

PAPIT FAMO'LU

GOVERNMENT OF GUAM EMPLOYEES FEDERAL CREDIT UNION

FIRST QUARTER NEWSLETTER

JANUARY - MARCH 2005

THE MORTGAGE DIFFERENCE:

Never Alone With GGEFCU Home Loans

The Government of Guam Employees Federal Credit Union has recently begun to offer various types of mortgages to new and existing homeowners on Guam, according to Mr. Tom Graves, President/CEO, who said GGEFCU already has the best mortgage rates and lowest closing costs on the island.

"Qualified members will now be able to access all of

our mortgage products under our CU Home category such as 1st time homeowners loans, construction, refinancing, home equity and vacant lot loans at rates rarely seen in the region," said Lito Gatuz, Credit Union Credit Manager. "This is some of our most important work in the community—offering to our membership mortgage rates that are affordable to most everyone,"

Gatuz said. "Everyone should have the opportunity to own their own home, and this is a huge step in this direction. We've been working on this for quite some time and we have everything in place to give our membership an impressive lineup of home loans."

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Step into our home.



So we can help you get yours.

  Your funds are federally insured to \$100,000 by the National Credit Union Administration. We'll take you there.

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A MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Members,

It is my pleasure to report on another excellent year of service by your Credit Union to the membership.

During a time that the Federal Reserve continued to push interest rates down to spur the economy, the Credit Union continued to maintain its historical leadership for both savings and loan rates. While our banking brethren were more than happy to push deposit rates to near-obscure levels, we continue to pay above-market rates on our share savings accounts. In the loan arena, many of our loan rates decreased to levels not seen for many years.

2004 was a defining year for our Credit Union the strength of our credit union is most evident based on our great achievements this year. Our savings portfolio grew to a close \$7 million this year while our end of the year income reached the \$2 million mark.

In October a third branch in Tamuning was made available to our members, since then it has received tremendous response for both the extended service and the convenience it has provided our members. With the variety of products and services already available, the implementation of the CU Home Mortgage Loan Program has and will continue to receive rave reviews from our members.

Our field of membership has now grown to include the newest member of our Select Employee Group, Calvo Enterprise. Our name has taken on a new meaning after the many years of service. It stands for our way of doing business and our focus on

servicing our members. Tradition, reliability and integrity are our guiding light and it is our pledge to you in everything we do.

Yet, despite the rapid change in technology, there has been one constant at GGEFCU - providing quality service to our members. GGEFCU continues to focus on its mission of providing quality financial products and services to our members. Whether through the internet or by the traditional method of the telephone, we want your experience with GGEFCU to be warm, friendly and efficient.

None of what GGEFCU has accomplished could have been possible without the dedication and hard work of the Board and staff. Both the Board and staff are truly committed to the ideals that are engraved in our name. The Board members volunteer their time, energy and expertise selflessly and really believe in the mission of GGEFCU. The Board works closely with management to ensure that GGEFCU is constantly seeking out the best it can offer to its members in both the pricing of products and services and in competitive rates of return on deposits and loans.

The Board and management recognize that none of what GGEFCU achieves would be possible without the dedication and hard work of the staff. Each employee exemplifies the guiding principles in our name and recognizes the value of our members' business. They stand ready to go the "extra mile" to ensure that a member receives the product and service that the member deserves. The

smile that you see through the telephone is genuine, and we are extremely proud of the effort of the staff.

So what is next for GGEFCU? How about more of the same, and then some. More of the dedication to our guiding principles and more of the quality service. At the same time, GGEFCU has undertaken a number of initiatives. We are currently working on projects that include e-commerce products, enhancing our home banking features, more investment options and an even stronger commitment to working more closely with our members.

We feel both proud and privileged to serve our members and we greatly appreciate the business and support of the members throughout our 42-year history and in the years to come. We know that there are many choices for our members and we appreciate that GGEFCU has been a trusted choice. We pledge to continue to work harder than ever to make GGEFCU your primary choice for quality financial products and services.

Sincerely,

Stephen Guemero

CREDIT UNION AND YOU



A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Members,

We've arrived in 2005! At the Credit Union we are certain that this year we will break new ground, kick off exciting new services and fully establish ourselves as the leading financial institution on the island with our competitive rates and our long list of options we continue to offer to you, our valued members and partners in success.

This past year, we believe we lived up to our promise of being as innovative, forward thinking and groundbreaking as we could possibly be for you and your money, your family and your longterm financial solvency. What does this proactive work ethic and vision at the Credit Union mean to you? Quite simply, our desire to offer you the most expansive list of services and most competitive rates on Guam means that your 'Money Menu' gives you as many exciting options to strengthen your future as anyone in the world.

For several years now, we've pushed the boundaries, worked harder than our competition and challenged ourselves and one another to be the best so that you can sleep well knowing that no stone has been left unturned in giving you the very best every day of the year for your money and your valuable time.

With a new location in Tamuning, we are no longer poised for great things; we are in the midst of great things—leading services and options such as our mortgages, which have taken home ownership on Guam to a new level. Our mortgage specialists, we believe, have now set the standard for finding the right package to fit your very specific needs, budget...and dreams. Our competitive mortgage rates turn many of these dreams into two, three or four-bedroom realities—realities that shape the foundation of these very same dreams.

At your Credit Union, we firmly believe that we give flight to dreams every day for our members through steady, consistent work and a 'can do' attitude that overcomes any obstacles in your path to financial freedom, flexibility and power.

We're here for you at the Credit Union, and we are leading the way so that you can do the same with your money, for your family and within our community. We've turned the corner, turned dreams into reality and we've cleared the way for the Credit Union to be the most secure and logical location for you to invest, plan and strategize a healthy and comfortable future for you and your family.

Thank you for your confidence in our work and we'll see you soon at one of your Credit Union locations.

With regards,

Tom Graves

THE MORTGAGE DIFFERENCE:

Never Alone With GGEFCU Home Loans

John Arroyo, COO,
Jenevieve Sablan, first CU Home loan recipient,
& Tom Graves, President/CEO



(continued)

According to Bengco and the Credit Union, individuals are already lining up to take advantage of what many consider to be one of the Credit Union's biggest developments of the last decade. "We've been getting tons of positive feedback," said Bengco, who added that they expected much of this response because they've put together such a solid loan package for their membership. "We feel as if we can compete with any financial institution on the island in terms of providing our membership with the best rates, service and options to buy or build their own home."

Jenevieve Sablan is the Credit Union's first satisfied customer, having secured a 1st time homeowners mortgage loan last month and looking forward to a bright future with her family in the village of Ordot. "I'm thrilled with how smooth the processing was and well equipped the Mortgage specialists were," said an elated Sablan. "There was no other bank or organization on the island that

could come close to matching the low rates offered at the Credit Union, particularly in terms of the closing costs."

Sablan said flexibility was also a key in going with the Credit Union for one of the most important decisions in her young life. "The team at the Credit Union looked carefully at my individual situation. I wasn't just a number. They came up with numbers that worked for me and my family, and I couldn't be more happy."

"That why we do what we do. The Credit Union, all of us who work there, pride ourselves not only on great rates on loans and other packages, but also on individual service and time with our members. It's really our signature." Said Bengco To discuss how we can expand your membership to include our new products under CU Home, Call 477-8736 .

GUAM BUSINESS SHOW



Our GGEFCU Trade Show Team happy to offer all of our GGEFCU products and services to members and extending our Select Employee Group services to the business community at the 2005 Guam Business Show held in October at the Holiday Inn.

HARLEY DAVIDSON SHOW



Once again the GGEFCU-Harley Davidson partnership is very successful providing on site Motorcycle loan approvals to members at the Harley Davidson Headquarters in Barrigada.

IRAS AND GGEFCU: A Winning Combination

A winning formula

"Winning is never accidental. To win consistently, you must have a clear plan and intense motivation." —Lou Holtz, legendary football coach

Great advice, especially when it comes to retirement. A retirement plan and determination will take you where you want to go—traveling, golfing, or relaxing by a lake.

Whatever you have in mind for your golden years, a GGEFCU individual retirement account (IRA) is a safe harbor for your retirement funds. There are more IRA types, and more maturity options than ever, so funds are available when you need them, now or later.

Financial institutions notify you when a certificate comes due, but keep track of due dates. Along with terms, such as grace period, due dates are spelled out in the contract and worth checking out. If you do nothing when an IRA certificate matures, it automatically will renew at the same terms but not necessarily the same rate.

Because you don't have to keep your IRA in the same

account forever, it pays to shop around. IRA rules permit you to transfer, tax-free, IRA assets to different financial institutions or brokers. And, if you leave an employer, you may be able to move accumulated pension benefits into an IRA. If you're switching jobs, you also can use an IRA as a holding account for moving funds to your new employer's plan.

And if you need some, but not all, of your IRA assets, it's possible to move part of the withdrawal tax-free into another IRA and keep the rest of it. Of course, the amount you keep generally will be taxable and may be subject to the 10% early federal withdrawal penalty, and, in some states, an additional state penalty. Shifts are subject to certain rules to avoid penalties, so check with your tax adviser to be sure.

When you're ready for a change, contact GGEFCU about rolling over established IRA funds, adding funds to, or putting new money into an IRA. We have attractive savings rates and offer a safe place for your retirement funds.

RESOLVE TO BUDGET, SAVE AND INVEST IN THE NEW YEAR

January is a good time to take stock of your personal finances. You can make positive changes to your spending and saving habits, whether it's making a New Year's resolution to get spending under control, figuring out how to save for a down payment on a house, or analyzing your investment portfolio. Many people, however, don't know where to start.

Where are you now?

Start with a personal assessment. Ask yourself: Do you track where your money goes? Have you identified your spending leaks? Do you have a written spending plan? Do you have an emergency or rainy-day fund? Do you live within your means? Do you have written financial goals?

Know the difference

Many people think that if they don't overdraw their financial accounts, they're doing just fine. But that's not the whole story. Not even close.

Having a plan for different aspects of your life is essential. Consider a plan where you:

- Budget ... for short-term goals.
- Save ... for medium-term goals.
- Invest ... for long-term goals.

Ask for help

Budgeting, saving, and investing are essential components of financial well-being, and they require different strategies. Your friends at GGEFCU can help you get started. Call us today at 477-8736 to help you start the New Year on the right financial footing.



Need some Holiday Dough?


Call us today!



Call Center: 477-8736



There's still time. Apply today!

 **NCUA** Your funds are federally insured to \$100,000 by the National Credit Union Administration.

WE WANT TO SERVE YOU **FASTER AND EARLIER!**

Please address all payments and correspondence to:
121 Robot Street Hagåtña, Guam 96910
Call Center: 477-8736

NEW Hours of Operation
Monday-Thursday 9am-5pm
Friday 9am-6pm
Saturday 9am-1pm

TAX RECORDS: What to Keep, What to Toss

When it comes to tax-related documents, good recordkeeping means knowing what to toss, and what to keep and for how long. The IRS (Internal Revenue Service) doesn't require you to keep records in any particular way. Develop a system that helps you and the IRS figure your correct tax.

Keep track of expenses

Throughout the year, collect receipts that document tax deductions. Consider designating a file for each tax credit, such as child care; and for each deduction, such as medical expenses, charitable contributions, mortgage interest, real estate taxes, alimony, and casualty losses. Cash payments require a dated and signed receipt showing amount and description.

If you use a software package for recordkeeping, you'll need to produce proof of payment, receipts, and other documents to prove amounts on your return.

Organize home records

Keep closing statements, purchase and sales invoices, and proof-of-payment and insurance records. Keep Form 2119 if you sold a house before 1998. Keep improvement records until you sell the home.

Just hang on

Keep W-2s, 1099s, and brokerage and financial statements to prove income at least three years after you file, or longer if necessary. Some experts advise keeping copies of tax returns forever, and supporting documentation for seven years. IRS guidelines state that you should keep documentation for deductions at least three years, but if you've underreported income by 25%, the IRS can audit up to six years later. If you filed a fraudulent return or didn't file one at all, all bets are off—an audit can occur at any time.

Shred or burn

Get rid of receipts that don't document a tax deduction or that aren't for large purchases or warranties. Shred credit card receipts and statements that don't contain tax-related expenses, after matching them against your monthly statement. Match paycheck stubs against your annual W-2, then shred the stubs. Verify quarterly retirement and savings statements against the annual summary, then shred.

For more information

Visit the IRS Web site at www.irs.gov. Search for Publication 552, Recordkeeping for Individuals.



WE'RE IMPROVING... AGAIN!

To better serve you we will be upgrading our systems. **CU Web Branch, ATMs and MTS will be temporarily out of service from 1:00pm, January 16, 2005 to 12:00am, January 18, 2005.** Please visit any of our 3 branch locations in Maite, Harmon or Tamuning for transactions. Contact our **Call Center: 477-8736** for any questions you may have.

SHARE RATES

Share Programs	APY *
IRAs	
Regular Shares	1.00%
12 months	2.22%
24 months	2.89%
36 months	3.46%
48 months	4.15%
60 months	4.65%
CU Share Savings (min. \$5 processing fee; \$25 min. to establish account)	1.00%
CU Time Shares* (min. \$500 required to earn dividends)	
3 months	1.51%
6 months	1.74%
9 months	1.98%
12 months	2.22%
18 months	2.48%
24 months	2.89%
36 months	3.46%
48 months	4.15%
60 months	4.65%
CU Jumbo Time Shares* (min. \$100,000 required to earn dividends)	
3 months	1.56%
6 months	1.79%
9 months	2.03%
12 months	2.27%
18 months	2.53%
24 months	3.25%
36 months	4.25%
48 months	4.75%
60 months	5.25%
CU Advantage Free Checking	0.50%
CU Club Accounts	1.76%
CU Money Fund Plus (min. \$2500 required to establish account)	
\$2,500	1.20%
\$5,000	1.35%
\$10,000	1.50%

*All rates are expressed as Annual Percentage Yields and are subject to change without prior notice. Yields are effective August 20, 2004. Minimum amount required to open the following accounts are: CU Time Shares \$500, CU Jumbo Time Shares \$100,000, IRA \$1,000, CU Money Fund Plus \$2,500. Rates may vary depending on terms selected. Early withdrawal penalties apply. Applicable fees may reduce earnings of the account. Other restrictions apply. See a Credit Union representative for details.

Loan Programs	APR *
Regular Loans	as low as 5.99%
Line of Credit	as low as 5.99%
Shared Secured Loans	2% above dividend rate*
Motorcycle Loan	as low as 5.99%*
New Auto Loans	as low as 2.99%*
Used Auto Loans	as low as 3.99%*
Discount Auto Loan	1% less on your loan*

*APR - Annual Percentage Rate. Rate as of 11/3/03, maximum term of 60-months. 100% financing available only to approved buyers. Auto loans up to eight model years or newer. Autos purchased within the last 6 months may be considered as new Auto. Rates and conditions are determined by the Asset and Liability Committee (ALCO) and are subject to change without notice. Subject to credit approval. Certain restrictions apply. call 477-5991 or contact us at www.ggefuc.com. Direct deposit payment highly recommended.

** Discount Loan Program: You must have a minimum of \$5,000 loan balance on your current loan and provide printed proof of current APR. Minimum Rate = 4%, Maximum Rate = 18%.



CONGRATULATIONS TO OUR SCORE WITH 24 ACCESS WINNERS!

We want to help make the most of your credit union membership! Sign up and experience the convenience of all of our remote access services available for you 24 hours a day. Log on to ggefuc.com for CU Web Branch, Call 477-1148 for our Member Telephone Service, or Visit any one of our ATM locations available 24 hours a day island wide. Let us help save you some of your valuable time!

OTHER PRODUCTS AND SERVICES

- CU Express Card
 - Member Telephone Services/CU Web Branch
 - Online Banking at ggefuc.com. Click... Connect... Done.
 - Free AMEX or Citicorp Travelers Checks
 - CU Direct
 - CU Express Drop Box
 - GTA/GPA-GWA Billing Payments Accepted
 - Notary Service
- Available at the Maite location only. Please call ahead. Notaries are not attorneys and can not give advice concerning legal matters.

ATM LOCATIONS

- Circle K Stores** The "Circle K" logo is a registered trademark of Circle K Stores. Circle K is an official licensee of Circle K Stores.
- Agana Shopping Center** Located across Pay-Less entrance
- GovGuam Agencies**
- Guam International Airport
- Guam Memorial Hospital
- Your Credit Union**
- Maite • Harmon • Tamuning

FREE for members and Lowest non-member fee on island!

CREDIT UNION LOCATIONS HOURS AND PHONES

Call Center: 477-8736

MAIN OFFICE MAITE BRANCH 121 Robot Street Hagåtña, Guam Fax: 477-1155	HARMON BRANCH Route 16 Guam Business Center, Suite 105, Harmon, Guam Fax: 646-0470	TAMUNING BRANCH 788 S. Marine Drive, Suite B, Tamuning, Guam Fax: 647-0082
MEMBER TELEPHONE SERVICE Available 24 hours Phone: 477-1148	BUSINESS HOURS Mon.-Thurs. 9am-5pm Friday 9am-5pm Saturday 9am-1pm Sunday CLOSED	CU WEB BRANCH Online Banking click • connect • done Available 24 hours www.ggefuc.com
		NEW MAILING ADDRESS! 121 Robot Street Hagåtña, Guam 96910