

PAPIT FAMO'LU

GOVERNMENT OF GUAM EMPLOYEES FEDERAL CREDIT UNION

THIRD QUARTER NEWSLETTER

JULY - SEPTEMBER 2005

GGEFCU BOARD OF DIRECTORS NAMES JOHN ARROYO AS THE NEW CEO

Norbert Ungacta, Chairman of the Board of Directors of the Government of Guam Employees Federal Credit Union (GGEFCU) announced that Vice President/COO John Arroyo has been named new Chief Executive Officer/President of GGEFCU.

"I am delighted that John Arroyo accepted our offer to be the new CEO of this successful organization," said Norbert Ungacta, Chairman of the Board of Directors of GGEFCU.

"John will provide the leadership, continuity of GGEFCU's vision and the business experience necessary to move the organization forward and position it for long-term success. Having had the opportunity to work closely with John over the past year, we realized that he is ideally suited to take on this responsibility," Ungacta continued.

"When John arrived at GGEFCU, we were well aware of his

superior operations, lending and management experience and we are pleased that we can draw on that."

John Arroyo who for more than 15 years served as Vice President of BankPacific's Credit Administration is a seasoned professional who has honed his skills on Guam. John received his MBA from School of Business at Oregon State University, graduated from the University of Guam with a BBA and worked for various businesses and banks. "He has given a great deal back to the island and we're going to look to his leadership and experience to strengthen our already formidable financial position," Ungacta said.

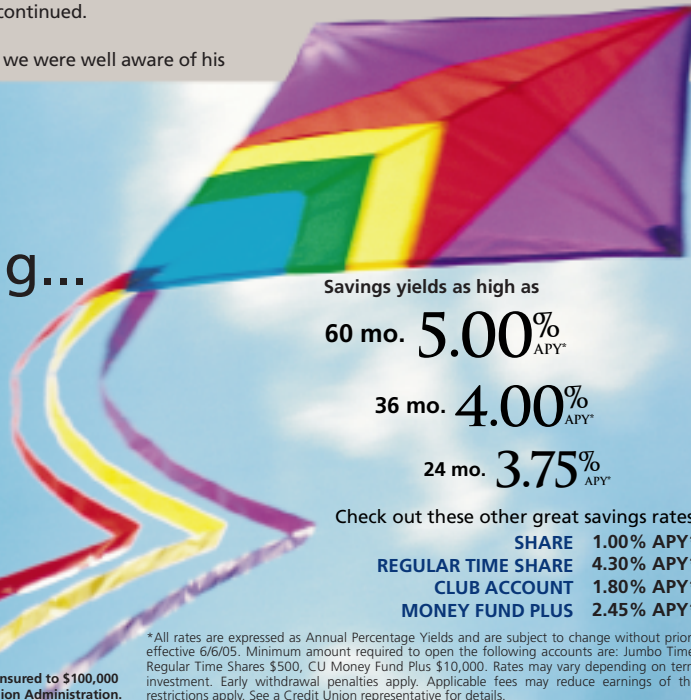
At the January 2005 meeting, The Board of Directors

regrettably accepted the resignation of Mr. Tom Graves who stepped down from his position on February 18, 2005 to take up a new challenge. Tom had been the President/CEO of GGEFCU since December of 2002. During his tenure, Mr. Graves assisted in significantly increasing the financial products, services and financial performance of the credit union. "We have enjoyed having a dynamic leader such as Tom and wish him continued success in his career," continued Ungacta.

In accepting the offer, John said: "To take over the presidency of GGEFCU from Tom Graves meant to accept a well-established and efficiently working organization. For myself I consider this a great honor and an obligation to fulfill the expectations and trust that the Board of Directors and our members have given me. I take on this role with the knowledge that I am joined by a very strong group who make up the credit union's management team. I am pleased to be working with all of them. We have one common goal, which is to work towards the growth of this organization, enrich our member's financial well-being and to keep the credit union strong well into the future".

CU Savings

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36 mo. 4.00% APY*

24 mo. 3.75% APY*

Check out these other great savings rates as high as:

- SHARE 1.00% APY*
- REGULAR TIME SHARE 4.30% APY*
- CLUB ACCOUNT 1.80% APY*
- MONEY FUND PLUS 2.45% APY*

*All rates are expressed as Annual Percentage Yields and are subject to change without prior notice. Yields are effective 6/6/05. Minimum amount required to open the following accounts are: Jumbo Time Share \$100,000; Regular Time Shares \$500; CU Money Fund Plus \$10,000. Rates may vary depending on terms and amount of investment. Early withdrawal penalties apply. Applicable fees may reduce earnings of the account. Other restrictions apply. See a Credit Union representative for details.

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

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A MESSAGE FROM THE CHAIRMAN OF THE BOARD



Hafa Adai, from all of us here at the Government of Guam Employee Federal Credit Union! On behalf of the Board of Directors, management, staff and community of GGEFCU, we'd like to extend a big "welcome" to any new members and a "thank you" to all of our existing ones. You all are the driving force behind the success of this credit union, and we recognize that.

Unlike banks or other financial institutions, GGEFCU is owned and operated by the people we serve - our members. Our credit union is formed as a not-for-profit cooperative, owned by our members who democratically control it. This means that there is no one small group of stockholders receiving a large profit. Instead our profits are redistributed to the members in the form of higher dividends on share accounts, lower rates on loans, and free or reduced service fees.

By creating a community-based environment, we further illustrate our difference among non-member, for-profit companies. Not only are we a "member helping member" institution, which carries into the daily mechanics of our work here, we also speak differently about our business dealings. For example, we do not have ambiguous customers. We have members, who have personal, emotional, and financial investment in the credit union. Our members do not open savings accounts, but they do open share accounts. Nor do they receive interest on their accounts. Rather they earn dividends. And instead of writing checks - the seemingly most routine transaction - they write share drafts. Our different terminology creates a sense of connection among the members of our community that is missing from the rest of the financial world.

When you are ready to become part of our community, we will be ready to receive you. Upon becoming a member of GGEFCU, you will receive a number of benefits including free features like Visa Check Cards, low loan rates, and tailored services to better suit your busy lifestyle such as online banking and MTS (Member Telephone Service). Feel free to stop by or call any one of the GGEFCU branches with any questions or comments. By adding new products and staying up-to-date with modern technology, we are striving today to make your tomorrow better.

Norbert F. Ungacta, Chairman, Board of Directors

CREDIT UNION AND YOU



A MESSAGE FROM THE PRESIDENT/CEO

Hello and welcome.

Just two years ago on his first newsletter message as President/CEO of GGEFCU, Tom Graves immediate past president of this credit union

said, "this is an exciting time for GGEFCU".

As the new President/CEO of GGEFCU, I couldn't agree more. This year marked a special time for me. I would like to thank the Board of Directors who gave me the great honor of leading this credit union. I will do my best to live up to their confidence and the expectations of the membership in me.

I am truly honored and humbled to be associated with the amazing collection of talent that makes up our organization. Together, we have the opportunity to build an even stronger credit union by capitalizing on our past accomplishments and recognizing the opportunities that are before us.

Exciting times, indeed!

At the credit union, a true sense of community and trust among our employees and members has created a place where people feel secure and valued. There is no doubt about it, staying on top of your game isn't getting any easier. Businesses these days are competing more aggressively. This creates bigger challenges to remain competitive. But having more competition doesn't have to be bad news.

Our strong capital ratio of 23% is better than our peers. Today, members experience GGEFCU's services through in-lobby office visits, the ATM, online banking and the automated Member Telephone Service system. As I write this message our management team is continuously working on enhancing and adding new features to these services for your benefit.

Your privacy and security is of utmost importance to us, in a month or two we will introduce an added on-line banking security feature that will better protect your internet transactions with the credit union. By next year, we will complete the upgrade on our system once again to a state-of-the-art system that will address all regulatory compliance issues and allow us to offer a variety of products and cross selling opportunities to our members.

In the beginning of the first quarter in 2005 the new Mortgage product line called CU at Home was introduced and I am proud to inform you that by the end of the first quarter we surpassed our expectations by financing over \$9 million in mortgage loans, this is triple than what was originally anticipated. I will continue to promote this and other loan products while controlling interest rate risk and work even harder to bring you the best in financial services and products, while maintaining the level of personal service and care you deserve.

We might not be the biggest of all, but the way we work and the way we succeed means that we have good reason to claim we are the best. As long as we keep getting bigger and better, we can only feel good about the future. It is my sincere commitment to continue leading the Government of Guam Employees Federal Credit Union in such a way as to never diminish the financial strength of the credit union for a short-term gain but always lead with a long-term perspective.

I extend sincere thanks to the Board of Directors and committee members. Their voluntary services are invaluable and play a crucial role in the performance and growth of this credit union.

As a team, all employees of GGEFCU will work to provide outstanding and innovative service to members, and maintain strong community relationships. I want to thank our employees for continuing to come up with ways to innovate and to outpace the competition. I want to thank them for their talent and dedication. I especially want to thank our families. It's the support and understanding they provide that help us put in the long hours and come through the tough days. It's the lives we share with them that make it possible for us to accomplish what we manage to do at work.

John Arroyo, President/CEO



THANK YOU FOR YOUR PARTICIPATION!

Thank you to all our members who exercised their right to vote at the GGEFCU 2005 Annual Meeting held on April 16, 2005 at the Guam Hotel Okura. Your vote of confidence is of utmost importance for your credit union to exist and serve members like you.

As a result of your participation, we congratulate our newly elected volunteers who continue to work hard, make a difference and ensure that your voices are heard.

We look forward to another year of exceptional service!

CONGRATULATIONS to all our volunteers!

Board of Directors



Norbert Ungacta

Paul Leon Guerrero

Pedro Martinez

Matthew Quinata

Stephen Guerrero

George Santos

Carlos Bordallo

Credit Committee



Felix Mansapit

Bill Taitingfong

Joe Pereda

Ignacio Santos

Joey Calvo

RELAY FOR LIFE 2005



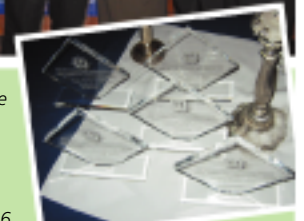
24 Hours of Giving! Once again, Your credit Union team and families generously donated their time and efforts to a very successful 2005 Relay For Life event held on May 27th and 28th at the GW High School. A total of \$2,000.00 was raised and donated to the American Cancer Society on behalf of GGEFCU.



GMA AWARDS 2005



On June 3rd, 2005 at the Hilton Guam Resort & Spa, the Guam Marketing Association awarded GGEFCU for winning a total of 5 of 16 categories competing with local and international companies in the marketing industry. The awards were recognized and judged by the members of the American Marketing Association. Congratulations GGEFCU!



FINANCE YOUR RETURN TO SCHOOL

If you're thinking about going back to school to finish a degree or to continue your education, you might be concerned about how you'll get through it financially. By carefully investigating your options, additional education might not be out of the picture.

* Financial Aid--With increases in the amount of financial aid available, loans can assist more people. Fill out a Free Application for Federal Student Aid (FAFSA) form to assess your needs.

* Part time vs. full time--Determine if going back to school is what you really want to do and if you can handle the demands of a job, family, and school while paying only for a few credits at a time.

* Scholarships, grants, and fellowships--Given out through schools, organizations, and businesses for different reasons, many are designated for returning adults. And, they needn't be repaid.



* Employer-paid tuition--Many companies pay for their employees pursuing further education. Check with your HR (Human Resources) department for more information.

* Get to know the financial aid officer--When new scholarships are offered, your face and name will be remembered, and you most likely will be contacted about the potential funds.

Call or visit us today. We have loan options specifically available to you to help pay for college tuition and necessities.

STUDENTS, FIND THE BEST CREDIT CARD DEAL RIGHT HERE

Warning: It's best to avoid credit card solicitors on campus. Students who sign up for credit cards at campus tables typically carry higher unpaid balances than those who don't. Instead, talk to your credit union about applying for a credit card with low interest rates and annual fees. A Bankrate.com survey reports that credit unions offer the most consumer-favorable terms among student-card issuers.

Next time someone offers you a free T-shirt on campus, say no thanks and buy one at the bookstore. In the end, the bookstore T-shirt will cost less. That's because the free T-shirt comes with a credit card bearing high interest rates and hefty annual fees.

Credit cards can help you build a positive credit history while providing security in emergencies and enhanced personal

responsibility and independence. But experts say it's best to avoid credit card solicitors on campus.

Students who sign up for credit cards at campus tables typically carry higher unpaid balances than those who do not. To meet your cardholder agreement, you'll need to make a minimum monthly payment. But by paying only the minimum each month your debt will continue to grow.

Experts caution students that a \$1,000 or \$2,000 credit limit doesn't mean they can afford to carry that balance. According to a Minnesota State Colleges and Universities Student Financing Survey, many students are turning to credit cards to pay for educational expenses.

Call GGEFCU today for your credit card options.

CU Loans

Vacation.
Accept No
Substitutes.



Personal Loans as low as
5.99%
APR*

CU Loans
VACATION
VISA CLASSIC/GOLD
PERSONAL
LINE OF CREDIT
SHARED SECURED

Isn't it about time you take some time out for you? Get out of the office and take the Summer Vacation you've been waiting for! Get the lowest interest rates and flexible repayment options at GGEFCU. Learn more about the many personal loan programs we have available. Call us today!

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



*APR = Annual Percentage Rate. Rate as of 6/6/05, maximum term of 60 months. 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 477-8736 or contact us at www.ggefco.com. Direct deposit payment highly recommended.

CU Wheels

This is *my* Credit Union.



There's nothing
better than
the new
car smell.

CU Wheels

Auto and Motorcycle
Loans as low as

2.99%
APR*

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



*APR = Annual Percentage Rate. Rate as of 6/6/05, maximum term of 84 months. 100% financing available only to approved buyers. 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 477-8736 or contact us at www.ggefco.com. Direct deposit payment highly recommended. Discount Loan Program: You must have a minimum \$5,000 loan balance on your current loan and provide printed proof of current APR. Minimum Rate = 4%, Maximum rate = 18%.

WELCOME!
TO OUR NEWEST
SELECT EMPLOYEE GROUP
MEMBERS!



All Nissan employees are now able to take advantage of a credit union membership. Call Tony Camacho, Business Development Representative at 477-8736 and open up your account today!

FUEL YOUR CAR AND YOUR SAVINGS

If you're shocked by gas prices every time you pull up to the pump, well ... get in line. Gas stations continue to raise prices. That's the bad news. The good news is there are ways to fuel your savings.

Before you pump

- Before you get to the pump, do your homework. Locate the best deals on gas in your area.
- Choose the appropriate octane gas for your car. Remember, the higher the octane the higher the price. Check your owner's manual to see what grade your car requires.

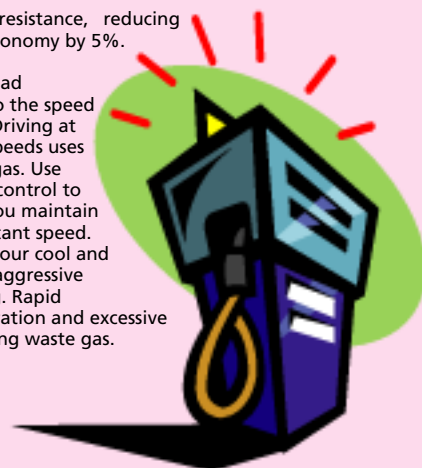
Before you go

- Check tire pressure frequently. Properly inflated tires improve fuel efficiency due to less road resistance.
- Get regular maintenance to keep your car running efficiently.
- Lose the extra weight. An additional 100 pounds in the trunk reduces a typical car's fuel economy by 2%.
- Keep items inside the car. A loaded roof rack creates

wind resistance, reducing fuel economy by 5%.

On the road

- Stick to the speed limit. Driving at high speeds uses more gas. Use cruise control to help you maintain a constant speed.
- Keep your cool and avoid aggressive driving. Rapid acceleration and excessive breaking waste gas.



SHARE RATES

Share Programs	APY *
IRAs	
12 months	3.40%
24 months	3.65%
36 months	3.75%
48 months	4.00%
60 months	4.30%
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	2.45%
6 months	2.70%
9 months	3.30%
12 months	3.40%
18 months	3.50%
24 months	3.65%
36 months	3.75%
48 months	4.00%
60 months	4.30%
CU Jumbo Time Shares* (min. \$100,000 required to earn dividends)	
3 months	2.50%
6 months	3.00%
9 months	3.50%
12 months	3.55%
18 months	3.60%
24 months	3.75%
36 months	4.00%
48 months	4.50%
60 months	5.00%
CU Advantage Free Checking	0.75%
CU Club Accounts	1.80%
CU Money Fund Plus (min. \$2500 required to establish account)	
\$2,500	2.15%
\$5,000	2.30%
\$10,000	2.45%

*All rates are expressed as Annual Percentage Yields and are subject to change without prior notice. Yields are effective 6/6/05. Minimum amount required to open the following accounts are: Jumbo Time Share \$100,000, Regular Time Shares \$500, CU Money Fund Plus \$2,500. Rates may vary depending on terms and amount of investment. 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 *
CU At Home**	
1st Mortgage	now available
Construction	now available
Refinance	now available
Home Equity	now available
Regular Loans	as low as 5.99%
Line of Credit	as low as 6.99%
Shared Secured Loans	as low as 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 6/6/05, 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 477-8736 or contact us at www.ggefco.com. Direct deposit payment highly recommended.

**Specific loan programs may have qualifying areas; such as income, credit, loan to value ratios, length of employment, property type, etc. Rates and program guidelines are subject to change without notice. There is no guarantee that all loans meeting published guidelines will be approved. Certain restrictions may apply. Call 477-8736 for more details.

***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%.

NEW MICRONESIA MALL ATM LOCATION!

GGEFCU has a NEW ATM location to better serve you, our members.

Still FREE for our members and only \$1.50 for non-member transactions, you can enjoy fast cash withdrawals at the Micronesia Mall GGEFCU ATM. We're located across Carl's Jr. in the Fiesta Court on the second floor.



OTHER PRODUCTS AND SERVICES

- CU Express Card
 - Member Telephone Services/CU Web Branch
Online Banking at ggefco.com. Click... Connect... Done.
 - Free AMEX 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 cannot give advice concerning legal matters.*

ATM LOCATIONS

- | | | |
|--|---|---|
| Circle K Stores
<small>The "Circle K" logo is a registered trademark of Conoco Phillips Petroleum Corp. SPPC is an official franchise of Circle K Stores.</small>
Agat
Airport Road
Anigua
Barrigada
Dededo | 
Agana Shopping Center
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GovGuam Agencies
Guam International Airport
Guam Memorial Hospital

 Micronesia Mall
Located across Carl's Jr. | Your Credit Union

Maite
Harmon |
|--|---|---|

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

CREDIT UNION LOCATIONS HOURS AND PHONES

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Available 24 hours
Phone: 477-1148

BUSINESS HOURS

Mon.-Thurs. 9am-5pm
Friday 9am-6pm
Saturday 9am-1pm
Sunday CLOSED

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