

THE COMPASS

2005 4th Quarter Edition



**Health Savings
Accounts**

Available Now at Beacon

Important Email Security Notice - See Page 2

Beacon
CREDIT UNION

How to Contact Beacon Credit Union

Wabash

(260) 563-7443

North Manchester

(260) 982-7551

Rochester

(574) 223-4871

Peru (N. Broadway)

(765) 472-3472

Peru (W. Old Key Drive)

(765) 472-1022

Logansport (216 Mall Road)

(574) 722-2161

Logansport (1405 W. Market St.)

(574) 722-6395

Marion

(765) 664-9537

Huntington

(260) 359-9680

Warsaw

(574) 268-1276

Grissom Aeroplex

(765) 689-9181

Department Extensions

ATM/Check Cards.....	ext. 2240
CD/IRAs.....	ext. 2230
Collections.....	ext. 2215
Human Resources.....	ext. 2270
E-Services.....	ext. 2260
Consumer/Ag Lending.....	ext. 2200
Real Estate Lending.....	ext. 2205
Beacon Inv. Services.....	ext. 2245
New Accounts.....	ext. 2235
Account Research.....	ext. 2280
VISA.....	ext. 6015
Contact Center.....	"0" or "3"

Email: beaconcu@beaconcu.org

Send all mail inquiries to:

Beacon Credit Union

PO Box 627

Wabash, IN 46992



Each account insured up to \$250,000 by American Share Insurance. By members' choice, this institution is not federally insured.

IMPORTANT NOTICE:

Phishing Scam Targeted at Beacon Members

Beacon Credit Union has recently been the target of a "phishing" scam. Fake emails, using Beacon graphics and logos, have been circulating in hopes of deceiving members into revealing account information.

Beacon Credit Union will never email you for account verification. Please do not respond to these emails.

If you have any questions or concerns feel free to contact Beacon's Fraud Recovery Coordinator **Aine Willis** at **1-800-762-3136, ext. 2053**.

Are your retirement accounts spread too thin?

Bulk Up.

Have you accumulated multiple IRA, 401(k) accounts from former employers or other retirement plan accounts? Have you considered the advantages of consolidating all of these accounts into one self-directed program?



If the value of your accounts is \$10,000 or more, call **Mike Farner**, Beacon Investment Services Representative, at (260) 563-7443 or 1-800-762-3136, ext. 2013 or by email at mfarner@beaconcu.org for more information or to schedule an appointment.



Representatives are registered through, and securities are sold through, CUNA Brokerage Services, Inc. (CBSI), members NASD/SIPC, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. Insurance sold through licensed CUNA Mutual Life Insurance Company Representatives, and in New York, licensed insurance representatives of other companies. Nondeposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the credit union.

Health Savings Account Now Available



Beacon Credit Union is proud to announce the availability of Health Savings Accounts.

Health Savings Accounts (HSAs) were created by Public Law 108-173, the "Medicare Prescription Drug, Improvement and Modernization Act of 2003," signed into law by President Bush on December 8, 2003. Health Savings Accounts will change the way millions meet their health care needs because they are designed to help individuals save for qualified medical and retiree health expenses on a tax-advantaged basis.

Any adult who is covered by a high-deductible health plan (and has no other first-dollar coverage) may establish an HSA. Tax-advantaged contributions can be made in three ways:

- the individual or family can make tax deductible contributions to the HSA even if they do not itemize deductions;
- the individual's employer can make contributions that are not taxed to either the employer or the employee; and,
- employers sponsoring cafeteria plans can allow employees to contribute untaxed salary through salary reduction.

To encourage saving for health expenses after retirement, individuals age 55 and older are allowed to make additional catch-up contributions to their HSAs. Once an individual enrolls in Medicare they are no longer eligible to contribute to their HSA.

Amounts contributed to an HSA belong to the account holder and are completely portable. Funds in the account can grow tax-free through investment earnings, just like an IRA.

Funds distributed from the HSA are not taxed if they are used to pay qualified medical expenses. Unlike amounts in Flexible Spending Arrangements that are forfeited if not used by the end of the year, unused funds remain available for use in later years.

Health Savings Account Features

Checking Account

Your HSA will be deposited with Beacon Credit Union. You will receive a monthly statement, which details all deposits and withdrawals. If you have written checks, images may be viewed on Beacon's website. In addition eStatements are available. This is an excellent way to archive and store all of your account history for tax purposes.

HSA Debit Card

Your HSA VISA debit card can be used for your convenience to make qualified healthcare purchases anywhere VISA is accepted. Purchases will be automatically deducted from your HSA.



Checks

If you order HSA checks, you will receive a supply of Health Savings Account checks that can be used to pay for your qualified healthcare expenses.

Interest Rates

Your account will earn interest at the same rate as Beacon's Savings Plus account.

Fees

If the balance in your HSA is below \$500 in any month, a \$3.00 fee will be charged. There are no set-up fees, debit card fees or monthly maintenance fees.

Internet Access

You will have access to your account balances and activity through Beacon Online. In addition, healthcare expenses may also be paid through the free bill payment service.



Complete information, requirements, a Frequently Asked Questions (FAQ) section and sign up forms can be found on our website at:

www.beaconcu.org

Riley Fundraiser a Big Success

Thanks to the tremendous generosity of our members, Beacon Credit Union is proud to announce that we have raised \$4,016.75 for Riley Children's Hospital in Indianapolis. The fundraising efforts were conducted during the month of August as part of their annual Credit Unions for Kids fundraising drive.



The Marion branch staff once again led the credit union in fundraising efforts for our Riley Hospital campaign. Congratulations!

Funds were raised through a variety of means including Riley Hospital Balloon sales, bake sales, and raffles among staff members for vacation days. Beacon Credit Union would like to pay special recognition to our **Marion office**. They led the credit union in our fundraising efforts by bringing in a total of \$2,285.00. Great job! The Marion office was rewarded for their efforts with a catered lunch from a restaurant of their choice.

Welcome Cass County FBCU

Logansport West Office NOW OPEN



Beacon directors, volunteers and staff; representatives of the City of Logansport; and members of the Cass County Chamber of Commerce participate in a ribbon cutting ceremony at the new Logansport branch. The ribbon was made of money valued at \$150 which was donated to "Karing for Kids" in Logansport.

On September 12, 2005 an overwhelming majority of members of Cass County Farm Bureau Credit Union in attendance at a Special Shareholders Meeting approved a merger into Beacon Credit Union. The merger became official on Saturday, October 1.

"We view this as a tremendous win-win situation for both cooperatives" said Bruce Ingraham, President of Beacon Credit Union. "This partnership will allow the members of Cass County Farm Bureau Credit Union to continue to be served by a locally owned and controlled financial cooperative. The added service offices, ATM locations, and additional options with respect to financial products and services will immediately impact members of both organizations."

Beacon Credit Union discontinued the operation of the Cass County FBCU office in Logansport. Those members can now take advantage of the new Beacon Credit Union office at 1405 W. Market Street that opened on October 3 and the other Logansport location at 216 Mall Road. Hours of operation increased for Cass County FBCU members including Saturday morning hours. The two staff members, Danna Jones and Nancy Spencer of Cass County FBCU are employed by Beacon CU in the new service office.

Cass County Farm Bureau Credit Union served approximately 1,000 members. Its total assets amounted to over \$3 million, giving the consolidated total assets of the two credit unions \$553.9 million and a net worth of just over \$92 million.

Avoid Mortgage Pitfalls

4 Reasons to Have Your Home Loan at Beacon Credit Union

Reason 1: Fast, Friendly Service

Beacon Credit Union offers what you expect when applying for a mortgage - fast service, friendly loan officers, and the right mortgage product to fit your needs at very competitive rates.

Reason 2: Options

Our loan officers can help you navigate the complex mortgage process. Beacon offers loans for first time home buyers, adjustable rate mortgages, fixed rate mortgages, and even construction loans for building the home of your dreams.

Reason 3: Competitive Rates and Terms

With a Beacon CU Home Loan, you have great flexibility with your repayment terms:

- Choose terms of 15, 25, or 30 Years
- Make payments monthly, bi-monthly, or weekly*
- Have payments automatically deducted from your Beacon account

Reason 4: Peace of Mind

Have comfort and security of borrowing from those you know and trust. Many times deals from mortgage lending companies outside our area or over the internet seem too good to pass up. Occasionally however, these lenders don't always have your best interest at heart by following "predatory" practices. Predatory loans are legal, but unethical.

Here are examples of predatory practices in the mortgage lending industry:

- Bait-and-switch: The lender may promise one type of loan or interest rate but, without good reason,



gives you a different one. A higher interest rate may not kick in until months after payments begin.

- Equity stripping: The lender encourages you to borrow heavily from equity in your home as an easy way to get additional money, consolidate debt, or fund home repairs, knowing you cannot afford the payments. You dramatically reduce your equity and, in the worst case, the lender forecloses and strips you of the equity.
- Loan flipping: The lender encourages you to get additional cash by refinancing your mortgage again and again, significantly increasing fees paid with each new loan.
- Loan packing: The lender adds charges into the contract for overpriced items you don't need or didn't use.
- Home improvement scams: A contractor talks you into unnecessary repairs, steers you to a high-cost mortgage lender for refinancing, and arranges for loan proceeds to go directly to the contractor.
- Mortgage serving scams: After getting the loan, you're told you owe additional money for bogus taxes, insurance, legal fees, or late fees.

At Beacon Credit Union, we can help with all your mortgage needs, without unwelcome surprises. Visit any one of our offices today for more information on a home loan from Beacon Credit Union.

* Not applicable to 30 year mortgages. Mortgages with 30 year terms offer monthly payments only.

Fraud Prevention & Awareness Day

Beacon Credit Union would like to thank all of the members who took part in this event. We met with members who had questions about the latest types of financial fraud. It was encouraging to find so many members who are being careful with financial information. Given the rise in electronic fraud, we must all be diligent in protecting our personal information.

On Fraud Day, members learned about the new trends in identity theft, credit card fraud and internet scams.

They learned the proper way to dispose of financial papers and received helpful tips on how to avoid unsolicited emails. The Wabash County Sheriff's Department provided an Identity Theft Prevention Check List. Also, law enforcement officials were available at several branches to answer questions.

For those members unable to attend, you are welcome to call the credit union with questions you may have regarding financial fraud.



Congratulations Kenneth Hattery
 Peru Branch Manager Don Alexander (left) presents Kenneth Hattery with a Personal Safe. Kenneth won the safe in our "Fraud Day" education event in October. Thanks for participating, Kenneth!



Current Rates



SAVINGS RATES

	APY
6 Month Certificate (\$10,000 min.)	3.97%
1 Year Certificate (\$10,000 min.)	3.97%
18 Month Certificate (\$2,500 min.)	3.97%
2 Year Certificate (\$2,500 min.)	4.07%
3 Year Certificate (\$2,500 min.)	4.18%
4 Year Certificate (\$2,500 min.)	4.28%
5 Year Certificate (\$2,500 min.)	4.49%
IRA Account (18 Month Cert.)	3.95%
Passbook Savings	1.21%
Interest Advantage Checking	1.01%

SAVINGS PLUS

	APY
\$100,001 +	2.19%
\$1,001 - \$100,000	1.95%
\$0 - \$1,000	1.95%

LOAN RATES

	APR
Primary/Secondary Real Estate	
Primary Resident 15 yr. fixed (20% down)	5.750%
Primary Resident 30 yr. fixed (15% down)	6.250%
Primary Resident 1 yr. ARM (25 yr. amort./20% down)	5.250%
Primary Resident 3 yr. ARM (25 yr. amort./20% down)	5.500%
Primary Resident 5 yr. ARM (25 yr. amort./20% down)	5.750%
1st Time Home Buyer 3 yr. ARM (25 yr. amort./10% down).....	5.750%
Second Mortgage.....	by quote

Agricultural Loans

Farm Equipment	6.750%
Farm Operation (1 year max.).....	6.500%
Farm Real Estate 15 yr. fixed (35%down)	6.750%
Farm Real Estate 15 yr. fixed balloon (25 year amort./35% down) ..	6.900%
Farm Real Estate 5 yr. ARM (20 yr. amort./35% down)	7.000%

Commercial Loans

Commercial 15 yr. fixed (30% down)	7.250%
Commercial 2-7 year fixed (30% down)	7.000%
Commercial 3 yr. ARM (20 yr. amort./30% down)	6.750%
Commercial Line of Credit (1 yr./30% down)	6.900%

Investment Properties

Investment Property 12 yr. fixed, 30-40% down	7.000%
Investment Property 3 yr. ARM ,15 yr. amort./30-40% down ...	6.750%

Other Loans

New Cars as low as.....	as low as 4.90%
Used Cars (NADA Finance) as low as.....	as low as 5.00%
Mobile Homes New or Used (30% down).....	11.00%
Miscellaneous Loans	by quote
Unsecured Signature.....	by quote
Co-Signed Loans	by quote
Platinum Equity VISA (Home Equity Line-of-Credit).....	7.500%

APY is Annual Percentage Yield · APR is Annual Percentage Rate
 ARM is Adjustable Rate Mortgage
 Rates effective November 8, 2005 · Rates Subject to Change

Access Your Accounts at more than 1230 Locations!

Make Life Easier with the Convenience of CU Service Centers



CU Service Centers operate in branches of other credit unions, locally and across the country. They were established to serve members like you, every day, just as though you were visiting a branch of your own credit union. These are offices where you can access your credit union account and get answers from real people, every time you visit.

Many CU Service Centers have extended hours, making your financial transactions that much easier to conduct. Any CU Service Center can take care of all your business, including:

- Deposits
- Transfers
- Statement prints
- Withdrawals
- Balance inquiries



Just provide the teller at the CU Service Center with your **account number** and a **valid photo ID** and you're on your way. It's that easy! They will access your account for you and process your transaction.

CU Service Centers are ready to serve you at more than 1,900 locations nationwide. For more info visit www.creditunion.net.

Beacon ATM Card Security Restrictions

Due to increased fraudulent activity, Beacon Credit Union will no longer permit Beacon Credit Union Check Card (Debit Card) or ATM Card transactions from the following countries:

- Netherlands
- Pakistan
- Thailand
- Ukraine
- Nigeria
- Romania
- Turkey

As your credit union becomes subject to further losses due to fraudulent plastic card activity, it will become necessary to institute more restrictions. Please assist us through proper usage and take the appropriate measures to protect your card information. Be cautious and observant in every instance where you use your ATM or Debit Card and remember that things are

not always as good as they seem.

If you have any questions concerning these new restrictions, please contact our ATM Department at 260-563-7443, extension 2240.

Holiday Hours

All Beacon Credit Union offices will be closed:

Monday, December 26, 2005 in celebration of Christmas

Monday, January 2, 2006 in observance of New Years



Holiday Shopping with your Beacon Visa Credit Card!

4.9% APR*
Platinum

6.9% APR*
Gold & Classic

Use your Beacon Visa Credit Card for your holiday shopping and earn a low rate through June 2006 on all purchases made November 1 - December 31, 2005.



PRSR STD
U.S. POSTAGE
PAID
PLYMOUTH, IN
PERMIT # 29

* Offer applies on all purchases made by a Beacon Credit Union Visa Card between November 1, 2005 and December 31, 2005. Special Annual Percentage Rate (APR) of 4.9% will be applied to those specific purchases made with a Beacon Platinum Visa. A 6.9% will be applied to those specific purchases made with a Beacon Classic Visa or Beacon Gold Visa. Through June 2006. Thereafter, the then-prevailing APR will be applied to all outstanding balances. As of October 1, 2005, the rate was 10.99% APR. Special offer does not apply to cash advances or transfers. See Beacon Credit Union Visa Card subject to credit approval. Rates subject to change. Each account insured up to \$20,000 by U.S. Bank Member's Choice. This institution is not federally insured. Equal Opportunity Lender.

ASU