

Dates to Remember

January

Saturday 1st-
New Year's Day



Monday 17th-
Martin Luther King Jr. Day



February

Wednesday 9th-
Ash Wednesday

Monday 14th-
Valentine's Day

Monday 21st-
President's Day

March

Thursday 17th-
St. Patrick's Day



Sunday 20th-
Spring Begins

Sunday 27th-
Easter

4 Large Banks Finance Payday-Loan Industry

Jason Withrow a petty officer second class in the U.S. Navy, had long ignored the stores with signs in their windows offering \$500 instant cash! That were clustered around his base in Kings Bay, Ga. Then, on July 4th 2003, he suffered a back injury, had to quit his part time job and decided to borrow \$300 from one of the stores which are called payday lenders. Finally after paying annual interest rates that reached 780 percent and spiraling in debt, Mr. Winthrow, 25 got bailed out with an interest free loan from a charity connected with the Navy.

Since emerging from rural Tennessee in 1993, payday lending has expanded beyond the fringes of the consumer finance industry. In 2003, the industry generated \$6 billion in fee revenue from \$40 billion in loans, according to Stephens Inc., a Little Rock, Ark., investment bank.

As many as 14 million of the 105 million U.S. households used payday lenders in 2003, according to Stephens analyst Dennis Telzrow. In May, he projected the industry's revenue would increase 12 percent to 18 percent in 2004.

Four of the top 10 U.S. banks measured by assets have helped fund the rise of payday lending by extending credit lines – Wells Fargo & Co.; JP Morgan Chase & Co.'s Bank One unit; Wachovia Corp., and Bank of America Corp.

Many of the consumers who have turned to payday lenders for a financial rescue have sunk deeper into debt, said Jean Ann Fox, director of consumer protection at the Consumer Federation of America, a Washington based organization.

Payday lenders' fees typically run at an annual percentage rate of 390 percent or higher compared with about 18 percent for cash advances drawn on a credit card.

Such high rates trap borrowers in a cycle that few can break without defaulting and facing legal judgments, Ms. Fox said. To skirt usury laws, the payday loan industry has persuaded 36 states to legalize its lending practices. Several Western European countries permit similar loan offers; in the U.K., unlicensed "doorstop lenders" charge annual rates as high as 1,000 percent, according to the New Economics Foundation, a London based research group.

In the U.S., payday lenders target the working poor who have bank accounts and jobs yet live payday to payday with pennies to spare, Ms. Fox said. The lenders' customers earn an average annual income of \$25,000, according to a 2002 study by John Caskey, a professor of economics at Swarthmore College in Swarthmore, Pennsylvania.

Typically, these payday lending outlets advance \$100 to \$500 to borrowers from their next paychecks for a \$15 to \$90 fee. "These lenders exploit people who are just trying to cope financially," Ms Fox said. "This used to be called loan sharking."

The Community Financial Services Association of America, the payday lending industry's Alexandria, Va., lobbying group, defends the practices of its 100 members. Steven Schlein, the association's spokesman, said payday lenders offer a valuable stopgap for consumers. He said the \$15 charged for a \$100 "deferred presentment," is half of the typical \$30 penalty bank imposes for bouncing a check.

Resource: The Toledo Blade: Tuesday, November 30, 2004

★ UT-MCO VISA Special ★

Open a New UT-MCO Visa Credit Card or Transfer high rate Credit Cards (at least \$2,000) to your UT-MCO Visa Card or Get a Cash Advance from your UT-MCO Visa for **6% for 1 year**

UT-MCO VISA Card has a lot to offer...

12%APR after promo period

No Annual Fees

25 Day Grace Period

Make On-Line Payments



You can apply on-line or stop by one of our four offices for an application.



Money Tight? Need some Extra Cash? Skip your loan January Loan payment!

1. Send \$35.00 per loan to UT-MCO FCU

2. You may skip-a-pay even if you have pre-authorized deduction or a loan payment book. Just sign the coupon and return it with your \$35.00 fee.

Leases, Home Equities, Visa & First Mortgages NOT INCLUDED. You may NOT skip your loan payment(s) if your account is 30 days past due.

1 month skip-a-pay is equal to 2 bi-weekly payments.

Mark your Calendar

For the Annual Meeting
Friday April 15th, 2005



@ The Great Hall (Stranahan Theater)
6:00pm-8:00pm

If you missed it last year,
you DON'T want to miss it again this year!

Reservations & FREE tickets to the Annual Meeting are available at all 4 offices starting March 31st, 2005!

*Reservations are limited and are taken on a first come first serve basis. (Limit of two reservations per member.)

COMING IN MARCH 2005— E-STATEMENTS!

Want less mail? Want to reduce the chance of identity theft? Sign up for E-Statements. Just click on the Online Banking page & click on services & SIGN UP! It's that easy & it's FREE! If you do not currently have Online Banking & would like to take advantage of this Free Service, go to www.utmco.cc & click on the Online Banking/Bill Pay Page. Print out the form from the link & fax it over to the main office. You will then be able to take advantage of your new service within 24 hours. If you have any questions regarding any of our Online services; Bill Pay, Banking or E-Statements, contact Kellie at the Main office.

Scholarship Opportunity

UT-MCO FCU is giving away **\$5,000** in scholarships this year. For consideration for the scholarship, applicants must complete an application along with an essay of 750 words or less typed and double spaced in response to the following **“Explain your college and career goals and aspirations. Where do you see yourself after graduation?”** Essays will be judged on originality, attention to detail and specific examples. The winner will be announced at the 2005 Annual Meeting on April 22nd. You may stop by any of the four offices to get a copy of the application and details or visit us on the web at www.utmco.cc and click on the scholarship page.

Free Estate Planning Seminar January 21st, 2005

*Will my spouse be protected? *Will my children be protected? *Is a Trust different from a Will? *Who needs a Trust and Why? *Can I include charities in my plan? *Can I avoid planning mistakes? *Can I retire with confidence?

Presented by Lon Lutz, Attorney at law
Session 1: 11:30am-1:00pm Schmakel Rm.-
Driscoll Bldg.

Call Kellie Jakubowski @ 419-534-3770 and reserve your seat today. You do NOT need to be a member of UT-MCO FCU to attend this seminar.

Almond Shortbread Cookies

- 1 1/2 tsp Almond Extract
- 1/2 tsp Vanilla Extract
- 1/2 cup sugar
- 5 maraschino cherries
- 2 1/4 cups all-purpose flour
- 1/4 tsp Ground Nutmeg
- 3/4 cup butter
- 1/4 cup vegetable shortening

Preheat oven to 350 degrees F., In a medium bowl, combine flour & nutmeg; set aside. In a large bowl, beat butter, shortening & extracts until smooth. Gradually add sugar to butter mixture & cream until mixture is light. Blend in flour mixture. Dough should be slightly moist. If dough looks dry, sprinkle with water and work into dough. If dough is sticky, sprinkle with additional flour. Spoon dough by teaspoons & form into balls. Place on an ungreased baking sheet. Gently press each ball with palm of hand to form cookie. Cut each cherry into 8 pieces. Garnish with a cherry piece placed in the center of each cookie. Bake 20 minutes or until golden. Cool cookies on a wire rack.





Were you TOO Generous this Holiday Season? Don't Worry- We HAVE An "After the Holidays" Offer just for you

Did your holiday season get expensive? We want to help you get back on track. We have a special Holiday pay back loan just for you.

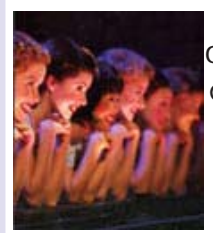
Borrow up to \$5,000 until January 31st, 2005, with rates as low as:



4.00% APY for 12 Months

5.00% APY for 24 Months

6.00% APY for 36 months



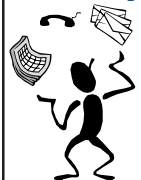
UT-MCO FCU has discounted tickets for Contact, 42nd Street and Blues Clues. All performances will be held at the Stranahan Theater. Stop by one of the 4 offices for details, dates, prices and times or visit us on the web at www.utmco.cc.



Call for Nominations

UT-MCO Federal Credit Union is now accepting nominations to fill two positions on our Board of Directors. Please send in a resume and a biographical statement. Statement should include an introduction of the nominee & their qualifications.

All resumes and bios are due by **Friday, February 11th, 2005.**



Please send information to:
UT-MCO Federal Credit Union
Attn: Nomination Committee



5248 Hill Avenue Fax: 419-530-4021
Toledo, OH 43615 E-mail: jsatkow@utnet.utoledo.edu

For more information, contact our Main Branch at (419) 534-3770. All nominees must be UT-MCO FCU members in good standing & are subject for review by the UT-MCO nomination committee.

COURTESY Pay IT'S HERE! **COURTESY Pay**
Protection for your checking account

What is Courtesy Pay? Courtesy Pay is a new service that adds a measure of protection to your checking account. Courtesy Pay may cover insufficient funds checks, up to your approved credit limit, for one low fee per covered overdraft transaction.

How Does Courtesy Pay work? Overdrafts on your checking account, up to \$500 will be honored by UT-MCO FCU. A \$25.00 fee will be assessed for each item that draws your account negative. You then have up to 30 days to bring your account current, either through a direct deposit, transfer of funds, or a deposit at one of our offices.

What if I already have Overdraft protection? If you have established other overdraft protection methods, such as automatic transfer from you other accounts, we will use those methods first.

Do I have to apply for this service? No. We require no applications or additional signatures. As long as you are a member in good standing which includes having an account with us for at least 30 days, you make regular deposits to that account, bring your account back to a positive balance regularly, and there are no legal orders against the account, your Courtesy Pay privilege remains activated.

How Can I access Courtesy Pay? Overdrafts may be paid utilizing your Courtesy Pay funds up to the limits mentioned above for the following types of transactions: Checks, Electronic Transactions and Bill Payer.

Call us for more information We are happy to review Courtesy Pay features with you, along with giving you other options to add convenience and ease to your account.

Need Money for School? We have A Great Tuition Loan rate that will fill your bank. Rates as low as 5.0% We make it easy to finance your education. All checks are made payable to the educational institution(S) of your choice. Stop in today and start saving for your future. Offer good through 3/31/05.

Did You Know...

Until July 1929 U.S. currency was 7.42 inches by 3.13 inches.



Currency printed since 1929 is 6.14 inches by 2.61 inches, a size easier to handle and less expensive to

Money Matters is published quarterly by the UT-MCO Federal Credit Union's Marketing Department. We have made some changes in the Newsletter, to better serve you and your financial needs. Please give us your feedback on our new newsletter design. Your feedback is not only appreciated, but it also plays a large role in the articles that appear in our newsletters. Should you have any topics of interest, please do not hesitate to share your ideas: kjakubo@pop3.utoledo.edu

- Kellie C. Jakubowski, Newsletter Editor

<p>Main Office 5248 Hill Ave. Toledo, OH 43615 Phone: (419) 534-3770 Fax: (419) 534-3780 8:00 AM—4:00 PM Mon—Thurs 8:00 AM—6:00 PM Fri</p>	<p>MCO Office Dowling Hall, Room 20 3065 Arlington Ave Toledo, OH 43614 Phone: (419) 383-4470 Fax: (419) 383-2850 8:00 AM—4:00 PM Mon—Fri</p>	<p>UT Office Gillham Hall, Room 2010 2801 West Bancroft Toledo, OH 43606 Phone: (419) 530-2316 Fax: (419) 530-8426 8:00 AM-4:00 PM Mon-Fri</p>	<p>UT Student Union Office Student Union, Room 3019 2801 West Bancroft Toledo, OH 43606 Phone: (419) 530-8534 Fax: (419) 530-2720 11:00 AM-4:00 PM Mon-Fri</p>
<p>Other Information</p>	<p>Quick Teller (419) 241-8948</p>	<p>VISA Line 1 (800) 808-7230</p>	<p>Debit Card 1 (800) 554-8969</p>
<p>Direct Deposit Routing # 2412-8265-8</p>			

★☆☆ **Holiday Closings** ★☆☆

New Years Eve
Friday, December 31st, 2004

Martin Luther King Jr. Day
Monday, January 17th, 2005

UT-MCO FCU Board

Board of Directors	Supervisory Committee
Geoffrey Tracy, Chairman	Pam Beck
Robert Bruno, Vice Chairman	John Satkowski
Jean Hilt, Secretary	Shelia Stewart
Katie Wagner, Treasurer	
Bryan Pyles	Operations Managements
Thomas Sharkey	Katie Wagner, CEO
Dawn Blausey	

Rates and Terms—January 2005

Loans*

Automobiles As Low As...

Age	As Low As	Term
2005-2004	4.50% APR	Up to 72 Months
	4.75% APR	Up to 84 Months
*2003	4.75% APR	Up to 60 Months
	5.00% APR	Up to 84 Months
2002-1999	4.75% APR	Up to 60 Months
1998-1997	6.00% APR	Up to 48 Months

(*Previously titled motor vehicles)

Boats As Low As...

Loan Amount	As Low As	Term
Up to \$15,000	8.75% APR	Up to 72 Months
\$15,001-\$25,000	9.25% APR	Up to 120 Months
Over \$25,000	Open	Open

Tent Camper's, Snowmobiles, ATV's, & Personal Watercraft As Low As...

10.50% APR

Other Loans

Type	Base Rate
Signature	13.50% APR
Computer	5.50% APR
Share Covered	4.75% APR**
Tuition	7.00% APR
VISA (No Annual Fee)	12.00% APR

First Mortgages, Second Mortgages, and Home Equity Lines of Credit Also Available!

Nature of Dividends

- Dividends are paid from available earnings after required transfers to reserves.
- All dividends are accrued daily.
- Dividends are compounded and paid quarterly. Dividends will not be paid if account is closed prior to accrued dividends being credited to account.
- Dividends are set by the Board of Directors.
- Dividends are subject to change without notice.
- Dividends are expressed as APY—Annual Percentage Yield. APY is a percentage rate that reflects the total amount of dividends to be paid on an account based on the rate and the frequency of computing for an annual period.
- Fees or other condition may reduce earnings.

Savings Accounts

.75% APR	.75% APY	paid 12/31/04
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Savings Certificates

12 month/\$1000 min.	1.49% APR	1.50% APY
24 month/\$1000 min.	1.98% APR	2.00% APY
36 month/\$1000 min.	2.23% APR	2.25% APY

IRA Accounts

1.98% APR	2.00% APY	paid 12/31/04
1.98% APR	2.00% APY	to pay 3/31/05

IRA Certificates

12 month/\$2000 min.	2.23% APR	2.25% APY
24 month/\$2000 min.	2.48% APR	2.50% APY
36 month/\$2000 min	2.72% APR	2.75% APY

Rates and terms are subject to change after January 1, 2005.

**Current Savings rate plus 4%

*Annual Percentage Rates are based on the member's individual credit worthiness. Risk based pricing applies. Rates will never exceed the limit set by the NCUA. Credit limit is 18%. Loans exempt from Risk Based Pricing are: Tuition Loans, Home Equity Loans and Visa Credit Cards.

