

MONTHLY NEWSLETTER OF THE POLISH & SLAVIC FEDERAL CREDIT UNION

Dear Members,



I am very glad that during the first month of the New Year, as many as 597 new members decided to join our group of over 82,000 members. This proves that our products and services enjoy a steady and large popularity not only among our current members, but also new ones as well. Taking care to provide you with our most attractive offer, every month we have something attractive for you, a special promotion which you can find on our www.psfcu.com website, in our social media sites, press advertising or by visiting our branches. Currently our most popular promotion is a five-year IRA term sara. Our interest rate of 3.10% APY (Annual Percentage Yield) is one of the most attractive on the financial market. During the first two months of this year, 253 members of our Credit Union took advantage of the offer, depositing a total of over \$1,370,000. The promotion is just part of our Comprehensive Tax Solutions package. With this offer, not only can you reduce your tax liability by paying into an IRA, you can also transfer your tax refund directly into your account at our Credit Union (Direct Deposit). If you have to make a tax payment, you can do so by using your low-interest rate VISA credit card. Remember that the tax return filing deadline of April 15 keeps getting closer, so it's worth taking advantage of our Credit Union's offer.

Another promotion offered through the end of March is for mortgage loans. Anyone who decides to apply for a mortgage loan will have

the \$350 application fee waived. I would like to remind you that our Credit Union provides residential loans on very attractive terms, with down-payments as low as 3%. In addition, if you're tired of this winter and are thinking about changing to a sunnier climate, please remember that our Credit Union now also offers loans for properties in the state of Florida. I encourage you to keep reading our promotional materials and take advantage of our special offers.

I would also like to mention here a very important initiative of ours, i.e. the Polish & Slavic Federal Credit Union Scholarship Program. January 31 was the application filing deadline under the first part of the program for high school students. The results will be announced soon, but I am already especially happy about the record number of applications received this year: 159. March 21 is the application deadline under the scholarship

program for current college students. This year, the Board of Directors has approved the budget of \$250,000 for the entire scholarship program. I encourage all young members of our Credit Union to visit our website at www.psfcu.com, read the details of the Scholarship Program and take part in it.

Financial support for students who are also our members is an important part of the mission of the Polish & Slavic Federal Credit Union which, in addition to offering most attractive financial products and services, is to support the Polish community in the United States. Together with you and thanks to you, we have been successfully carrying out this mission for over 38 years.

Sincerely,

Bogdan Chmielewski
PSFCU President/CEO



PSFCU representatives and invited guests during the celebrations of PSFCU's fifth anniversary in Illinois

PSFCU Celebrates Five Years In Illinois

PSFCU celebrated the Illinois anniversary during a ceremony at its Norridge branch on January 31. The credit union pointed to its rapid growth in membership as a strong indication of its success in the Chicago area. Since opening its doors in January 2010, our Credit Union has attracted an impressive 12,037 members (as of January 31, 2015). Combined, the three branches have in excess of \$117 million in deposits, and have extended loans of more than \$115 million.

"The results clearly indicate that the decision

to expand our credit union's operation to Chicago was not only correct, but also a great success," said PSFCU Chief Executive Officer Bogdan Chmielewski. "We always felt we would find a home in Chicago, and we're looking to deepen our roots in the area."

PSFCU debuted in the Chicago area in 2010 with branches in Norridge and Mount Prospect. One year later it opened a gleaming new branch in Bridgeview, just south of Chicago. The strong

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PSFCU In Numbers

information as of January 31, 2015

Assets

\$1,610,171,513

Loans

\$876,242,680

Net Worth

\$152,410,765

Number of Members

81,994

Award Ceremony in the “Buy, Sign, Win” Promotion

“Holiday season is over, but our Credit Union is still giving away gifts” was the joke of the day during the award ceremony for the “Buy, Sign, Win” promotion.

The promotion took place in November and December of last year. To participate in the prize drawing, members had to use our Credit Union’s debit or credit card with a signature at least once, or fill out a special coupon at a PSFCU branch. The promotion was a success; 527,000 our Credit Union card transactions were recorded, 10,000 more than last year. A total of 61 prizes were won by our Credit Union members, including five Asus notebooks, ten iPad Airs, ten iPod Touches, ten iPod Minis, ten Kindle Fires and fifteen Nikon Coolpix cameras, together with the grand prize, a 55-inch Samsung LCD HDTV.

The main purpose of the “Buy, Sign, Win” campaign was to promote our credit and debit cards, of which our Credit Union has already issued approximately 40 thousand.

The grand prize, a 55-inch TV, was won by Jolanta Kuźniar of Ridgewood, a member of our Credit Union for ten years, who admitted she did not even know that such a promotion was in effect. “I was in mild shock and was very amazed when I found out I had won,” she recalled the moment when she received the phone call about the prize. Most



Commemorative photo of winners participating in the “Buy, Sign, Win” promotion award ceremony

of the people who received the prizes they had won on Thursday were long-time PSFCU members of a decade or more. One of the

winners joined our Credit Union over thirty years ago, back in the days of its founder, Reverend Longin Tołczyk.

PSFCU’s Five Years in Illinois

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and affluent Polish community in Illinois provides a desirable opportunity for the Polish & Slavic Federal Credit Union, and promises continued growth.

Among those honored guests for the recent celebration in Norridge was Michael Fryzel, former chairman of the National Credit Union Administration. Mr. Fryzel had become so impressed with PSFCU and its operations over the years that several months ago he became a member, and consolidated all his existing

credit union accounts into a PSFCU account. He even went so far as to consolidate the accounts of his six grandchildren into PSFCU accounts. “That is a type of faith I have in this credit union. I have watched them through years, I have seen them growing and have seen what are they capable of doing.” Mr. Fryzel said.

Dreaming About Your Own Place?

Fulfill your New Year resolution
and take advantage of the attractive
PSFCU mortgage loan offer, with
down payment as low as **3%**!

From January through March you will save

\$350

on waived mortgage application fee.



Promotion is valid from January 2 through March 31, 2015. Minimum 3% down payment applies to 30-year adjustable rate mortgages with a 7-year initial fixed rate period. Monthly loan payment through the first seven years of a mortgage with a 3.250% annual percentage rate is \$4.35 per each \$1,000 borrowed. Offer applies exclusively to PSFCU members. Other restrictions may also apply.

Your savings are federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency

EQUAL HOUSING LENDER
P&SFCU is an Equal Opportunity Lender.

IRA Accounts At Our Credit Union

PSFCU currently offers Traditional and Roth Individual Retirement Accounts, which allow you to save money for retirement. Both types of IRA accounts offer special tax advantages.

You can choose to contribute to either kind or to both depending on your eligibility. Also, you can save for your retirement even if you have an employer sponsored retirement plan at work, but with an IRA account you have control over your own money. Even though investment into a Traditional or Roth IRA is an excellent opportunity to save money and take advantage of special tax privileges, the choice of a retirement plan that is best suited to your needs is a complex decision which requires careful planning. Age, level of current compensation, participation in a workplace retirement plan, expected level of benefits at retirement, and filing status all need to be considered.

You are advised to consult a competent tax advisor when making any decisions involving your IRA accounts. IRAs are federally regulated and you bear full responsibility for any decisions and actions involving these accounts.

IRA Transfer

You can transfer Traditional IRA or Roth IRA held at another financial institution to the same type of IRA with the PSFCU. There is no limit on the number of transfers, they do not have to be completed within 60 days, and they are not reportable to the IRS. If you are age 70½ or older you can transfer the entire IRA balance, including the RMD (Required Minimum Distribution), but you must remember to take the full RMD amount by the deadline.

IRA Rollover

IRA Rollover is a two-step transaction. The IRA funds are distributed to IRA owner and must be re-deposited (rolled over) within 60 calendar days to the same kind of IRA at the same or different financial institution. Rollover is a reportable transaction so the distribution and the re-deposit (rollover) are reported. If you are age 70½, or older in the year you receive a distribution from your Traditional IRA, you are not allowed to rollover the RMD amount.

Frequently Asked Questions:

- What are the available investment options for your Traditional IRA and Roth IRA at the PSFCU?

There are two options. You can either invest it into an adjustable rate IRA or a Term Share Certificate. An adjustable rate IRA offers flexibility and instant access to your retirement savings at a competitive dividend rate. A Term Share Certificate provides a long-term higher dividend earning potential for your retirement savings.

- Is my retirement account federally insured?

Yes, your IRA assets are insured by the National Credit Union Administration (NCUA) up to \$250,000, separately from all other accounts held at the PSFCU.

- What are the main benefits of a Traditional IRA account?

You may be eligible to take a deduction

when filing your income taxes and defer payment of taxes on contributions and earnings until you decide to take distributions from your IRA. It may be especially advantageous to those who expect their income at retirement to be lower than at the time of contribution. You may also qualify for a "Saver's Credit" on your income tax return.

- What are the main benefits of a Roth IRA?

The greatest benefit of a Roth IRA is having your earnings grow tax-free,⁷ whether you decide to use your Roth IRA yourself at retirement or to leave it to your beneficiaries. You may also qualify for a "Saver's Credit" on your income tax return.

- What is the best time to open an IRA with the PSFCU?

Now. The sooner you start saving the greater your gains may be.



Fulfill Your New Year Resolution And Take Care of Your Financial Future

TAKE ADVANTAGE OF PROMOTIONAL RATE ON IRA TERM SHARE CONTRIBUTIONS FOR 2014 & 2015

3.10% APY* FOR 5 YEARS



*APY-Annual Percentage Yield. Interest rate as of 01/02/2015. Promotion is valid for term shares opened between January 2 and April 15, 2015. Funds required to open the term share account must be deposited to a new or existing ira account during the promotional period. Minimum balance of \$500.00 is required to open a term share account, up to the maximum amount of contribution determined by the Internal Revenue Service (IRS) for years 2014 and 2015. Early withdrawal penalties may apply. Additional information may be obtained at PSFCU branches or by calling our member Services Center at 1.855.PSFCU.4U (1.855.773.2848). Consult your tax advisor before making any decision related to an IRA account. Additional information about other term shares offered by PSFCU is available at www.psfcu.com. Offer for PSFCU members only. Membership restrictions apply. Other restrictions apply.

Scholarship Program for College Students Has Begun

As every year, the Polish & Slavic Federal Credit Union has started the Scholarship Program for college students. This is an offer for young and ambitious members of our Credit Union who require financial support to continue their college education.

PSFCU Scholarship Program for college students is addressed both to the undergraduate and graduate students. It was established at the initiative by our Board of Directors and Management to reward the most talented students who are PSFCU members as well as primary account holders at our Credit Union. Scholarships in the program are awarded by a Scholarship Committee composed of university teachers,

based on academic performance, extracurricular achievements and involvement in Polish community organizations.

If you or your children or friends want to apply for a scholarship, this is the last chance to do so. The application deadline for college students is March 21, 2015. You can find complete information on the PSFCU Scholarship Program, including downloadable documents at www.psfcu.com. For further information, please send an e-mail to scholarships@psfcu.net or contact Ms. Kinga Gutowski, Training Specialist at 973-808-3240 ext. 6247.

January 31 was the deadline for accepting applications from college-bound high-school

graduates. This year we had a record - applications were submitted by 159 students. The last names of students who will receive our scholarships will be published in June.

This year marks the fifteenth year that PSFCU grants scholarships to exemplary high school and college students. Beginning from the inception of the program in 2001, the Polish & Slavic Federal Credit Union has already provided three million dollars to approximately 2.5 thousand students.

The PSFCU Scholarship Program is a significant help in fulfilling educational dreams of young and ambitious members of our Credit Union. We cordially invite all interested students to submit their applications.

Promotional Home Equity Line Of Credit

Need cash and own a house? PSFCU offers a Home Equity Line of Credit with promotional interest rate of 1.99% APR* for twelve months, with no fees and no closing costs.

A Preferred Home Equity Line of Credit from the Polish & Slavic Federal Credit Union lets you establish flexible access to cash based upon the equity in your home, and draw on it by simply writing a check. Minimum check amount is \$250 and you can use the cash whenever you need it, for almost any

purpose. The offer applies to all new HELOC applications submitted between February 1 and April 30, 2015.

Apply for a Preferred Home Equity Line of Credit now and you will receive a great low Introductory Rate of 1.99% APR* for 12 months, at which time your rate will convert to your Standard Rate, which for our Preferred Home Equity Line of Credit is adjusted monthly based on a rate index plus or minus margin. The rate index is based on the Prime Rate,

which is published in *The Wall Street Journal*.

You can apply for a Home Equity Line of Credit today, online at psfcu.com or at any one of the fifteen PSFCU branches. A Home Equity Lines of Credit is available for owner-occupied 1-4 family residential properties, including condominiums. In specific cases, the interest you pay may reduce your tax obligation.

Gain convenient access to cash through a special checkbook. open a Home Equity Line of Credit with promotional rate of 1.99% APR. For complete details of this promotion, please contact PSFCU employees .



1.99% APR*

NO FEES

NO CLOSING COSTS

*APR = Annual Percentage Rate. Rates as of 02/01/15. Introductory rate is fixed for the first 12 months and includes a 0.25% relationship discount for automatic payments from PSFCU checking account. Without automatic payment from the PSFCU Checking Account the rate will be 2.24% APR. Rate index used is the Prime Rate, as published in the Wall Street Journal and is adjusted on the first day of each month. Maximum lifetime APR is 14.99%. If loan is paid off and closed prior to 3 years (36 months) from origination, member must reimburse the Credit Union all closing costs which may be up to \$700. The term of loan is 25 years. The minimum of the loan is \$10,000 and the maximum is \$250,000. Home Equity Lines of Credit are subject to application, credit approval and loan-to-value requirements. Other restrictions and limitations apply. Membership required to borrow.

Your savings federally insured to at least \$500,000
and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency



P&SFCU is an Equal Opportunity Lender.