

the Contact

February 2008



A Publication for Members of Northrop Grumman Federal Credit Union

What's New In IRAs?

IRA contribution limits are up again, so now is a great time to open a secure, high-yielding Credit Union account. The limit for 2008 IRAs is \$5,000, with an extra \$1,000 allowed for taxpayers over the age of 50. Remember, you can contribute to your 2007 account until April 15th.

Just call or stop by for details.

Our Fixed-Rate HELOC Is As Low As 6.00% APR*

We have terrific rates on our home equity programs, so now is the time to act if you need money for home improvements, your tax bill, holiday bill consolidation or any other purpose. Just give us a call, stop by any branch or visit us online to apply.

*APR = Annual Percentage Rate. Subject to credit approval. Rate shown is as of 1/5/08 and is subject to change.

Update Your Beneficiaries

When was the last time you updated your beneficiaries? It is important to keep this information current, so your wishes can be carried out. Call or stop by to check the beneficiary information on your Credit Union accounts, and don't forget to keep your 401(k), insurance policies and other accounts updated as well.

Long-Term Savings Strategies

There are some goals, such as retirement or college, that require years of planning. When you're thinking long-term, keep these strategies in mind:

- 1. Time is your friend.** The sooner you can start saving, the better. If you have to start small, that's ok! The important thing is to get started.
- 2. Keep your savings separate.** It's easier to keep saving if your money is in a separate account. A Certificate is a great way to lock in a competitive rate.
- 3. Take advantage of tax benefits.** Consider a Traditional or Roth IRA or a Coverdell Education Savings Account for special tax benefits. Consult your tax advisor for details, then see us to open the accounts you need.
- 4. Keep your money safe.** There's nothing worse than saving for years, and then losing it all because of risky investments. When you save here at the Credit Union, you can rest easy knowing your money is insured up to \$100,000 for regular accounts and up to \$250,000 for IRAs.



NGFCU is here to help you meet all of your goals. Give us a call or stop by any of our offices for friendly, personal assistance with CDs, IRAs and other savings plans.

Need A Tax Loan? OPEN A MONEYMASTER LINE OF CREDIT

Sometimes it's hard to come up with enough money to pay your taxes – especially if you weren't expecting a big bill. But if you have a MoneyMaster Line of Credit, you'll be all set!

This flexible revolving line of credit can provide as much as \$25,000 for any purpose, any time you need it.* You can also use your MoneyMaster Line of Credit as overdraft protection for your checking account. Apply today!

*Subject to credit worthiness and income verification

Buy, Don't Lease – You Will Come Out Ahead

For some people, the question of buying vs. leasing a vehicle is pretty straightforward. A lease comes with lower monthly payments, so that's the way to go, right? Not necessarily.

In the short term, a lease may be less expensive. But when your lease is up, you have to lease again. And that's where buyers have the advantage.

By buying your next vehicle, you can come out ahead in the long run. In fact, a recent study by Edmunds.com indicates that over a 5-year period, a typical lease will cost about \$1,350 more a year compared to purchasing the vehicle. And of course, you can save even more by buying used.



Come in and talk to us before committing to your next lease vehicle. With low rates and flexible terms, we can set up an easy, affordable loan that will fit your budget and protect your best interests.

TAX TIPS

- 1. Save these forms:** We will soon be mailing out IRS Forms 1099 and 1098, which report dividend and interest information. If you receive these forms, be sure to save them for your tax preparation.
- 2. Request Direct Deposit:** Complete the Direct Deposit line on your tax form, and your refund will be deposited into your Credit Union account in as little as 10 days. Please contact us for the correct routing number.

We Always Have Great Rates!

We realize that you have lots of choices when it comes to financial services. And we encourage you to compare rates and fees! As a Credit Union, we use our profits to keep our loan rates low and our savings rates high. So we can compete not only with other local financial institutions, but with the big banks as well.

Please give us a call if you have any questions, or visit www.norgrumfcu.org to view our current rates. We will be happy to provide all the information you need.

Q&A: Home Equity Loans

Thinking about cashing out some equity? Here are some common questions:

Q: How much can I borrow?

A: You can get a rough idea by subtracting your mortgage and any existing equity loan balances from the value of your home. When your loan is approved, we'll let you know exactly how much you qualify for.

Q: Can a Home Equity Loan be used for purposes other than home improvements?

A: Yes. Many people tap into their equity to pay for debt consolidation, college tuition, a new car or even a second home.

Q: Will my interest payments be tax deductible?

A: Maybe. It depends on how much money you borrow, and what the funds are used for. You will want to contact your tax advisor to be sure.

Q: Does NGFCU offer any special home equity programs?

A: Yes! We have a unique HELOC program that lets you lock in a fixed rate for up to 60% of your approved limit, while keeping the rest of your credit line flexible.

Q: What does the application process involve?

A: It's really surprisingly easy. We can get the process started over the phone or in person – or you can visit www.norgrumfcu.org to apply online.

How We Can Protect You From The Mortgage Mess

You've seen the headlines about "subprime" lenders. You've heard about questionable tactics in the mortgage industry. Maybe you are experiencing rising house payments and wondering if your budget will be able to keep up. Please come talk to us. We may be able to help.

NGFCU has a full-service mortgage department available. So if you are thinking of refinancing or you're in the market for a new house, we will be happy to sit down with you and discuss your alternatives.

Remember, as your Credit Union we are always on your side. We will never try to sell you a loan that you can't afford, and we will take the time to make sure you understand all the terms of your loan right up front.

Call (310) 808-4000 or 800-633-2848 (M – F, 7 a.m. to 6 p.m. Pacific) or apply online at www.norgrumfcu.org.

Smart Ideas For Your Tax Refund

Many people look at their tax refund as “free” money. But remember, it is actually your money that the government has been holding for the past year. So why not put it to good use?

- Pay off high-rate credit cards. If you don't have enough to pay them off completely, transfer the remaining balances to our low-rate MoneyMarket Line of Credit.
- Make a contribution to your 2007 IRA. Even a small contribution can grow into a healthy nest egg in the future.
- Boost your emergency account. It's a good idea to have 3 to 6 months of expenses set aside for a rainy day.
- Purchase a Certificate, also known as a Term Account. Rates are up, and your money will be safe and sound.

If you receive a large refund each year, you might want to adjust your withholding so more of your money remains in your pocket throughout the year. Ask your tax advisor for details.

Holiday Closing

PRESIDENTS' DAY
Monday, February 18



www.norgrumfcu.org

http:

Looking for current rates or other Credit Union information? Visit our web site at www.norgrumfcu.org. It's all there!

Important Telephone Numbers

Credit Union	310.808.4000
Outside 213 or 310	800.633.2848
Eastern Region	800.634.7075
Call 24.....	310.327.0682
Outside 213 or 310	800.676.3328
Report a lost or stolen:	
MasterCard	877.875.8078
Visa ATM/Check Card	800.554.8969
Find a:	
COOP ATM	www.co-opnetwork.org
CU Service Center	888.CU.SWIRL

Name _____ Account Number _____

To: Northrop Grumman Federal Credit Union Attn: Call Center

YES, I want to know more about these products/services:

- | | | |
|---|---|--|
| <input type="checkbox"/> Share Draft (checking) | <input type="checkbox"/> Touchtone Phone Acct Mgmt | <input type="checkbox"/> Home Equity Line of Credit |
| <input type="checkbox"/> Term Savings Account | <input type="checkbox"/> Visa ATM/Check Card | <input type="checkbox"/> Auto Locating Services |
| <input type="checkbox"/> Holiday Club Account | <input type="checkbox"/> MoneyMaster Line of Credit | <input type="checkbox"/> Direct Deposit of Social Security |
| <input type="checkbox"/> IRA Accounts | <input type="checkbox"/> Auto Loan Pre-Approval | <input type="checkbox"/> Direct Deposit of Retirement |
| <input type="checkbox"/> Internet Acct Mgmt | <input type="checkbox"/> First Mortgage Loan | <input type="checkbox"/> Membership |

To: 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"/> Life Insurance |
| <input type="checkbox"/> 401(k) Plan* | <input type="checkbox"/> Property/Auto Insurance |
| <input type="checkbox"/> Mutual Funds* | <input type="checkbox"/> Long Term Care Insurance |
| <input type="checkbox"/> IRA Rollovers* | <input type="checkbox"/> Medicare Supplement |
| <input type="checkbox"/> Reducing Taxes* | <input type="checkbox"/> Retiree Dental/Vision Coverage |
| <input type="checkbox"/> College Funding* | |

**Send this section to:
Northrop Grumman FCU
Box Number 47009
Gardena, CA 90247-6809**

* Securities offered through Linsco/Private Ledger Member NASD/SIPC - Stocks, bonds, 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.

It's Easy To Avoid ATM Fees

According to Bankrate.com, ATM fees have hit a record high. That's not surprising, considering that some of the big banks now charge as much as \$3.00 per transaction! Fortunately, as a Credit Union member you can avoid these fees altogether.

We participate in the CO-OP ATM network which provides thousands of surcharge-free ATMs coast to coast. We have a link to the CO-OP network from our website or, when on the go, you can call (888) SITE-COOP. Either way, it's easy to find the surcharge-free ATM near you. On the internet, visit www.norgrumfcu.org and click on "Products" and then on "Services."

Northrop Grumman Federal Credit Union is here to help you make the most of every dollar – not to make a profit at your expense. Contact us or visit us online if you would like more information on free ATMs and our other money-saving services.

Services That Can Save You Lots Of Time

Here at NGFCU, we want to make life easier for our busy members. Be sure to try these time-saving services:

- **Free Online Bill Pay:** No need to write out checks, stuff envelopes, or drive to the post office for stamps. You can pay anyone, anywhere with just a few clicks of your mouse.
- **Self-Service Kiosks:** We offer convenient account access through more than 2,000 Vcom™ terminals at 7-Eleven stores. These state of the art terminals go a step beyond traditional ATMs, allowing you to deposit checks, make loan payments and much more.
- **VISA Debit Card:** You can make quick, easy purchases – and at many places you can also get cash back. This flexible card also provides surcharge-free ATM access at ATMs on the CO-OP network.

Other convenient services include online banking, online loan applications, e-Statements, direct deposit and more. For details, contact the Credit Union or visit www.norgrumfcu.org.



Main Office - Pacific Pointe

879 West 190th Street
Gardena, California 90248

MAILING ADDRESS:

Box Number 47009
Gardena, California 90247-6809

Call Center Hours

Monday through Friday
7:00 am - 6:00 pm Pacific

Visit us on the internet at:
www.norgrumfcu.org

PROBLEMS? INQUIRIES?

The Supervisory Committee has the responsibility to continually review the functions 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
Box Number 3382
Gardena, CA 90247-7082



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