

Your Dollar \$ Worth

HUD Federal Credit Union

Your Preferred Financial Institution

Chartered 1936

Credit Unions Celebrate 100 Years!

On November 24, 1908, the first credit union (St. Mary's Cooperative Credit Association) in the United States opened its doors in Manchester, N.H. and the credit union movement began. In 1934, Congress passed legislation that made credit unions a part of the country's financial system. Credit unions could charter anywhere in the country and incorporate under federal or state law by virtue of the 1934 Federal Credit Union Act.



It's been 100 years and the credit union movement is still going strong! The 2008-2009 year celebrates the 100th anniversary. Watch for promotional events sponsored by HUD FCU.

Credit unions continue to offer members money-saving, high-quality products and services. Approximately 8,300 credit unions in the US have helped over 90 million people save and borrow responsibly.

In the future, HUD FCU as well as other credit unions will rise to meet technological and market changes of the times. We will continue to survive and grow.



Family Membership

The Gift Of A Lifetime

Even though the holidays have come and gone, there is still one present to give to your loved

ones: credit union membership. It truly is the gift that keeps on giving.

Families not only enjoy low-rate loans, low fees, convenient services, and money-saving products, but they also know they're saving their money in a safe, federally insured place.

"Once a member, always a member," even if you move, retire or change jobs, you are giving the gift of a lifetime. Have your family and household members join us and sign up for membership. Invite your co-workers, too!

A Clean Financial Slate Can Be Yours

You need a plan in order to have a good financial year.

First, start with a budget. Tally up your bills and see how much you need to pay your expenses. It's a good idea to have some extra money for emergencies. Have the emergency fund grow by cutting unnecessary expenses. Get your debt to income ratio on track. It includes how much of your income goes toward housing costs and recurring debt payments.



Next, set financial goals, but make sure that they're realistic. Your goals could include reducing your monthly payments, saving more money for retirement and the future, etc. Reevaluate your goals since your financial situation will change over time.

If you're a homeowner, reduce or pay off post-holiday bills with a home equity loan. Consolidate your bills into one, low monthly payment that you can afford. We offer flexible terms and low rates to give you some much-needed relief.

Start the New Year off right. HUD FCU can help; just give us a call or stop by!

HUD FCU's Annual Meeting And Election 2009

Volunteer And Help Direct Your Credit Union's Future

The HUD FCU Annual Membership Meeting will be held at the Channel Inn's Pier 7 Restaurant, 650 Water Street, SW, Washington, DC on Saturday, April 18, 2009. Save the date and get your family and/or co-worker to attend.



Our Board of Directors is made up of nine members who volunteer their time, talents and energy on behalf of all Credit Union members. In 2009, three vacancies, each for a 3-year term will be filled. Nominations may be made by the **Nominating Committee**, composed of James O'Donnell, 202-863-2800; Maurice Gullede, 202-402-8242 and Otis Collins, 202-402-3416 or, by **Petition** signed by at least 63 members. In either way, a Nominee's Statement and Official Resume forms available at the HUD FCU Office must be completed. Any member in good standing and interested in volunteer work is eligible to run. Election results will be announced at the Annual Meeting.



Chairman's Message

I wanted to take this opportunity to chat with you briefly with regard to your Credit Union and the financial situation we see around us today. To put the end at the beginning, I must tell you that we are as strong as we have ever been and we stand ready to meet all your financial needs now, as we always have done.

There has been much in the press with regard to failing banks, as well as the largest insurance company in the country, the failure of FNMA and Freddie Mac, and a frozen credit market. We hear further discussions of the sub-prime mortgage meltdown, securitization, collateralized-loan obligations, structured investment vehicles, credit default swaps and tranches, just to name a few. We never entered the swamp of exotic securities. And then, there is the roller coaster ride anyone who owns stock/s has experienced. The genesis of all this is said to be speculation in the housing market, mortgage defaults and the subsequent decline in home values. I feel there have been many foolish, greedy and/or even illegal actions taken by Wall Street, bankers, mortgage lenders and even some home purchasers, which have contributed to these problems.

Your Credit Union, which is strongly guided and controlled by the National Credit Union Administration (NCUA), has remained true to its charter and operating practices and principles and has not engaged in any of the questionable practices or financial instruments which are causing all the anguish today. We stand ready to continue making loans for good and provident purposes and to provide you all the services you have come to expect from us. Our doors are open to you – just come on in and we'll work together. It's business as usual.

Sincerely,

David C. Nimmer
Chairman



AMERICA'S
CREDIT UNIONS®
Where people are worth more than money.™



New And Used CAR BUYING CONSIDER YOUR OPTIONS

Before buying a new or used vehicle, visit HUD FCU for an auto loan. We offer auto loans that fit your budget and your needs. We can even pre-approve you so you know how much vehicle you can afford.

Here are some helpful tips on buying new and used cars.

NEW CAR TIPS

- ✓ **Compare incentives** – Shop around for different deals to reduce the price of the car.
- ✓ **Do your homework** – Know what you're buying and your old car's value. Make sure you know how much it's worth so you can take into account the trade in value. You can find this information on www.hudfcu.org by clicking on the Cars and Members icon.
- ✓ **Don't show your emotions** – The more uninterested you seem, the better deal you may get.

USED CAR TIPS

- ✓ **Look for hidden problems** – Accidents, mechanical problems, technical problems, scratches, dents, leaks, etc. are key items to search for.
- ✓ **Do your research** – Compare vehicles and don't settle on the first car you look at. Again, visit our web site for help with this.
- ✓ **Have an authorized dealership rate the vehicle** – You should also consider the resale value of the vehicle.
- ✓ **Test drive the vehicle** – Check out the brakes and the overall handling of the vehicle.

Apply for an auto loan online at www.hudfcu.org, visit with a Loan Officer or call 202-863-2800, **option 4**.

2009 College Scholarship Program Submit Your Essay Or Video Today!

This great contest is open to any member who is entering their freshmen through senior year of college. Your essay or video could be worth a cool \$1,000!

The essay topic is: "Create a credit union that is strictly run by people under the age of 30, from the Board of Directors to the president to the tellers. In 750 words or less, explain what your credit union looks like, where it's located, what products and services you focus on, and the unique aspects that make your credit union stand out."

"How are credit unions and banks different" is the video's topic.

The deadline is March 31, 2009. So, don't wait. Start writing that essay or filming that video before it's too late.

Complete rules and application can be found on the Foundation's web site at: <http://cufound.org/scholarship.htm>.

Sponsors: The Credit Union Foundation of MD & DC and HUD FCU



NOT A MEMBER? JOIN OUR CREDIT UNION TODAY!



TAX NOTES TAX REPORTING

Your year-to-date dividends appear on your December 2008 statement. Members will also receive IRS Form 1099 in January 2009 if they earned \$10.00 and over in dividends.

TAX PREP HELP

Call 703-825-2135 to schedule your tax help appointment until April 8, 2009. LarsonAllen, LLP will charge a reasonable fee to all members who use this service.

IRA CONTRIBUTION

During the year, you can make contributions to your Traditional IRA any time you want. However, the deadline for contributing for 2008 is April 15, 2009, also the deadline for filing your taxes.

HUD FCU offers Traditional IRAs, Roth IRAs and Coverdell Education Savings Accounts (formerly Education IRAs).

Tax-deductible contributions are one of the many benefits of a Traditional IRA. With a Roth IRA, earnings are tax free at the time of withdrawal. When the money is used to pay college expenses among other things, Coverdell ESA has penalty-free withdrawals. The total amount that can be contributed into Traditional and Roth IRAs is \$5,000. Traditional and Roth IRAs are federally insured up to \$250,000. To open an IRA today, call 202-863-2800, **option 3** or stop by the Office.

TAX REFUND DIRECT DEPOSIT

Your federal income tax refund can be deposited directly into your credit union Share Savings or Share Checking Account. This process is:

- **Easy:** Just provide your account number and our routing number (2540-7473-0) on your tax return. Check the Savings or Checking Account box on your tax return.
- **Convenient:** You don't have to drive to the credit union to make a deposit.
- **Safe:** Your check won't get lost or stolen in the mail.
- **Quick:** Tax refunds that are directly deposited arrive weeks before checks in the mail.

Your refund must be deposited into a joint account if your tax return is a joint return.

Health Corner

How Does Exercise Keep Blood Vessels Healthy?

For one, regular workouts reduce total cholesterol levels and increase the good cholesterol, which helps prevent plaque from building up in your arteries. Over time, a buildup of plaque can stop the flow of blood in a vessel that supplies the heart, resulting in a heart attack. Pieces of plaque also can break off and block a blood vessel in the brain, causing a stroke.

Working out can slow the negative effects of aging. The amount of blood that is pumped through the blood vessels increases with physical activity. This expansion and contraction helps slow the effects of age on your arteries.

New research shows that consistent exercise causes the cells lining the arteries to boost production of nitric oxide, says Dr. Harvey Simon of Harvard Medical School. "Nitric oxide keeps arteries smooth and open, and helps them widen. Other benefits of exercise include reduced inflammation of blood vessels, diabetes control, less body fat and less stress."

Other studies suggest increased cardio-respiratory fitness helps improve brain function. Active lifestyle + well-balanced diet = healthy YOU!

HUD FCU's Privacy Notice & Disclosure



HUD Federal Credit Union is committed to protecting the privacy of each member's financial records consistent with state and federal laws. We will take prudent and reasonable measures to safeguard the accuracy and privacy of all member information, including the information used while conducting business via the Internet, ATM networks, wire services, telephone, U.S. mail and other means of communication.

Employees and Privacy – We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. Our employees are instructed on the importance of maintaining the confidentiality of all member information. Employees who knowingly violate our privacy policies will be subject to disciplinary actions.

Security Procedures – We will follow security procedures designed to guard against unauthorized access to your confidential information. We also regularly update and test our technology in order to maintain an appropriate level of protection and to ensure the integrity of our information.

We collect nonpublic information about you from the following sources:

- *Information we received from you on membership and loan applications or other forms.*
- *Information about your transactions with us or others.*
- *Information we received from a consumer-reporting agency.*

HUD FCU does not disclose any non-public personal information about our members and former members to anyone, except as permitted by law.

If after reading this notice you have questions, call us at 202-863-2800 or 800-345-8032.



Current Loan And Dividend Rates

Contact us for current rates before you borrow. Loan rates are subject to change any time. Loan and dividend rates are expressed in annual percentage rate (APR) and annual percentage yield (APY).

- New & Used Cars as low as 5.40%
- VISA® Credit Card 9.90%
- Mortgage Loan

1st and 2nd Mortgages at competitive rates. Various options: conventional, VA, FHA, adjustable rate and balloon mortgages. Call CUMA, our mortgage partner at 703-425-1204 or 800-231-8855 or visit www.hudfcu.org and click on CU Mortgages

- Special 2nd Mortgage Loan up to \$100,000, 15 years 7.50%
- Reverse Mortgage, loan option for members-homeowners age 62 and older. Call 703-425-1204 ext. 128 for more info.

Check Your Dividend Rates

Your Credit Union works to keep dividend rates up. The Board of Directors has declared dividend rates for the quarter ending December 31, 2008:

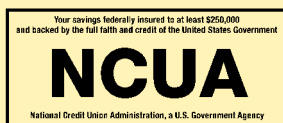
	Rate	Yield
• Regular Shares	1.00	1.00
• Premium Share Draft	1.00	1.01
• Regular IRA	2.00	2.02
• Money Market Share Account		
\$2,500 to \$24,999	1.50	1.51
\$25,000 to \$49,999	2.00	2.02
\$50,000 to \$99,999	2.25	2.28
\$100,000 and over	2.50	2.53

For electronic transfers, use our Routing/Transit Number 2540-7473-0.

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P.O. Box 23273 Washington, DC 20026-3273
Evelyn Tafalla, CCUE
Marketing Director & Adm. Asst.
Notary Public



We do business in accordance with the Federal Fair Housing Law and Equal Credit Opportunity Act



Continue Your Financial Education On Our Web Site

Our web site www.hudfcu.org contains all sorts of important information you want to know. There are descriptions of all of the great products and services we offer our members as well as links to other sites that can help, too!

It doesn't matter what life stage you are in. There's great advice and information for every member at any age, from elementary schooler to retirees, and from buying a car, house, budgeting, investing, insurance, and retirement planning.

We invite you to start exploring www.hudfcu.org.

How To Save On Heating Costs

It pays to conserve energy – no matter how you heat your home. Here are some tips on how to cut down your heating bill.

Eliminate drafts – A lot of heat can be lost through doors and windows that don't close tightly. You can prevent this by replacing broken glass and worn-out storm doors. Apply caulking or weather stripping around doors and windows.



Don't heat unused spaces – Shut off the heating vents or radiator valves in the rooms that don't get used and keep those doors closed. Also, turn down your thermostat when you'll be away from home for more than three hours and overnight.

Keep your heating system in prime working condition – Have a heating and cooling professional give your system a tune up. If a service call isn't an option, you should at least make sure your heating vents aren't blocked by furniture, rugs or other obstructions. It also helps to keep heating registers and radiators free of dust.

Don't make your heater do all the work – Open curtains to let the sunlight heat your home on sunny days. Dress more warmly and use a ceiling fan to circulate warm air.

AT YOUR SERVICE

3,305 CU Service Centers and CU Outlets
wherever you live and work.
Find one near you: 800-919-2872 or
www.cuservicecenters.org

"Surcharge-free" ATMs at over 5,300
7-Eleven stores in 30 states

Debt Management Program from Consumer
Credit Counseling Service of Maryland
and Delaware, Inc. (CCCS)
410-747-7414 or 800-571-2227