

Our Members Are All Winners!



Todd Rheingold – Retired LAPD Metro Division, SWAT and member for 35 years. "My dream car!!!" With financing courtesy of LAPFCU.



Michael Rossello – 2011 LAPFCU educational workshops attendee sweepstakes random drawing winner of \$250!



David Marroquin – I ♥ My CU video contest winner; outstanding video entry earns him \$750!

Travel to the Most Beautiful Beaches

Is a dream beach getaway in your future? It can be, with an LAPFCU Vacation Vault account and our exclusive member travel program, CU on Vacation. Whether you're looking for an intimate, romantic getaway, or family fun, we can help you save for your trip, and CU on Vacation will help you find that perfect, affordable, dream destination.

Use direct deposit or automatic payments to steadily build your Vacation Vault nest egg. Then, when you're ready, give CU on Vacation's specialists a call. Airline, hotel, car rental, cruises, vacations or business travel – CU on Vacation has it all! They're your one-stop deal finder, and they understand that your time is valuable. If there is a vacation or deal out there, they'll quickly find it

for you. So leave the work to them.

To open a Vacation Vault Savings Account, call LAPFCU **877-695-2732**. And to plan your beach vacation, or for any travel need you may have, call CU on Vacation at **800-440-8464**.



LAPFCU: The #1 Banking Choice for the Police Family



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programs which are designed to teach our young members (your children) about money management and the importance of saving.

Related Services – If the above wasn't enough, LAPFCU provides free debt counseling and financial management through Money Management International. LAPCUSO Insurance Services[†] provides competitive insurance rates, and we have investment planning services via CUSO Financial Services^{††}.

We also offer Autoland™, a concierge car buying program which can save members substantially, CU On Vacation, an in-house travel agent, and LAPFCU Perks Club, which provides discounts on movie tickets, restaurants and theme parks.

So, what are you waiting for? Make the most of your membership by taking advantage of these programs today. Learn more at lapfcu.org or call **877-MY-LAPFCU (877-695-2732)** for more information.



LOS ANGELES
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FEDERAL CREDIT UNION

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Van Nuys, CA 91410-0188

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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 JANUARY 26, 2012

Mortgage Rates

30 Year Fixed[†] 3.875%/3.902% APR | Zero Points
15 Year Fixed 3.125%/3.173% APR | Zero Points

Auto Loans

New Auto / Used Auto as low as 3.24% 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 JANUARY 26, 2012

Regular Share Certificates

1-Year Certificate 0.30% APY***
3-Year Certificate 0.60% APY***
5-Year Certificate 1.50% APY***

[†]3.875% / 3.902% APR as of January 26, 2012. Payment example: A 30 year fixed rate mortgage with a loan amount of \$300,000 and no points would result in monthly payments of \$1,410.71. Monthly payment excludes tax and insurance. All rates subject to change without notice. Restrictions apply, ask for complete details. *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.

Winter DISPATCHER



LAPFCU: The #1 Banking Choice for the Police Family

If you're looking to start the year off right, perhaps it's time to deepen your relationship with Los Angeles Police Federal Credit Union. Where else can you get great savings and loan programs, low or no fees, and a host of "freebies?" Plus, for over 75 years, LAPFCU has exclusively served the Los Angeles Police – and their families.

Fee	LAPFCU	Big Banks
Online Bill Pay	\$0.00	\$6.95- \$8.95
Check Stop Payment	\$20.00 (online)	\$27.00- \$35.00
Travelers Cheques	\$5.00	\$7.00- \$10.00

Checking With Multiple Rewards – LAPFCU's free checking accounts really provide payback. Not only do you get free PATROL Online Banking, online bill pay and mobile banking, but our accounts also provide debit card Purchase Rewards which pay you back for making purchases at the places you shop most. And, through LAPFCU Total Rewards, you can earn additional points for cash back rebates and brand name merchandise by using your debit card or Platinum Rewards Visa.

Low or No Fees – Let's get real. In this day and age it's pretty difficult to find a place where there are no fees. But LAPFCU works hard to ensure that any fees we charge are lower than big bank fees. For example:

Membership Giveback – Did you know that in 2011, LAPFCU contributed \$90,000 to the police family? This included support of partner groups such as The Police Museum, Los Angeles Police Revolver & Athletic Club and virtually all other L.A. police organizations. Additionally, we contributed to "officers and civilians in need" to assist members in crisis.

Member Education – Perhaps you have attended one of LAPFCU's many workshops. We conduct these workshops to help our members make the best financial decisions – whether its purchasing a home, learning to manage debt, set financial goals or establish a will and trust. Plus we have free youth

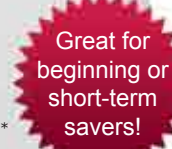
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#1 Banking Choice Limited-Time Special Incentives!

Still need more reasons to bring your business to LAPFCU? Check out these special savings programs!

Savings Starter!

▶ **5.00% APY***
5-month Share Certificate
(\$500 minimum/maximum)



Super Savings IRA Boosters!

- ▶ **.05% APY increase**** for a 1-year IRA certificate
- ▶ **.10% APY increase**** for a 2-3-year IRA certificate
- ▶ **.25% APY increase**** for a 4-5-year IRA certificate

Choose from these long-term savings leaders!

Act now! These specials incentives are only available through April 30, 2012, so lock in your savings now. Call **877-MY-LAPFCU**.



Make Deposits Using Your Personal Scanner

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[†]Insurance Services provided by Bichmeier Insurance Services, Inc. CA License #0B26427

^{††}Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the Credit Union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. Los Angeles Police Federal Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

Chairman and President's Letter

As Los Angeles Police Federal Credit Union closes the door on its 75th anniversary year, we welcome 2012 with a newfound strength and vigor in continuing to serve you and our police family. We were with you through the worst economic crisis since the Great Depression and we will be here for you now and in the future.

Despite the troubled times that persist, we are safe, sound and secure – our capital reserves remain well-above the industry average. In 2011, we also introduced some new products and services to members, including:

- A comprehensive Business Services suite of savings and lending tools
- The addition of free Purchase Rewards to PATROL Online Banking which gives you cash back on your every day purchases
- FHA, VA, Jumbo and Reverse Mortgages
- A year-long 75th anniversary celebration that featured special member programs
- The addition of account-to-account transfers between financial institutions and POPmoney (Pay Other People)
- A Wills & Trust Program that has already served over 300 members
- A Rate Rewards Pilot Program that provides interest rate reductions to members who continuously pay their loans on time
- \$90,000 in support given to activities programs and organizations which support the police family
- A remote deposit application, "My Deposits," that will allow you to scan and make deposits using your personal scanner and PATROL Online Banking
- The creation of a Fraud Team designed to prevent fraudulent activities from affecting the Credit Union and its members.

As you can see, we were able to maintain our focus on serving our members despite the economic obstacles. In looking forward to 2012, there are a number of programs we are developing to continue to serve you even better. First and foremost is our continued commitment to financial safety.

We will remain vigilant in protecting the relationship you have entrusted to us. Cost-cutting programs we executed last year have positioned us well to retain a strong financial position in 2012. As a member-owned organization, we realize how important this safety net is for our members.

We also understand that we must remain current with enhancements within the industry, so in 2012, we will implement:

- A new mobile banking application for Apple and Android smart phones
- A program that will provide additional benefits for members who are most fully vested in the Credit Union
- An automated pre-approval process that will provide you with faster access to lending dollars
- Electronic signature tools which will eliminate the need for visiting a branch for certain activities.

These are just a few of the improvements we look forward to sharing with members in the New Year.

In thinking back to our 75th anniversary year, we realize we have a lot to be proud of. Perhaps none gives us greater satisfaction than the knowledge that we have made it through the worst of the economic times with the safety, security and strength of the Credit Union intact.

On behalf of the Board of Directors and Staff of the Los Angeles Police



Lorie Taylor
Chair



G. Michael Padgett
President

Federal Credit Union, we wish you and your families a prosperous 2012, and we look forward to serving you in this New Year and beyond.

LAPFCU Welcomes New Volunteers At Large

Congratulations to our new LAPFCU Volunteers at Large: Jackie Aranda, Candice Brady, Rosalind Curry and David Tomilin.

Volunteers-at-Large receive training which prepares them for future service as LAPFCU Board of Directors members – so we greatly appreciate their commitment and participation!

COMPLIMENTARY WORKSHOP: Setting Financial Goals and Building Future Wealth

In a tough economy, it can be difficult to focus on the bigger picture of your long-term financial success. Fortunately, LAPFCU is here to help keep you on the path to prosperity.

Whether you're just starting out, or you're focused on fine-tuning your existing investments, you can benefit from our upcoming complimentary workshop, *Setting*

Financial Goals and Building Future Wealth. Our expert speakers will cover such topics as:

- Creating realistic, achievable goals
- Building a disciplined plan for achieving those goals
- Developing a long-term strategy for building wealth
- Formulating a balanced-risk approach to investing

- Evaluating different investment options in today's market

Don't miss out on this opportunity to gain valuable personal financial insight in a time of economic uncertainty. Reserve your seat today for Thursday, February 23 from 6 - 7:30 p.m. at our Van Nuys branch by calling **877-MY-LAPFCU (877-695-2732) x 346** or emailing rsvp@lapfcu.org.



Make Deposits Using Your Personal Scanner

LAPFCU is pleased to introduce MY-Deposit, a new online banking tool that allows members to remotely make deposits using PATROL Online Banking and their personal scanners. This safe and secure method eliminates the need for members to visit a branch or "snail mail" deposits.

MY-Deposit is free for members

and found within PATROL Online Banking. Members should click on the Online Services button and scroll down to Ensenta to begin the process.

Please note: MY-Deposit can be used by members in good-standing and in lieu of EZ-Deposit, which we will continue to provide.

Explanation of Recent Fee Increases

LAPFCU is a non-profit, member-owned cooperative whose sole purpose is to address the financial needs of the Los Angeles Police family, as well their family members.

The recent poor economy has impacted us all. Sworn officers have been impacted by cuts in overtime, civilian police employees have experienced furlough days and family members have seen job losses, reductions in hours worked and more.

LAPFCU has also been impacted. The past three years, we've had over \$23 million in member loan losses.

To help mitigate these losses, on February 15, 2012, we are adjusting some service fees.

The decision to adjust fees was a very difficult one as we have always been very "fee adverse" and are committed to providing our Members with the best services and products, competitive rates and low fees.

To minimize the impact to all Members, the fees we are adjusting are considered "member-controlled," meaning the Member must do something like conduct wire transfers, purchase travelers checks or use Coinstar (which costs the Credit Union almost \$30,000

to operate annually and is used by only 200 Members a month), to be assessed a fee. All the fees adjusted are at 80% or less of those being charged by banks.

We remain hopeful that when the economy improves we can reassess our fee structure and get back to business as usual, but unfortunately, sometimes tough decisions need to be made for the benefit of Members in the future.

We truly value your membership and thank you for your understanding. Please call us at **877-MY-LAPFCU (877-695-2732)** if you have any questions or concerns.

A Message From LAPCUSO Insurance Services

The management and staff at LAPCUSO wishes everyone a Happy New Year. A review of insurance operations during 2011 shows LAPFCU members are making good use of the choice of insurance companies offered by our insurance department.

During the previous year, the number of policyholders was 2,051. But last year, the number of insurance policies issued or renewed increased to 2,756. Clearly a testament to this value added service.

The majority of the coverages were for automobile or mechanical breakdown policies and GAP, followed by home, earthquake, life, and business owners policies.

The more popular companies chosen were Mercury, Civil Service Employees and Safeco. A new company, Travelers (the red umbrella company), was chosen for some of the personal and commercial risks of our members.

If you'd like to learn about how to become a part of our growing insurance family, contact Maria Ascencio in our Van Nuys office by calling toll-free **888-717-752 x 1** or fax your current policies to 818-373-8388. Our insurance specialist will review your coverages, check with our many companies and compare costs. If what you currently have is the best available, we will advise you to keep it. Thank you for your support.



Insurance Trends:

With investment yields being practically non-existent, insurance companies will have to rely on underwriting for profitable results. We look for insurance rates to begin to rise during 2012.

In this environment, policyholders should re-enforce their relationship with their insurance professional. Contact your insurance agent and review coverages.

For more information contact Jerry Bichlmeier, at **800-888-7187 ext 233**.

Holiday Closings

President's Day -
Monday,
February 20, 2012

Balance Sheet

	(Unaudited) As of December, 2010	(Unaudited) As of December, 2011
Assets	\$739,273,000	\$742,944,000
Loans	\$471,049,000	\$465,290,000
Shares	\$649,897,000	\$651,548,000
Capital Reserves	\$86,836,000	\$88,637,000
Members	43,099	43,317

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
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.



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