



A Publication for members of Northrop Grumman Federal Credit Union



Making your home more affordable

Perhaps your thoughts of home are about the great times you've had and plan to have as your family comes together for special occasions. But even your everyday living at home is significant because it's where your most important relationships are nurtured.

At the Credit Union, we also want to nurture our relationships with members. We work hard to offer products and services that members value and that compete favorably with the best available. We love to see our members enjoy the full advantage of their relationship with us.

Cut 1/4% Off

Now, you can save thousands when you buy a new home or refinance the home you're in. Cut 1/4 percentage point off the rate on a new fixed-rate home loan when you enrich your Credit Union relationship by using the following value-added services:

- MasterCard
- Home Equity Line of Credit
- Share Draft (Checking) Account
- Visa ATM/Check Card
- Autopay of Loan

Our statistics show that most Credit Union members already use at least three services, so you may already be very close to reducing the rate on your first trust deed/mortgage loan. For example, per \$100,000 financed, the 1/4 percentage point discount means saving more than \$6,000 on a 30-year loan; more than \$3,500 on a 20-year loan; and more than \$2,400 on a 15-year loan. And with an NGFCU first trust deed/mortgage loan, you're likely to save on the origination fees too.

To qualify for the discount, your loan value can be up to 80% of the appraised value of your home.

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Auto Rates Keep Dropping

If you're ready to buy an auto, it's also a great time to get an NGFCU auto loan. Take advantage of the 55th Anniversary Special and get a 5.25% Annual Percentage Rate on your loan for up to 100% of value on a new or used car (including tax and license) with terms up to 6 years.

**Get in on the
55th Anniversary Rate
by January 4, 2002.
That's the last day
this special offer is
available.**

When you shop, take a pre-approved auto loan from Northrop Grumman FCU with you. It gives you the freedom to find the automobile that's best for you. And it protects you from the possibility of paying a higher interest rate on a loan offered through a dealer.

Eligibility for the "55th Anniversary Rate" is available to you when you use five or more of the following Credit Union services:

- √ Call 24 telephone-access or *the_Max!* Internet-access account management
- √ Electronic Deposit
- √ Visa ATM/Check Card
- √ MasterCard
- √ Money Market Account
- √ Another NGFCU Loan

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Home! continued

In-House Loan Servicing

Of course, when you're financing the biggest purchase of your life, price is not the only consideration. Because you are a member of the Credit Union, you have the equally valuable advantage of getting personal service. If we make your home loan, we will service it throughout its term. That can be important if you ever have any questions, since you start and stay with someone you know.

Fixed-rate home loans are available for 15, 20 and 30-year terms. You can be pre-qualified on the same day you apply and approved in 72 hours (during the business week). And, unlike most other mortgage lenders, we offer you added peace of mind through free "float down" of your rate.



Free "Float Down"

When you are approved for your loan, you have a lock on the interest rate quoted to you, but if the rate is lower on the day your final documents are drawn, your rate will "float down." Most banks charge for this money-saving feature, but it's free to you as a member of the Credit Union.

Save Big With Bi-Weekly Payments

Members who want to save even bigger on interest may want to consider bi-weekly payments, where one half of your monthly minimum payment is deducted from your NGFCU deposit account every other week. By the end of 12 months, you have credited one entire extra payment to your real estate loan. This makes your money work harder for you during the year as your principal shrinks faster and reduces the total interest payment on your loan. With this payment technique, you can pay off a 30-year loan in less than 24 years, a 20-year loan in less than 17, and a 15-year loan in about 13. Most banks that offer this payment option charge for it, but it's free to you as a member.

***We Look Forward to
Serving You and
Saving You Money.***

If you (or a member of your family) are ready to learn how Northrop Grumman Federal Credit Union can help with home financing, please talk to a representative at 1-800-633-2848 (Monday - Friday, 7 a.m. - 6 p.m. Pacific).

NGFCU currently provides mortgage or first trust deed loans in Alabama, California, Colorado, Florida, Georgia, Illinois, Maryland, Oregon, Pennsylvania, Texas, Virginia, Washington, and Washington, D.C. The Home Equity Line of Credit program is currently available in California, Colorado, Florida, Georgia, Illinois, Maryland, Pennsylvania, Virginia and Washington.

Northrop Grumman FCU does business in accordance with federal fair housing law and the Equal Credit Opportunity Act.★



Skip a Payment?

Employees of Northrop Grumman West Coast elements have traditionally enjoyed the benefit of a skipped loan payment through payroll deduction on Christmas week each year. That tradition will continue this year. The company will not collect credit union loan payments via payroll deduction on the year-end holiday checks for the week ending December 28, 2001, scheduled for distribution prior to the holiday closing. Employees wishing to avoid the additional interest incurred by not making this payment should make a supplemental payment on their loans prior to the holiday period.

We are extending a similar courtesy to members who are not on Northrop Grumman payroll deduction by giving members who are up-to-date on their monthly payments the option of skipping their regular January payment on any loan except Mortgages and Home Equity Lines of Credit.

Even though the Credit Union will not consider the skipped payments as delinquent, interest will continue to accrue on the loan and, where applicable, the term of the loan will be automatically extended. Members may want to avoid the additional interest by making their scheduled payment prior to the usual due date. We will notify you of your next regularly scheduled payment for February. We hope this will make your holiday season even more enjoyable!★

Winners in Millionaire for a Day Drawing

Thank you to everyone who entered the Credit Union's "Millionaire for a Day" contest announced in the August/September issue of *the Contact*. You are a savvy group that knows about services available to you from NGFCU. The contest administrator estimates that 99.7% of all respondents had the right answers to all the questions.

These 20 members who entered the contest won one day's dividend on one million dollars on their "Millionaire" day in October.

Dipin Jain - Oct. 1
Marguerite Miller - Oct. 2
David Barks - Oct. 3
Richard Woods, Jr. - Oct. 4
Kevin Salger - Oct. 5
William D. Johnson - Oct. 8
Warren Elsasser - Oct. 9
Paul O. Stilwell - Oct. 10
Issac Reese, Jr. - Oct. 11
Margaret Angle - Oct. 12
John Howard - Oct. 15
E. Clay Watkins - Oct. 16
Evelyn N. Smith - Oct. 17
June Weisheitinger - Oct. 18
Lotti M. Burgess - Oct. 19
Hans Meurer - Oct. 22
Dawn Hansen - Oct. 23
Barbara Stephens - Oct. 24
Diane Nieto - Oct. 25
Angelina Cardoza - Oct. 26

In a separate drawing, the grand prize of \$1,000 was won by Diane Nieto of Lancaster, Calif. She said she is not certain yet how she will spend the money, but it certainly will come in handy.

Congratulations to all the winners. And here's wishing millionaire times to all!★

Special Loan Category for Home Computers

Home computers, plus the associated software and items like scanners, printers, Zip drives, etc. are such an essential part of the American household today that they qualify for a special category of loan at Northrop Grumman Federal Credit Union.

The computer loan has a fixed rate of 9.9% APR* on amounts up to \$3,000 with up to 36 months to repay.

Applying for the loan is easy. Simply call Loan Center 24 at 800-633-2848 anytime for assistance. If you want to be assured of the loan in advance, ask your electronics or office supply store to provide you with an advance purchase order listing the items you want to purchase. The Credit Union will issue your loan proceeds in a check payable jointly to you and the seller. Processing the loan usually takes only one day when the paperwork is complete; and that can be done entirely by fax.

If you purchase your computer equipment with a credit card, you can apply for this special lower-interest rate loan afterwards. In that case, you will need an itemized receipt for the articles purchased. The loan proceeds are issued to the credit card issuer to pay down your card balance.

As with all Northrop Grumman Federal Credit Union loans, you can elect the convenience of weekly or monthly automatic payment from one of your deposit accounts. The estimated monthly payment on a computer loan for the maximum \$3,000 would be about \$97; the weekly payment on the same loan would be about \$23. Many Northrop Grumman employees may find it more convenient to elect weekly payroll deductions.

Make Your Home Computer Younger & Quicker

When you're ready to update your system or get a brand new home computer that brings the convenience of Internet access and NGFCU account management through *the Max!*, please remember that you have this special low-interest rate opportunity to get all the capabilities you really want.★

* *Annual Percentage Rate; at time of publication; subject to change without notice.*



Visa Check Card Has Safety Feature You May Not Know



For many people, the check card has become a wonderful tool to keep track of spending and effortlessly compile a record of where and when money was spent.

But others believe a check card poses too much risk since money comes directly out of a personal checking account when the card is used. They fear that anyone who got hold of their check card could clean out their account and they could not recover the funds.

Let's look at the facts about the Northrop Grumman FCU Visa ATM/Check Card.

Security

If your card is stolen or used without your permission, you will not be held liable for fraudulent charges as long as you report the loss of your card as soon as possible after you discover it missing. This zero-liability policy is supported by both the Credit Union and Visa USA.

Admittedly, the convenience of a check card makes it a tempting target for thieves. Experts have advised consumers to treat their check card as equivalent to their wallet, and never let

it go. Some will not give a check card to a waiter who will carry it away, because just a few seconds are needed to capture information for fraudulent use.

Users should also remember that getting money reimbursed to a checking account after a theft may take time for investigation. It's a good idea to have enough cash in another NGFCU deposit account to cover short-term, emergency expenses, if necessary.

Benefits of Check Card

Consumers have praised the check card because of its superb convenience and world-wide acceptance. Another benefit is the concise, monthly report showing where and when they spent money—much easier to analyze than a bunch of ATM receipts.

When members begin using NGFCU's Visa ATM/Check Card, they like the versatility of one card to use at an ATM and make purchases with cash back at hundreds of stores. For more information about the Visa ATM/Check Card, please see www.norgrumfcu.org/OneBMktg/site/ser/ser_027.html or talk to a representative at 800-633-2848 (Monday - Friday, 7 a.m. - 6 p.m. Pacific).★

Holiday Club Delivers On Time for Fun

Ah, the holiday season! We see people who delight in giving and having the best time they have all year. For some, however, there is the underlying dread of bills that start arriving in January. The puzzle is how to have the delight without the new year "hang-over." Members of the Northrop Grumman FCU Holiday Club know an excellent solution.

Holiday Club Makes Your Whole Year a Joy

In keeping with the November pre-holiday tradition, this month, more than one million dollars will be transferred to the regular share accounts of members who have systematically put something aside every week during the year. These members have earned dividends on their savings and now they can shop with less worry about piling up debt.

How about you for Holidays 2002?

You can open an account with a \$25 minimum deposit, and set up deposits of at least \$20 per month or \$5 per week conveniently debited from your regular share, checking or money market account. There is no fee for the account, as long as you don't make out-of-cycle withdrawals, and the account earns dividends at the same rate as your regular share account.

The Holiday Club is an old-fashioned idea that keeps on going because it works so well.

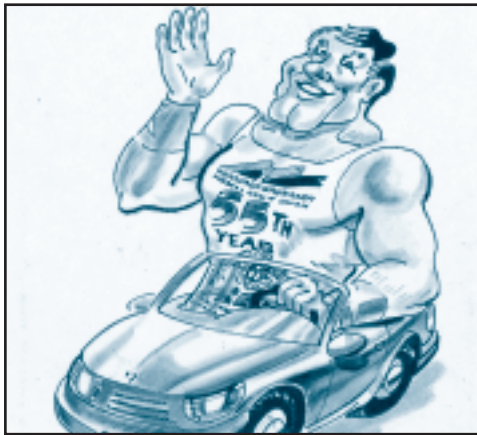
For more information, please talk to a representative at 800-633-284 (Monday - Friday, 7 a.m. - 6 p.m. Pacific).★

Auto Rates continued

Your special 55th Anniversary rate will remain fixed at its origination level through Sept. 4, 2002, after which it will become subject to the terms and conditions of Northrop Grumman FCU's regular variable rate auto loans with a 1% discount. All loans are subject to member credit approval.

Variable Rate Your Best Bet

Although a variable loan rate is subject to change monthly, recent history shows it's a good bet. At Northrop Grumman FCU, the auto loan variable rate cannot vary more than 1/4 percentage point in one month. And since September 1996, the **undiscounted** rate has varied between 6.75% and 7.75%, with most of that time in the 7% range. Of course, past history is no guarantee of the future for interest rate trends. But members who start with the 5.25% rate will always enjoy a 1 percentage point discount, as long as they have 5 qualifying services.



Good Through Jan 4, 2002

This is a great deal, but it's approaching the end. 55th Anniversary loans will be made only through January 4, 2002.

Call Loan Center 24 anytime at 800-633-2848 to get started on a pre-approved auto loan, or you can log onto **the_Max!** to start your loan application. We aim to make it easy for you. Usually, everything can be handled by phone and fax.★

Changes In IRA Rules Will Benefit Many Taxpayers

The tax savings many people will achieve by boosting their IRA savings is very likely to be one of the most attractive aspects of the "Economic Growth and Tax Relief Reconciliation Act of 2001."

50% Increase

Starting with tax year 2002, participants can increase by 50 percent - and more than that for people closer to retirement - the contribution they make to their traditional and Roth IRA accounts. Individuals over the age of 50 are entitled to make "catch-up" contributions to their IRA accounts.

Year	Yearly Individual Contribution Limit	Over Age 50 May Add:
2002 - 2004	\$3,000	\$500
2005	\$4,000	\$500
2006 - 2007	\$4,000	\$1,000
2008	\$5,000	\$1,000

The rules on tax deductibility of a contribution to a traditional IRA will not change. Roth IRA contribution limits dictated by gross income also remain in effect. Fortunately, the rules about tax-deferred or tax-free earnings for IRA accounts remain as well.

Education IRA

They are not related to retirement, but Education IRAs may be just the tool you need to build savings for your children's or grandchildren's future education expenses. Contribution maximums to Education IRAs, previously a mere \$500, will rise to \$2000 in 2002, but contributions may be limited based on your income level.

Lower Minimum Distributions

For people receiving distributions from their IRA accounts, there is more good news in 2002. The life expectancy tables have been recalculated and the result is the IRS has lowered the minimum distribution requirements. With a traditional IRA, the lower the distribution, the more tax you can defer to the future.

Where to Keep Your IRA

January 2002 is the right time to increase or begin a regular contribution to an IRA accumulation account at Northrop Grumman FCU. You begin earning dividends with \$100 or more on deposit. When you have at least \$2,000, you can increase your earnings with a term account or income growth account for a higher guaranteed dividend. But keep on saving for tax

year 2002 because your contribution limit is \$3,000 per individual, or \$6,000 for a married couple filing jointly.

If you want to make a contribution to a traditional IRA for tax year 2001, remember that you have until April 15 to do it. The maximum contribution for most taxpayers is \$2,000 per individual, \$4,000 for a married couple filing jointly.★

Flight Plan's California Operation Outsources Investment Services

Flight Plan Financial Services, Inc. (Flight Plan), a subsidiary of Northrop Grumman FCU, first established in 1992, has made a change in its financial planning/investment program on the West Coast.

Effective September 1, 2001, all financial planning and investment services provided to members by Flight Plan were outsourced to the Gensler Group. The Gensler Group, a branch office of the nation's largest independent broker-dealer, Linsco/ Private Ledger (LPL), provides service to numerous credit unions in California, Arizona and Florida. The Gensler Group will continue Flight Plan's association with LPL to effect trades in stocks, bonds, mutual funds, and other financial instruments.

The Gensler Group's Lon LeBlanc, CFP, will be available to members, by appointment, at most Northrop Grumman Federal Credit Union branch offices in Southern California.

"Because it has a track record of nearly two decades in the financial planning/investment arena, I have great confidence that the Gensler Group will provide excellent service to our members," said Jim Barnfather, Flight Plan president.



Lon LeBlanc, CFP.

Members in the mid-Atlantic states will continue to receive service from the LPL branch office of Margie Kosmerl and Karen Porter in Annapolis, Maryland.

Financial Check Up – Now More Than Ever

Volatile market conditions have made it important to have a personal financial check-up. The Gensler Group and the offices of Margie Kosmerl and Karen Porter invite Credit Union members, Northrop Grumman employees, retirees and their family members to make an appointment for a compli-

mentary consultation. The individual consultation, which includes a Morningstar Investment Analysis, will help you better understand the strengths and weaknesses of your investment portfolio. In addition, recommendations will be provided to you at no charge. To schedule an appointment with a financial professional, call 800-200-1121 for The Gensler Group. In mid-Atlantic states, call Marie Kosmerl and Karen Porter at 800-552-2361. Please be advised that this service may not be available in every state.

Flight Plan Continues to Serve

Flight Plan Financial Services, Inc., continues to provide group savings on Dental, Accidental Death and Dismemberment, Long Term Care, Term Life, Auto, and Property Insurance to members, and Medicare Supplement Insurance to members who receive Medicare benefits. If you want information on dental coverage, please call 888-293-4903. Calls for all other products and services may be directed to 800-633-2848 x4897.★

Mutual funds, annuities and other investments available through Linsco/ Private Ledger are not deposits in Northrop Grumman FCU, are not insured by the NCUSIF, nor are they obligations of, or guaranteed by Northrop Grumman FCU. Such investments may fluctuate in value and are subject to investment risks, including loss of some or all of the principal.

Flight Plan Financial Services, Inc.

A wholly-owned subsidiary of Northrop Grumman Federal Credit Union

YES, I am interested in learning more about securing my own financial future.

Please send me information on the following:

- | | | |
|--|--|---|
| <input type="checkbox"/> Retirement Planning | <input type="checkbox"/> Reducing Taxes | <input type="checkbox"/> Life Insurance |
| <input type="checkbox"/> IRA Rollovers | <input type="checkbox"/> Mutual Funds | <input type="checkbox"/> Auto/Property Insurance |
| <input type="checkbox"/> Long-Term Care | <input type="checkbox"/> College Funding | <input type="checkbox"/> Savings and Investment Plan 401(k) |
| <input type="checkbox"/> Medicare Supplement | <input type="checkbox"/> Dental Plans | |

* Securities are offered through LINSOCO/PRIVATE LEDGER,
Member NASD/SIPC

Send your request to FPFS, Box 1119, Hawthorne, CA 90251

Name _____ Phone Number _____

Address _____

City _____ State _____ ZIP _____

I would like to discuss my choices with FPFS. Please call me at: _____

Problems? Inquiries?

The Supervisory Committee is charged with the responsibility of continually reviewing the operation of the Credit Union to ensure that it is operating in the best interest of its members. Any questions, suggestions or inquiries should be directed to:

Chairman, Supervisory Committee
Northrop Grumman
Federal Credit Union
P.O. Box 3382
Gardena, CA 90247-7082

Important Telephone Numbers

Credit Union (310) 808-4000
Outside 213 or 310 (800) 633-2848
Eastern Region (800) 634-7075
CALL 24, 24-Hour
Touch-Tone Transactions (310) 327-0682
Outside 213 or 310 (800) 676-3328
To report a lost or stolen
credit union MasterCard (800) 453-4270
CO-OP Network ATM Locations (888) SITECOOP
CU Service Center Locations (888) 287-9475
Internet Access www.norgrumfcu.org

Credit Union Rates

The following is a sampling of most recent rates at time of publication. Please call for other rates and terms. Rates subject to change.

SAVINGS RATES

ACCOUNT	MIN. BAL.	APY*	
Money Market	\$2,500	2.10%	Lower rates apply if balance falls below the minimum shown
6-Month Term	\$5,000	2.10%	A penalty may be imposed for early withdrawal
1-Year Term	\$5,000	2.13%	
2-Year Term	\$5,000	2.52%	
30-Month Term	\$5,000	2.73%	Rates change weekly
3-Year Term	\$5,000	2.96%	
4-Year Term	\$5,000	3.37%	Call for current rates
5-Year Term	\$5,000	3.79%	

A .25% bonus dividend will be applied to all term accounts \$40,000 & over

LOAN RATES

New & Used Vehicles	Variable Rate	Fixed Rate	Fixed Rate	Fixed Rate
Loan Value	Up to 6 yr.	4yr.	5yr.	6 yr.
80%	6.25%	6.75%	7.00%	7.25%
90%	6.25%	7.25%	7.50%	7.75%
100%	6.25%	7.75%	8.00%	8.25%

Auto Loan Rates may be discounted up to 1%. Call for details.

MasterCard MoneyMaster

Variable	12.00% APR	11.50% APR
Fixed	15.75% APR	16.00% APR

Loan limits of \$500 to \$25,000, no annual fee. Total of MasterCard and MoneyMaster Line of Credit may not exceed \$25,000.

Real Estate Loans

Mortgage/First Trust Deed Loan

Think about your Credit Union first when financing the purchase of a home or refinancing. Conventional, jumbo, VA and FHA loans available. Call (800) 633-2848 (Monday-Friday, 7 a.m. - 6 p.m. Pacific) for information and the latest rates.

Home Equity Line of Credit - 6.00% APR Variable Rate

This credit line secured by the equity in your home provides fast access to funds for any purpose. The Credit Union pays a \$650 allowance toward origination fees. Borrow up to 90% of Appraised Value of your primary residence minus balance on mortgage/first trust deed. \$100,000 maximum credit line. Up to 15 years to repay.

*APY - Annual Percentage Yield APR - Annual Percentage Rate

To: Northrop Grumman Federal Credit Union Attn: Service Group

YES, I WANT TO KNOW MORE. PLEASE SEND ME:

- | | |
|--|---|
| <input type="checkbox"/> B-2 Image/Gold MasterCard application | <input type="checkbox"/> CALL 24 application |
| <input type="checkbox"/> Mortgage/First Trust Deed Loan application | <input type="checkbox"/> Term Savings Account information |
| <input type="checkbox"/> Home Equity Line of Credit application | <input type="checkbox"/> Auto Loan information |
| <input type="checkbox"/> MoneyMaster Line of Credit application | <input type="checkbox"/> Net Paycheck sign-up form |
| <input type="checkbox"/> Share Draft (checking) application | <input type="checkbox"/> Star System/Cirrus ATM locations |
| <input type="checkbox"/> Visa ATM/Check Card Application | <input type="checkbox"/> PALS sm (Precision Auto Locator System) |
| <input type="checkbox"/> Direct Deposit of Social Security application | <input type="checkbox"/> Family Membership Kit |
| <input type="checkbox"/> Direct Deposit of Retirement application | <input type="checkbox"/> Holiday Account application |

Not necessary to complete if mailing address is on reverse side.

Name _____ Account Number _____
Address _____

Limited Hours During Holiday Season

Northrop Grumman Federal Credit Union offices will be closed the Friday after Thanksgiving, November 23, 2001. Some branches will be open at limited times during the year-end holiday shutdown. The following branches will be closed: Plant 1 and Plant 3 in Hawthorne, the Central and WestQuest branches in the Baltimore area, and Perry and Milledgeville in Georgia. Members are encouraged to conduct business via our many remote services including Call 24, *the_Max!*, any convenient ATM or CU Service Center (888-CU-SWIRL).

2001 Holiday Office Schedule

Credit Union Office	Dec. 24	Dec. 26	Dec. 27	Dec. 28	Dec. 31
Andrex Point	8am-noon	10am-4pm	10am-4pm	10am-4pm	8am-noon
El Segundo	8am-noon	8am-noon	Closed	8am-noon	8am-noon
Antelope Valley	8am-noon	9am-4:30pm	9am-4:30pm	9am-4:30pm	8am-noon
Rolling Meadows	Closed	8am-noon	Closed	Closed	8am-noon
Lake Charles	Closed	8am-2pm	Closed	8am-2pm	8am-noon
St. Augustine	Closed	8am-noon	Closed	Closed	8am-noon
Hunt Valley	9:30am-12:30pm	9:30am-12:30pm	9:30am-12:30pm	9:30am-12:30pm	9:30am-12:30pm
Airport Park	8:30am-12:30pm	8:30am-12:30pm	8:30am-12:30pm	8:30am-12:30pm	8:30am-12:30pm
Call Center	7am-1pm Pacific	7am-3pm Pacific	7am-3pm Pacific	7am-3pm Pacific	7am-1pm Pacific
Plant 1, Plant 3, Central, WestQuest, Perry and Milledgeville branches will be closed the entire week.					

Each member credit union federally insured to \$100,000 by the National Credit Union Administration, a U.S. Government Agency



Box Number 5011
Hawthorne, CA 90251-5011



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