST Tuesday, October 13.** All branches will be closed on Saturday, October 10 and Monday, October 12. ATM and Debit Card transactions will be supported throughout the upgrade.

Changes to Your Statement.

As a result of the upgrade, you may notice some small changes on your monthly or quarterly statements. Beginning October 13, 2009, we will no longer use "sub 1", "sub 2", etc. to refer to accounts. Instead, your statement will show the true account numbers that we currently use for Direct Deposit and ACH payments. Most account numbers will bear some similarity to your member and "sub" numbers.

For example, if your Member Number is **12345**:

Before Upgrade	After Upgrade
Savings Sub 1	Account Number 1234501
Loan Sub 2	Account Number 123450255
CD Sub 4	Account Number 123450488

To ensure accuracy, you will receive two statements for the month of **October**: The first statement will list all transactions prior to the October 12 upgrade. The second statement will list October transactions occurring after the upgrade.

Changes in Online Banking.

Two changes will occur on October 12, 2009, as a result of the upgrade: 1) If you are a joint account holder on another member's account, you will be able to access that account when you log into Online Banking; 2) If you have assigned nicknames to your accounts in Online Banking, you will need to re-name them after the upgrade, as the nicknames will be reset back to the default product names (i.e., checking, money market, etc.).

NOTE: For your protection, SMCU representatives cannot give you your account number over the phone. If you don't know your account number, please consult your statement or come into an SMCU branch.

More information about our 2009 upgrade project is available at www.smcu.com/Upgrade. If you have any questions or would like to speak to someone about our 2009 upgrade, please feel free to call SMCU directly at 206-398-5500 or 1-800-334-2489. We are confident you will be pleased with the expanded products and services available soon at Seattle Metropolitan Credit Union.

BEAT THE DEALER



Zero-Percent Financing: Too Good to be True?

Auto manufacturers are having a tough time right now. Highly publicized federal bailouts, mergers and even bankruptcies are translating into the best deals car buyers have been offered in a long time, and those car commercials for Zero-Percent Down financing may look pretty tempting. Are they a good deal?

This form of financing, sometimes called One Hundred Percent Financing, often looks like it must be a good deal—with everyone from furniture stores to credit card companies offering such payment plans.

According to Consumer Reports and other respected sources, only about one-third of buyers who apply for zero-percent financing actually qualify, and of those, about 10 percent actually agree to such deals[1].

One of the main reasons most of the folks who inquire about the plan don't go for it is because the loans are usually shorter term, 36 months instead of 60, which means the monthly payment will be considerably higher and out of the price range of the average, debt-ridden American. Additionally, most of these plans require a minimum credit rating score of 750 and apply only to certain cars at the dealership, not the entire stock. In many cases, qualifying for 0% means forgoing any manufacturer rebates that may have been associated with the sale.

So is zero-percent really a good deal?

Let's look at the comparison to the right between 0% and a 3.99% auto loan with a manufacturer rebate of \$2000:

APR	0.00%	3.99%
Length of Loan (months)	36	36
Vehicle Cost	\$20,000.00	\$20,000.00
Rebate	\$0.00	\$2,000.00
Amount to Finance	\$20,000.00	\$18,000.00
Monthly Payment	\$555.56	\$531.35
Total Cost After 36 Months	\$20,000.00	\$19,128.66
Savings	\$0.00	\$871.34

Zero-percent financing deals can work well for those who have a high income and excellent credit—but in most cases 0% really isn't as great as it appears.

If you do qualify for zero-percent, pay attention to the price of the car. Dealers often make up for lost finance charges by raising the price, knowing the buyer will be so thrilled with the zero-percent financing that they will forget or overlook the fact that they are paying too much for the car!

For more on auto buying best practices visit www.smcu.com/loans and look for 'Beat The Dealer'.

[1] Source: Consumer Reports online; November 2002. Source: NADA Chief Economist; November 2002

Our Newest Partners In The Community

As part of our 7 Principles, SMCU is proud to partner with several local non-profit organizations working to make our community a better place to live. Through our amazing Feel Good Checking™ (FGC) account, we've been able to donate over \$18,000 to our partners to benefit their respective causes. How does it work? Each time a member like you opens an FGC account, SMCU donates \$20 to one or more of our partner organizations of your choosing. The non-profit gets funds to continue their important work. You get a checking account with great benefits and the chance to share in the principles of Seattle Metropolitan Credit Union.

Feel Good Checking™ began over a year and a half ago, built on our partnerships with four local non-profit organizations. We've recently added two more to the mix. Please take a moment to familiarize yourself with our two newest community partners, C89.5 Public Radio and Emergency Assistance for Seattle Employees (EASE).

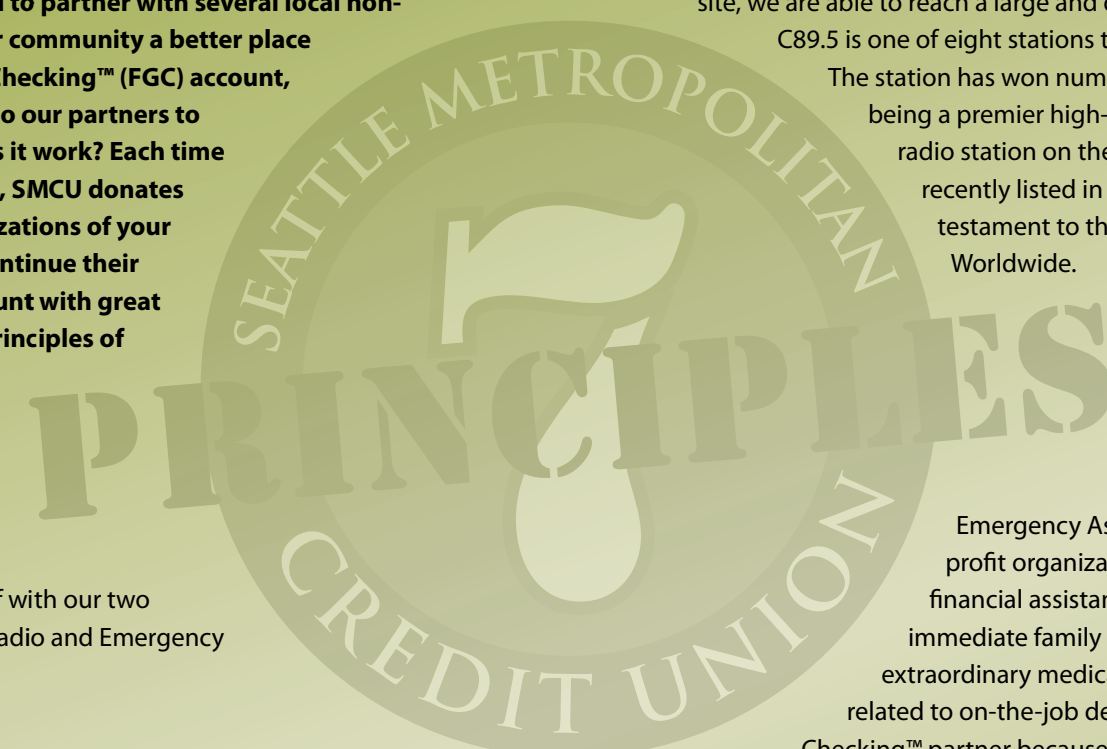


C89.5 KNHC Public Radio, the award-winning radio station at Nathan Hale High School, is a unique training ground for students. The station was selected as a Feel Good Checking™ partner because it

supports Principle 5, Education. Everything from production and

programming, to music selection, copy, and on-air hosting is done by the student staff. It is one of the only high school-operated, major-market radio stations in the country. Heard over broadcast for the past 38 years and more recently webcast worldwide, C89.5 is a recognized leader in dance music and has trained more than 8,000 students and launched many of them into higher education and communications careers.

Time has certainly been kind to this "young" radio station as it has shown impressive growth since its inception and today with over 100,000 weekly listeners, mostly teens to 34 year olds, it shows no signs of slowing. "With our new broadcast facility on Cougar Mountain our extended coverage will ensure more people in the Puget Sound Region can hear us loud and clear" says general manager Gregg Nielson. "In addition, by broadcasting on our Web



site, we are able to reach a large and diverse audience from all over the world." C89.5 is one of eight stations that factor in to the Billboard Dance chart.

The station has won numerous awards and recognitions, not only for being a premier high-school facility, but also for being an influential radio station on the cutting-edge of dance music. They were recently listed in Billboard's Top 40 of Top 40, a huge honor and testament to the students' hard work and dedication to C89.5 Worldwide.

Emergency Assistance for Seattle Employees

Emergency Assistance for Seattle Employees (EASE), is a non-profit organization that was created to provide support and financial assistance to City of Seattle employees and/or their immediate family in times of great need or emergency, including extraordinary medical expenses, loss of home, and funeral expenses related to on-the-job death. EASE was selected as a Feel Good Checking™ partner because it supports Principle 4, Independence.

EASE began in 2006 when Junko Whitaker, Seattle Public Utilities employee and now director of EASE, read about an Alaska Airline Employee Assistance Fund that was started by a pilot who wanted to help fellow employees. After reading about the program and inspired by the possibilities, Junko approached other City employees to discuss her interest in starting a similar program for the City of Seattle.

Shortly after, she formed a board of directors from departments across the City who also believed in helping fellow employees. Each member donated \$100 without hesitation and together formed a 501 (c)(3) non-profit organization. EASE is self-supporting and funded by employee contributions. Donations are genuine acts of caring – by employees, for employees.

"EASE is really a grassroots effort by those who saw a need and were willing to pursue establishing a fund to help those in great need," says Whitaker. "Employees are the City of Seattle's greatest asset, and EASE allows us to assist each other through direct financial assistance. For those who need it, EASE is a dream come true."

SMCU is proud of all our community partners and their demonstration of our principles. Learn more about how you can support the mission of these and all of our community partners by visiting www.smcu.com/feelgood.

