



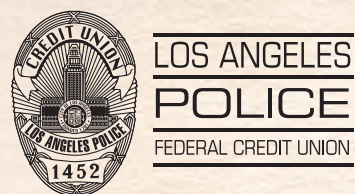
## Partners In Community Contest Underway For Police Units

To honor our 75<sup>th</sup> anniversary and support our member base, we're giving away three \$750 prizes to three deserving units. Divisions, bureaus and sections are encouraged to enter by creating a video that describes a program or cause - in 75 seconds or less - that needs funding assistance.

Our members will then vote

online to determine the three winners.

To qualify for consideration, submit your video by May 13. Don't forget to showcase your creativity! Winners will be announced during a special celebratory event on June 4<sup>th</sup>. Visit our website at [lapfcu.org](http://lapfcu.org) for complete details and contest rules.



LOS ANGELES  
POLICE  
FEDERAL CREDIT UNION

P.O. Box 10188  
Van Nuys, CA 91410-0188

RETURN SERVICE REQUESTED



## Take Our Savings Snapshot Challenge

If you have relationships with other financial institutions and are interested in saving more, we invite you to take the LAPFCU Savings Snapshot Challenge.

It is free and only takes a few minutes. Simply drop by any LAPFCU branch or call 877-MY-LAPFCU and let us know you'd like to take the Savings Snapshot Challenge.

A representative will review

your savings and loan accounts with other financial institutions, taking into consideration terms and rates. He or she will then input our rates and terms into the Savings Snapshot tool to generate a report of the annual savings you could achieve by moving accounts to LAPFCU.

"This is really a great tool for helping members to better understand how

LAPFCU's programs can provide them with greater benefits," explained Michele Megill, Vice President of Operations and Communications.

"And, if the member has a better deal in their existing relationship, we'll let them know that as well, as our goal is not to sell accounts, but rather to ensure that our members are receiving the best returns," she added.

NOT FOR PROFIT

NOT FOR CHARITY

BUT FOR SERVICE

## Take Out a Mortgage - Earn 10,000 Bonus LAPFCU Total Rewards Points

If you're in the market for a mortgage, LAPFCU has great news - when you close a new first mortgage (purchase or refinance) with us between April 1 and July 31, 2011, you will receive 10,000 Bonus\* LAPFCU Total Rewards points.

To earn Total Rewards Points, you must have either an LAPFCU Platinum Rewards Visa® Card or Performance Checking account.

Points will be applied within 90 days of completion of your mortgage.

LAPFCU has a variety of mortgage loan programs - conventional, FHA, VA, jumbo and reverse\* - to meet any need. And, you can take out a conventional loan with as little as 5%\*\* down. Plus, LAPFCU offers very competitive rates and very few of the fees tacked on by other lenders.

Get pre-approved today and take advantage of today's historic low rates and home prices. Plus, if you don't already have one, you can open a Performance Checking account or apply for a Platinum Rewards Visa.

Visit [lapfcu.org](http://lapfcu.org) or call 877-MY-LAPFCU (877-695-2732) to get started.



### We Want You to Volunteer for Your Board!

If you would like the opportunity to learn how your Credit Union operates, and to provide input, we invite you to apply to be a volunteer-at-large.

You'll learn new skills, attend informative working retreats and be involved in making important decisions that affect our members and our future.

Call 877-MY-LAPFCU ext. 304 or email [jcaban@lapfcu.org](mailto:jcaban@lapfcu.org) today to learn more.

## 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 MARCH 17, 2011

#### AUTO LOANS

New Auto / Used Auto

As low as 2.74% fixed APR\*

#### CREDIT CARD RATES

Platinum Rewards Visa® . . . . . 9.15% variable\*\* APR\*

Classic Visa . . . . . 13.99% non-variable APR\*

My First Visa . . . . . 13.99% non-variable APR\*

### SAVINGS RATES EFFECTIVE MARCH 17, 2011

#### REGULAR SHARE CERTIFICATES

6-Month Certificate (\$100,000 min. deposit) . . . 0.50% APY\*\*\*

1-Year Certificate (\$100,000 min. deposit) . . . 0.76% APY\*\*\*

3-Year Certificate (\$100,000 min. deposit) . . . 1.70% APY\*\*\*

5-Year Certificate (\$100,000 min. deposit) . . . 2.30% 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 applicant's credit qualifications. Certain restrictions apply. Ask for details. \*\*Variable rates may increase/decrease after inception of the loan. \*\*\*Minimum opening deposit for super jumbo certificates are \$100,000. An early withdrawal penalty may apply.



DISPATCHER

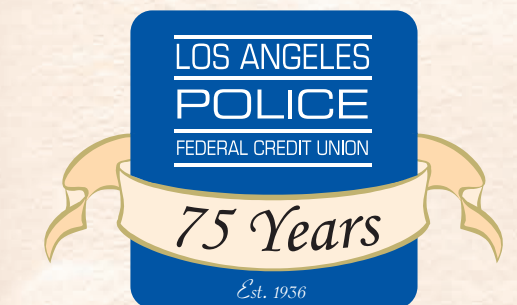
Spring, 2011

75<sup>th</sup> Anniversary Edition

## 75<sup>th</sup> Anniversary Celebration Slated

On Saturday June 11, LAPFCU will mark an important milestone - 75 years of service to our members. In honor of this occasion, on Saturday, June 4, we invite members to a special anniversary celebration at our Van Nuys headquarters.

Festivities will take place from 10 a.m. to 1 p.m. and



include games, entertainment, LAPD and L.A. Police Historical Society displays, and food. The Credit Union will also provide child identification kits for parents.

At 11 a.m., the Credit Union will conduct a formal presentation with representation from the organization, as well as community members. Highlighting the event will be the announcement of winners from the "Partners in Community Video Contest," where three Los Angeles Police units will be awarded prizes of \$750 to assist with their needs.

"This is a great opportunity

to share in our police family heritage," explained LAPFCU Vice President of Marketing Manny Padilla Jr. "We invite our members to come and share in the celebration."

LAPFCU was founded on June 11, 1936, when Henry S. Eaton and six other officers discussed the financial advantages of pooling funds into a jointly-owned treasury. Each of the officers agreed to invest \$5 to establish the Credit Union. It quickly became the venue for officers to pool funds and lend money to each other for special needs. Today, LAPFCU has over 44,000 members and \$746,000,000 in assets.

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## LAPFCU Has Certified Great Rates - See For Yourself

LAPFCU's auto loan rates are among the most competitive within the Los Angeles area, based upon data compiled by Datatrac, one of America's largest interest rate databases, which tracks retail deposit and/or lending rates nationwide.

In fact, according to a recent rate survey conducted by Datatrac, LAPFCU's 36- to 60-month auto loan annual percentage rates "outperformed the Los Angeles market average by up to 26%" last year,

earning the Credit Union a coveted Great Rates Award. For members interested in financing a vehicle through LAPFCU, we encourage you to click on the Great Rates Award link on the [lapfcu.org](http://lapfcu.org) home page. You will be taken to a calculator that lets you input information about your proposed purchase - and see how well LAPFCU's rates compare to the L.A. market average. You will also see how much you can save over the life of your loan, by selecting LAPFCU.



Continued on Page 4

\*FHA, VA, jumbo and reverse mortgages available through CU Partners, a correspondent lender. \*\*All rates, terms and loan programs subject to change without notice and based upon qualification criteria. Restrictions apply, ask for complete details. \*Member must close by July 31, 2011 and must have either a Performance Checking or Platinum Rewards Visa to receive 10,000 bonus points.

# Chairman and President's Letter

Although it appears the economy is beginning to improve, we think we'd all agree that we're not out of the woods yet. We know a number of our members are still suffering - and, we're all sharing the pain.

Over recent years, we appreciate how you have rewarded our service by bringing in additional deposits and loans, and we value the trust you have placed in us by doing so.

Despite this vote of confidence, the continued deteriorating economic and regulatory environments are having an effect on your credit union. Before you read any further, understand we are safe, incredibly sound and maintain 11.4% in capital - well above the levels recommended and required by our regulators. Our loan losses are presently at around 1%, which is lower than what our peer credit unions are experiencing.

However, those loan losses and the changing landscape of credit unions are requiring us to examine how we conduct business.

To get a sense of how those loan losses are being felt, between 2010 and the present, we have experienced write-offs within the \$5 million range, and we expect the trend to continue throughout 2011. This means that no matter how well we manage our finances or how many new loans we book,

we still have to find a way to reconcile the losses.

We don't blame our members. We truly appreciate how diligent you are in putting your credit union first above other financial obligations. We are saddened by the continued budget cuts in local governments and businesses, and understand they continue to have an effect upon our members and conversely us.

We are doing everything possible to maintain the level of products and services members have come to expect from us, but our examination is including a look at the products and services we offer, as well as the costs and fees associated with offering them.

These losses also affect our ability to come up with new ways to serve you in the forms of new branches and other delivery outlets.

Based upon what we discover in our examination, within the upcoming months, you may see minor changes to our products, services and fees. You will not, however, see any changes in how you are served here. You will never see us implement the nickel and dime changes so many mega banks have freely pushed upon their customers.

We view you as being our family and we believe that we work together as a team. Taking care

of our members remains our No. 1 commitment and priority.

We hope things are improving in your financial picture and we will continue looking to provide the same level of service while providing products that are meaningful to you.

Remember, we're in this together - for the long run -- and we are committed to providing you with the rewarding financial future you deserve.



Daniel T. Duran, Jr.



G. Michael Padgett

# Free Auto Buying Guide Now Available

A little knowledge can go a long way, especially when you're making a major purchase. Use LAPFCU's new, free Auto Buying Guide to prepare your strategy and get the best deal possible. Learn how to determine which vehicle is right for you, what you can afford, how to get the best price and loan terms, types of insurance coverage and much more.

Discover the pros and cons of buying new or used, and leasing versus buying. This guide is packed with helpful information for first time buyers and experienced buyers alike, and it's absolutely free from LAPFCU. So stop by any branch to pick up your Auto Buying Guide today, or download it from [www.lapfcu.org](http://www.lapfcu.org).



## FSCC Service Center Notice

Effective June 30, 2011, the Brewer Branch will no longer operate as an FSCC shared branch.

LAPFCU members may continue to conduct their business at this facility, and LAPFCU members may also continue to conduct their business at any FSCC shared branch facility.

## LAPFCU's Low Payment Guarantee

**LOW PAYMENT GUARANTEE**

It can be tempting to get swept up in the thrill and emotion of purchasing a new vehicle when you're on the dealer's lot. But before you accept dealership-provided financing, remember LAPFCU's low payment guarantee.

At LAPFCU, we're so confident we can lower your monthly auto loan payment that we'll pay you \$100\* throughout 2011 if we can't. We'll even beat dealership zero percent financing monthly payments. And, with our

Credit Union Direct Lending (CUDL) network, you can obtain financing from LAPFCU right at a participating dealership.

Speak with an LAPFCU auto loan consultant at 877-MY-LAPFCU today to learn more about CUDL and to start saving.

## Avoid Sweepstakes Scams

You've just received a letter or email notifying you that you've won a sweepstakes - hooray! Looks like your ship has finally come in! Or, has it? In reality, someone might be trying to sink your ship with a sweepstakes scam. In all the excitement and the daydreaming about what you'll do with your winnings, it's easy to overlook red flags and get caught up in a rip-off scheme. If you fail to see the warning signs, you could wind up being taken for an unpleasant ride. Fortunately, there are a few ways you can protect yourself.

Beware of sweepstakes that ask for payment in order to claim your prize, that ask you to wire money somewhere, or that ask for a bank account or credit card number. Legitimate sweepstakes won't ask for these things. Watch out for prize winner notifications from unfamiliar companies, lotteries that you didn't buy tickets for, free email addresses, and bulk mail letters. Remember, lotteries don't know who prize winners are: Prize winners are responsible for looking up winning numbers in the newspaper or online. Also, prize notifications that

don't include your name are most likely bogus.

If a sweepstakes sends you a large check without first sending you a notification and requiring an affidavit, the check is phony and by cashing it you could be committing fraud. Finally, sweepstakes scams often contain many typos and try to pressure you into acting immediately. If you think you've received a sweepstakes scam, you can report it to the local police, the postal service, the Federal Trade Commission, or the Internet Crime Complaint Center.

# A Message from LAPCUSO Insurance Services

## COLLECTABLE FIREARMS AND INSURANCE

Most homeowner's policies provide limited coverage for firearms. The coverage may vary by policy but is generally limited to \$2,500.00 for fire and theft. These limits would probably not be enough for someone collecting antiques.

However, endorsements are available to increase the coverage. Antique guns should be treated as any other antique collectable. Detailed descriptions, photos and periodic appraisals should be kept. For extensive collections, it is advisable that more valuable items be scheduled for the proper amount of insurance and all risk coverage.

If you wish to learn how to

become part of our growing insurance family, contact Maria Ascencio in our Van Nuys office by calling toll free, (888) 717-7526 option 1, or fax your current policies to (818) 373-8388. Our insurance specialist will review your coverages, companies and costs. If what you currently have is the best available, we will advise you to keep it. If something better is available, we will thoroughly explain your options. Thank you for your support.

## INSURANCE TRENDS AND TIPS

Outside of health insurance, the industry is fairly stable at this time. The latest fad in auto insurance pricing is "pay by the mile" programs submitted by insurance carriers to The Department of Insurance for approval. The idea is the

policyholder pays, as part of the rate, an amount factored on actual miles driven. Assuming the total company revenue was unchanged, the winners would be those who drive little and the losers would be those who drive a lot. Even with access to databases such as DMV, smog control information, etc. the actual verifiable mileage would be a challenge for the carriers. We believe it may be a lot of hype about something that will have a small impact. We don't see much change on individual premiums. However it will be a great publicity spin opportunity for the marketing departments of the carriers who are approved to implement these plans.

For more information on this or any insurance related matter contact Jerry Bichlmeier, at 800-888-7187 ext 233.

## LAPFCU Has Certified Great Rates - See For Yourself

*Continued from Cover*

Additionally, the calculator contains an "Auto Dealer Financing" tab which allows you to compute the difference between taking a dealer's zero percent financing offer

which has a rebate option and comparing it against LAPFCU's rates. Here you'll find that those zero percent offers may not be all that they promise.

Datatrak Great Rate Awards certify that the rate offered

by a financial institution's product has consistently outperformed the market average of all institutions monitored by Datatrak during an annual or quarterly period. For more information, please visit [www.greatrateaward.com](http://www.greatrateaward.com).

## Holiday Closures

Memorial Day - Monday, May 30



## BALANCE SHEET HIGHLIGHTS

	(UNAUDITED) AS OF FEBRUARY, 2010	(UNAUDITED) AS OF FEBRUARY, 2011
ASSETS	\$747,344,000	\$744,900,000
LOANS	\$489,118,000	\$465,607,000
SHARES	\$657,359,000	\$656,325,000
CAPITAL RESERVES	\$87,750,000	\$86,320,000
MEMBERS	42,918	43,545

**Los Angeles Police Federal Credit Union is a financial institution with over \$744 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](http://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](http://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](http://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

**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.

Find us on Facebook | twitter | CUDL | CU SERVICE CENTERS | LAPCUSO | EQUAL HOUSING LENDER | ASI | American Share Insurance | NCUA