

Dowagiac Area Federal Credit Union

Members Quarterly

www.dafcu.net



Effective May 1st, 2011 you and your family will be covered by this new program. Watch your mail for detailed information.

As a valued account holder, we want to help you protect your identity, wealth and family with this new IDProtect plan. Beginning May 1st, 2011 you will automatically receive identity theft protection.

IDProtect provides the following protection for you, your family, and your joint account holders:

- **Comprehensive Identity Theft Resolution Services**
- Toll-free access to a dedicated consumer fraud specialist (recovery professional), who will work with you on the specific details of your case, assist you with the appropriate paperwork and work with credit bureaus on your behalf until your case is resolved.
- An online identity theft news center and valuable phone and web resources to safeguard your identity
- **Debit and credit card registration** to reduce your personal liability on lost or stolen registered card transactions
- Up to **\$10,000 identity fraud expense reimbursement coverage** for expenses associated with clearing your name and repairing damaged credit should you fall victim to identity theft. Covered expenses include: coverage for wages lost for time taken off work to correct personal records; reimbursement for costs associated with attorney fees, loan application fees, long distance calls, certified mail and notarized fraud documents.

For an additional monthly fee, you have access to credit file monitoring

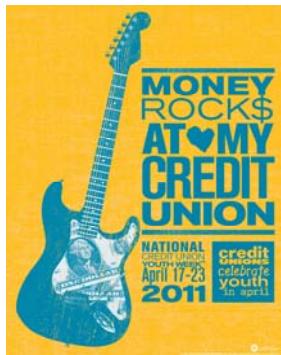
Monitoring your credit report is one of the most effective ways to combat identity theft – and to ensure the accuracy of what's being reported about you. Members may add a credit file monitoring service provided by Equifax and an additional \$25,000 of identity fraud expense reimbursement coverage – all for an additional \$4.95/month. This is optional and is available by registering online at www.IDProtectMe247.com.

At Dowagiac Area Federal Credit Union, we always strive to provide you with useful and progressive services. We want to thank you for allowing us the opportunity to serve your financial needs. We appreciate your relationship with us and if you have any questions regarding your accounts with us please stop by or call us at 269-782-2410.

Inside this issue: Once you review the information you receive in regard to the IDProtect, ask any staff member, or you may also call the IDProtect Service Center at 1-877-610-7889.

IDProtect	1
National CU Youth Week	1
Loan Specials	2
CUMoney Prepaid Debit Cards	2
Bits & Pieces	2
Durbin Debit Card Legislation	3
Holiday Hours	4

National Credit Union Youth Week April 17-23, 2011



Visit Dowagiac Area Federal Credit Union the week of April 17-23 and help us celebrate National Credit Union Youth Week. Dowagiac Area Federal Credit Union will have some special activities planned just for our young members. Watch for some additional information about the activities that are being planned in celebration of National Credit Union Youth Week. It's going to Rock!!!!

And remember, Dowagiac Area Federal Credit Union membership is open to all your family members.

April Showers bringing out the best Spring Loan Specials

Lots of things are springing up at your credit union. In the market for a new or used vehicle? We are giving you 1% off our posted rates on new or used autos and if you close your loan in the month of April you will receive a special gift card from Dowagiac Area Federal Credit Union valued at \$100. *



Maybe it's time to purchase that new or used dirt bike, ATV, fishing boat, jet ski, what ever your recreational activity is we have just the right loan to fit your budget. Get 1% off our posted rates when you finance during the month of April and you'll get that special gift card when you close the loan in April. *

Just need to do some spring cleaning well let us help. You can borrow up to \$5000 for 24 months at a great rate of 5% APR.*

Time to refinance that Home Loan we have a fixed rate Home Equity Loan that could be just right for you. For April we are lowering our fixed rates by 1% APR and we are also waiving the application fee.*

Stop in or call to talk with us about what loan is right for you. You can apply online except for the Home Equity Loan, that one you need to come by our office.



*some restrictions apply

CUMoney Prepaid Debit Cards



The power to manage your money is in your hands with our CUMoney prepaid debit card. You fund it with the specific dollar amount of your choice and re-load it with more money, as you need it, at any time.

The CUMoney card is very safe. It's not tied to your checking or savings account, so if it's lost or stolen, you won't have to worry about your account information being compromised. It comes with a Zero Liability Protection for your security so it's much safer than carrying cash.

Use it for all your online purchases, take it on that vacation you've worked hard for, sending your son or daughter off to school, send the card with them. The nice thing about the CUMoney card is you can re-load them up to three additional times. Need more information call or stop by the credit Union office.

Bits & Pieces

Share Draft/ACH Item Processing - The credit union processes share draft and ACH/EFT transmissions at time of receipt. If an item is presented for payment and is NSF(non-sufficient fund) the item(s) will be returned accordingly. We are unable to hold these items for any reason. Best practice is to be sure you have sufficient funds in your account at time of payment, whether by written check, phone check or from another vendors website. Processing of these items is no longer at a snails pace, Check 21and the

electronic payment system has cut the time it takes to clear these items from days to hours. By authorizing these payments you are guaranteeing available funds in your account to cover the item.

Share Draft Balances - it has been a long standing policy that we do not give out checking account balances. Your account balance changes continually as transactions clear and we only have a snapshot of it when it is on our teller screen. Maintaining an up-to-date check register will ensure that you have the most current balance for your account.

Online Banking/Touch Tone Teller - Apply for either of these services and you can have immediate access to your account balances, history and you can transfer between accounts, check on your loan balances and payments.

IPAY Online Bill Payment - Pay all your bills from one secure website. As long as you have your Share Draft (checking) account with DAFCU you can pay your bills from this site. A single sign on gets you where you need to go.

The Durbin Debit Card Interchange Fee Hurts Consumers

What is the Durbin Act? How will the Durbin Act essentially bring the credit union industry to its knees? Last year Senator Durbin added his amendment onto the Dodd Frank Bill, which is meant to hold big banks accountable for how they operate. The bill covers the cessation of big bank bailouts, mandates banks to provide clear, accurate information to consumers and enforces overall consumer transparency. While the majority of credit union members can get behind Dodd Frank, Senator Durbin's "add-on" amendment is geared toward regulating the amount of money all financial institutions make off of interchange income—one of the primary ways your credit union covers operating expenses.

What is interchange? Interchange is part of the cost that merchants pay when they accept debit and credit cards. The current free market interchange rate for debit cards averages about 1.4% per transaction – so, when a customer makes a purchase for \$10 on his or her debit card, the merchant who accepts the card pays about 14 cents in interchange.

What costs does interchange cover? Interchange revenue covers a wide variety of costs for credit unions that issue cards, including customer service, protection of customer data, and card production costs, among many others. For example, when a merchant accepts a debit card, they are guaranteed payment regardless of whether or not the transaction is fraudulent. The risk of fraud is accepted entirely by the credit union that issued the card. In 2009, banks and credit unions experienced approximately \$1.4 billion in fraud losses alone – a cost that is not covered by the Fed's draft rule. **Michigan's 327 credit unions could potentially lose 78 million dollars in revenue** if legislation to address issues with the small institution exemption are not enacted.

How does interchange affect my Free Checking account? Interchange revenue is necessary to cover all of the costs associated with operating your free checking account. Without the current rate of interchange, **credit unions will be forced to increase fees on their members, doing away with Free Checking as we know it today.** Several banks that were not carved out of this legislation have already begun to increase fees on their basic consumer checking products and services.

What does the Fed draft rule on interchange propose for the new rate? The Fed rule provides two possible scenarios for the government to fix the price of interchange. The first scenario offers a range for interchange, from a "safe harbor" of 7 cents to a cap of 12 cents (with the issuer submitting variable costs to the Fed for approval). The second scenario simply sets a cap of 12 cents per transaction.

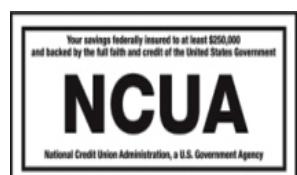
How much would the Fed's proposed debit interchange rate cut the current free market rate? The Fed's proposed rate for debit interchange represents a 70 percent cut from the current free market rate. According to an estimate from CardHub, this will translate into a \$14 billion windfall in additional profits for retailers, with \$12 billion of that windfall going to the largest 2 percent of big-box stores.

What provision does the Durbin amendment or the Fed rule make for retailer savings to be passed on to consumers? Neither the Durbin amendment nor the Fed rule makes any mention of merchants passing even one penny of their savings to customers. In fact, merchants themselves have suggested that instead of lowering prices for their customers, they may instead provide other "benefits" such as "free gift wrapping."

How will the Fed draft rule affect my credit union? Credit unions could face serious challenges as a result of the rule. Simply put, the so-called "carve out" for credit unions would not work. There is little evidence that a bifurcated system could actually work in practice. Even if it does succeed, the cards from smaller institutions would then be significantly more expensive, and merchants would be able to discriminate against those cards – ultimately forcing smaller issuers out of the market and further consolidating debit to only the largest institutions.

We ask you to call or write your legislators and ask them to Save My Free Checking. Tell them you want your credit union to continue offering affordable products and services – like free checking. If we raise our collective voices to reverse this rule, we can put a stop to big business and government price controls that will only make us all pay again!

Don't give up your hard-earned money. Own your money. To learn more and to take action, visit LoveMyCreditUnion.org and click on the Save My Free Checking link.



Dowagiac Area Federal Credit Union

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Dowagiac, Michigan 49047

Phone: 269-782-2410 or 269-445-2908

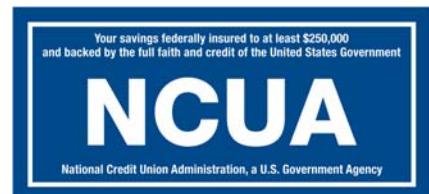
Fax: 269-782-9870

E-mail: dafcu@dafcu.net

Find us on the WEB at:
www.dafcu.net

2011 Holiday Closing Schedule

Memorial Day	Saturday, May 28, 2011 Monday, May 30, 2011	CLOSED CLOSED
4 th of July	Saturday, July 2, 2011 Monday, July 4, 2011	CLOSED CLOSED
Labor Day	Saturday, September 3, 2011 Monday, September 5, 2011	CLOSED CLOSED
Thanksgiving	Thursday, November 24, 2011 Friday, November 25, 2011 Saturday, November 26, 2011	CLOSED <u>Drive-up only</u> 8am-1 pm CLOSED
Christmas	Saturday, December 24, 2011 Monday, December 26, 2011	CLOSED CLOSED
New Year's	Saturday, December 31, 2011 Monday, January 2, 2012	CLOSED CLOSED



Dowagiac Area Federal Credit Union has two
No Surcharge (for Co-op members) ATM's.

Locations:

Inside Foyer at 473 E. Division St, Dowagiac
Inside KB Village Express at 1101 S. State, Cassopolis



Look for the
CO-OP Network logo or visit
www.co-opnetwork.org
and use our "ATM Locator"
to find a location near you.
Or, call (888) SITE-COOP.

Mission Statement

To insure the liquidity, stability and growth of our credit union so we will be here to serve the children and grandchildren of our present and future members.