

Drowning in Debt?

Free Yourself By Attending Our Workshop

If you're drowning in debt, attend our hands-on debt consolidation workshop. Whether you're having major debt issues or simply want to be more financially efficient, you'll benefit from the knowledge and experience of our team of professionals. Learn how to simplify your life and save by consolidating multiple loans into one, low-interest loan.

Topics include changing the way

you think about debt, setting realistic goals, creating a disciplined plan, identifying helpful resources, working with lenders and evaluating and comparing loan options.

This workshop takes place Tuesday, November 8, from 6 to 7:30 p.m. at our Manchester Branch.

Seating is limited, so reserve your place today by contacting rsvp@lapfcu.org or **877-695-2732**.



LOS ANGELES
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FEDERAL CREDIT UNION
P.O. Box 10188
Van Nuys, CA 91410-0188

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Lower Your Payments and **SAVE**

Los Angeles Police Federal Credit Union invites you to Lower Your Payments and Save in a number of different ways:

1. Start by asking us for your free "Total Savings Snapshot," to see the potential overall savings you could gain by moving your loans to LAPFCU. When you get your review, we'll give you a **free* desk clock/calculator** just for taking a few moments of your time to participate in our analysis.

2. Take advantage of our Low Payment Guarantee. LAPFCU guarantees to lower your monthly auto loan payment or pay you **\$100.****

3. Visit lapfcu.org and try out our Great Rates Calculator to see how LAPFCU beats the Los Angeles market average interest rate by 26 percent when it comes to purchasing or refinancing a vehicle.***

4. For even greater possible savings, consider consolidating your high-interest debt into one of our flexible personal loans, equity lines of credit or Visa® credit cards with a zero percent introductory rate for six months, no balance transfer fees and no annual fees.†

Contact us at **877-MY-LAPFCU** or visit your nearest branch today to learn more about how you can lower your payments and save.



LAPFCU Business Services

LAPFCU now offers comprehensive business services, including checking, savings, credit cards, merchant services and loans.

If you enjoy the personalized, professional service – and great rates – that you receive from LAPFCU for your personal finances, consider us for your business needs as well.

Visit Business Services at lapfcu.org or call **877-MY-LAPFCU** to learn more.

Important Notice for City Employees with Payroll Deduction

If you work for the City of Los Angeles, and you have part of your paycheck automatically deposited at LAPFCU, please contact us by **November 2** if you haven't done so already.

The city is modifying its payroll system, and therefore we'll need to update your payroll deduction information. So stop by a branch

or give us a call at **877-695-2732** so that we can assist you with completing the necessary forms and avoid any interruptions.

If we don't hear from you before November 2, your LAPFCU deductions will be cancelled and included in your net paycheck.

Thank you for your cooperation.

Product Highlights

All rates and terms are subject to change without notice. Additional terms and conditions may apply. Call 877-MY-LAPFCU for details.

LOAN RATES EFFECTIVE OCTOBER 11, 2011

Auto Loans

New Auto / Used Auto
As low as 3.49% fixed APR*

Credit Card Rates

Platinum Rewards Visa® as low as 9.15% variable** APR*
Classic Visa as low as 13.99% fixed APR
My First Visa as low as 13.99% fixed APR

SAVINGS RATES EFFECTIVE OCTOBER 11, 2011

Regular Share Certificates

6-Month Certificate 0.20% APY***
1-Year Certificate 0.30% APY***
3-Year Certificate 0.60% APY***
5-Year Certificate 1.49% APY***

*APR = Annual Percentage Rate. All rates, terms and conditions are subject to change. The rates shown are our lowest available rates. Funding rates are based on a variety of factors, including the applicant's credit score. Certain restrictions apply. Ask for details. **Variable rates may increase/decrease after consummation of the loan. ***Minimum opening deposit for a regular share certificate is \$500. An early withdrawal penalty may apply.

LAPFCU Board Elections Near

If you wish to be considered in the upcoming LAPFCU Board Election, nominations may be made by petition. You may pick up a petitioner package at any LAPFCU branch beginning September 30, 2011. Requirements include, a petition signed by 1% of the membership (432 members), along with a brief biography of yourself, (125 words max.).

The deadline for submitting petitions is by 4:00 p.m. on Thursday, November 7, 2011.

Election results will be announced at the Annual Meeting on Wednesday, January 25, 2012. For additional information, call **877-My-LAPFCU (877-695-2732)**.

BILL PAY My Way

Sign up for LAPFCU's free PATROL online banking bill pay service and pay three bills during the same month before November 30 and you'll receive **\$10**.

Plus, get another **\$1** for each additional bill you pay that month for a total of up to **\$15!**

Click on the Bill Pay My Way banner at lapfcu.org for complete details.

Our Debit Cards Reward You

You may have seen reports lately about banks charging customers to use their debit cards. At LAPFCU, our debit cards are just the opposite – they reward you when you use them:

- **LAPFCU Total Rewards** -- Through this free program which all checking account holders are enrolled in, you earn points for valuable merchandise or cash back rebates when you use your debit card (signature-based charges only).
- **Free ATM* Use Nationally** – Performance Checking account holders earn dividends** and are given free ATM anywhere in the country when they complete certain requirements.
- **Purchase Rewards** – You earn incentives and rebates when you use your debit card to conduct every day purchases. Log onto PATROL Online Banking for details.

In this era of rising fees, it's nice to find a checking program which rewards you for your business.

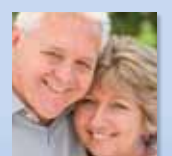
*ATM refunds up to \$25 per statement period if requirements are met. **LAPFCU may change the dividend rate at any time. Each cycle the minimum requirements are met, 0.20% Annual Percentage Yield (APY) will be paid on balances between one penny and \$25,000, as well as 0.05% APY paid on all amounts above \$25,000. Rates as of October 1, 2011. No minimum balance required, however you must deposit a minimum of \$25 to open the account. No monthly service charge. If you do not meet the requirements per qualification cycle, your account will not earn dividends nor will ATM fees be reimbursed. Qualification cycles will vary from your statement period. One Performance Checking Account per member. New accounts will automatically receive the 0.20% APY for the first statement period of the account.



PATROL Online Banking – Now Better Than Ever



Ten Tips for Preventing Identity Theft



Drowning in Debt? Attend Our Workshop

Chairman and President's Letter

You may have seen the many recent news reports about financial institutions adding fees to products and services, as well as the low rates they're offering on deposits. A great deal is being made about the "greedy, evil" big banks which are out to skim every penny from your wallet.

Although making for-profit banks the villain is a tempting proposition, these matters are far more complex and are impacting every financial institution, including LAPFCU.

In August, the Federal Reserve announced that it would likely hold interest rates at historically low levels over the next two years in efforts to encourage consumers to purchase big ticket items like houses, cars and appliances, while using borrowed funds. This would help to spur an economic turnaround, increase the number of jobs and help the country to get back onto stronger financial ground. As we've seen the past few years, the government has tried this "ratchet down" approach a few times.

Each ratchet has failed to provide the desired effect, and has instead had a negative impact on a different part of the market – the savers. With interest rates hovering below 1% on deposit products, the sting is being felt everywhere from share certificates to money market accounts, along with IRAs and our dividend-bearing Performance Checking account.

If you're planning to retire soon or are already retired, we don't have to tell you the effect this era of diminished returns is having on your nest egg.

But, the picture grows even more complicated. With the stock market as volatile as it has been, consumers have been pulling their investments from the market and flooding banks with deposits which add expenses such as increased deposit insurance premiums. When a financial institution

has a surplus of deposits, it must in turn invest them. Presently, the rate of many investments is below what is being paid on deposits, so financial institutions are losing there as well.

Finally, we have seen a reluctance of consumers, and this includes our members, to take on any new debt. In fact, consumers are paying existing debt down at a record rate. It is understandable that the shaky economy would dissuade anyone from wanting debt, however, financial institutions make most of their income from their loan portfolios, so the decreased number of loans are having a negative impact on income as well.

All these points make it difficult for financial institutions to turn a profit, so they are instead looking at fees and other options. This is a major transition in our financial services history as we have all been used to receiving our financial services for free.

The future, however, may look very different. There may come a time when we can all expect to pay fees simply to maintain a banking relationship or to have access to our money – many banks already charge for checking account, debit card or ATM activities – for now, that future is unclear.

We mentioned that all financial institutions are undergoing an analysis of what they will need to do in the future to maintain sustainability, and LAPFCU is no different. We too have felt the effect of low investment rates and decreased loan demand. Additionally, over the last three years, we have had to absorb the burden of over \$23 million in member loan losses, as well as \$8.1 million in National Credit Union Share Insurance Fund (NCUSIF) assessments. As a result of these changes, we have increased some fees this year, and until the economy improves, we will probably have to



Daniel T. Duran, Jr.
Chairman



G. Michael Padgett
President

adjust additional ones in the future.

You can rest assured that we will do everything in our power to lessen its impact to our members by keeping our fees under the levels charged by banks and we have no plans to do away with free checking options or to charge for debit card transactions. As a non-profit, member-owned organization, you have our commitment to providing you with the best in member service, high-quality products, competitive rates and low fees.

It's important to know that the actions we are taking during these turbulent economic times have allowed us to remain profitable so that we have not needed to use our capital, so our reserves remain incredibly strong. Rest assured, we'll continue to be there for you now and in the future.

We thank you for your business and for the opportunity to continue to serve you.

PATROL Online Banking – Now Better Than Ever

Now, PATROL Online Banking offers more control, more convenience and more features than ever before.

We've made it easier for you to quickly find what you need by adding "widgets" to your home screen. So, you'll be able to see all account activity and balances at a glance as soon as you log in. And if you use LAPFCU's free *FinanceWorks™* program, you'll also see your total monthly spending and savings. Simply click on the widgets to expand or customize them for more detail.

LAPFCU also introduces a new free member benefit: **Purchase Rewards**. View and accept only the reward offers you want from places where you already shop.

Use your LAPFCU QuickDraw or QuickDrawPlus debit card to meet offer requirements, and receive



cash back or discounts credited to your account. It's a fun and simple way to save!

As if this weren't enough, we've also introduced two new services: **Account-to-Account Transfers** and **Popmoney**. Use Account-to-Account Transfer to send money directly from LAPFCU accounts to your accounts at other institutions or brokerages. Or use Popmoney to send money to anyone, anywhere, with an email address, text messaging device, or financial institution account number.

Finally, we now offer live chat support within PATROL, so help is always just a click away.

PATROL is still secure and free for LAPFCU members to use, so sign up and start saving time today! Call **877-MY-LAPFCU** to get started.

Ten Tips For Preventing Identity Theft

Identity theft is one of the fastest growing crimes in the United States. It affects millions of people each year and costs victims considerable time, expense and frustration. But there are a few simple steps you can take to help protect yourself.



1. Protect your social security number. Don't carry it with you or give it out unnecessarily.
2. Be very cautious when giving out personal information by phone, through email or in person.
3. Shred everything containing personal information before you dispose of it.
4. Retrieve your mail as quickly as possible before thieves can get a hold of it.
5. Review bills and bank statements immediately. Also investigate bills that don't arrive on time; they may have been intercepted.
6. Check your credit report annually at annualcreditreport.com.
7. Create strong passwords for your computer and for all online services you use.
8. Use a firewall, anti-virus and anti-spyware software and keep it up-to-date.
9. Download software only from reputable, trusted websites, and read all terms and conditions before installing.
10. Be careful when shopping online. Look for the "https" in the beginning of website addresses. This is an indication of secure encryption. Also opt-out of allowing retailers to share your information.

If you are a victim of identity theft, close all compromised accounts, file a report with local police, contact the Social Security Administration Fraud Hotline at **(800) 269-0271**, and contact the major credit bureaus – Equifax, Experian, TransUnion – and ask them to place fraud alerts on your credit reports.

LAPCUSO Offers You Choices

Most insurance products are fairly standardized. In fact, even complicated coverages are essentially commodities. The only significant differences in insurances are the financial security of the insurer, price and service.

We believe the service you receive from LAPCUSO/Bichlmeier



Insurance Services is exceptional – and based upon survey results, LAPFCU members agree. Because we take the time to carefully review and personally explain all types of coverages and endorsements.

Unlike most insurance providers, we customize coverages to fit your unique needs, and we use only recognized insurers such as Safeco, Mercury, Civil Service Employees, Progressive, Travelers, Zurich, Oregon Mutual and Golden Eagle.

For a free insurance review, call toll free: (888) 717-7526 x 1. Or fax your current policies to (818) 373-8388. Our insurance specialist will review your coverages, companies and costs. If you already have the best possible insurance coverage at the best price – from the best insurers – we'll advise you to keep

what you have. If something better is available, we'll present you with all available options. Thank you for your support.

Insurance Trends & Tips

Low prices for Property and Causality insurance products may be coming to an end. Insurers' claims expenses and operating expenses now equal, or in some cases exceed, revenue from premiums. Also causing price increases is a significant drop in interest rates. This is forcing many insurers to charge higher prices, in an attempt to offset lost interest income from investments.

Call us now to lock in lower rates. For more information on this or any insurance related matter contact **Jerry Bichlmeier** at **(800) 888-7187 x 233**.

Holiday Closings

Veteran's Day –
Friday, November 11, 2011

Thanksgiving –
Thursday, November 24 -
Friday, November 25, 2011

Los Angeles Police Federal Credit Union is a financial institution with over \$742 million in assets exclusively serving active and retired, sworn and civilian employees of Los Angeles City Police, their families and select police-related groups.

www.lapfcu.org

24/7 Member Service Call Center
877-MY-LAPFCU (877-695-2732)

For account inquires or access:
• Visit PATROL at www.lapfcu.org
• Call Code 3 Automated Telephone Banking at 877-MY-LAPFCU, Press 2

To apply for a loan:
• Visit CUFFS at www.lapfcu.org
• Call our 24-7 Lending Center at 877-MY-LAPFCU, Press 3

BRANCH OFFICES

Van Nuys Branch (Main Office)
Communications Center
16150 Sherman Way,
Van Nuys, CA 91406
8 a.m. to 5 p.m., Monday - Friday
9 a.m. to 1 p.m. Saturday

Academy Branch
1880 N. Academy Dr.,
Los Angeles, CA 90012
8 a.m. to 5 p.m., Monday - Friday

Brewer Branch
3650 Martin Luther King Jr. Blvd., #185
Los Angeles, CA 90008
8 a.m. to 5 p.m., Monday - Friday

Manchester Branch
5651 West Manchester Ave.,
Los Angeles, CA 90045
8 a.m. to 5 p.m., Monday - Friday

Balance Sheet

	(Unaudited) As of August, 2010	(Unaudited) As of August, 2011
Assets	\$748,750,000	\$742,096,000
Loans	\$470,860,000	\$463,489,000
Shares	\$658,678,000	\$649,945,000
Capital Reserves	\$88,239,000	\$87,996,000
Members	42,913	43,260

Senior Executive Staff
G. Michael Padgett, President/CEO
Carol Martin, Sr. VP, Operations & Member Relations/COO
Ed Hada, Sr. VP, Finance & Administration/CFO

All inquiries or comments regarding this newsletter should be addressed to the Marketing Department at 877-MY-LAPFCU.

The Supervisory Committee encourages any comments or inquiries from members regarding your concerns or the financial condition of the Credit Union. You may address your correspondence to:
Supervisory Committee
P. O. Box 14452
Van Nuys, CA 91409

All loans subject to approval of credit. We conduct business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act. All rates are subject to change.



Your savings federally insured to at least \$250,000 and backed by the full faith and the credit of the United States Government.