

THE COMPASS

2006 1st Quarter Edition

Celebrating 75 Years of Member Service!



Beacon
CREDIT UNION

Serving Members since 1931



Photo from our original credit union location, circa 1931.

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.

Nominating Committee Report

Credit union by-laws require that you receive notice of the candidates nominated for office by the Nominating Committee for the election to be held at the Annual Meeting scheduled for March 20, 2006. The meeting will be held at the Honeywell Center, Wabash, Indiana at 7:00 p.m. The committee has nominated two candidates for the Board of Director positions and two candidates for the Supervisory Committee positions. All terms expire in 2009.



Ernie Peas - Board of Directors (3 Year Term)

Ernie and his wife Kay are the parents of three sons and reside in Wabash County. Ernie is an owner of Agro-Chem. Inc. and serves as President. He is an active member of the Wabash Friends Church and has served in various capacities. He has been a member of the Supervisory Committee for 12 years.



Don Roser - Board of Directors (3 Year Term)

Don and his wife Lois reside in Lagro Township of Wabash County and are parents of four children: Teresa, Tony, Terry, and Troy. He is a member of the Zion Lutheran Church and the Wabash County Appeals Board. Don is a semi retired grain farmer. He has served on the Board of Directors for 12 years.



David Stouffer - Supervisory Committee (3 Year Term)

David and his wife Renee reside in Wabash County and have two daughters, Heather and Melanie, and two grandsons, Luke and Ian. He is a member of Wabash Friends Church and Farm Bureau Incorporated. David operates a grain farm in Wabash County. He has held a position on the Supervisory Committee for 27 years.



John Morningstar - Supervisory Committee (1 Year Term)

John and his wife Marcia are the parents of two children, John Christian and Jodi. John is an accountant at Dorais Chevrolet and serves as Secretary/Treasurer. He is a current member of the Wabash Kiwanis Club and has been past President.

The election will not be conducted by ballot, and nominations will not be accepted from the floor at the Annual Meeting, unless one of the candidates withdraws his name from consideration. Any member of Beacon Credit Union who wishes to be a candidate shall submit a statement of qualifications and biographical data along with a petition signed by 2% of the credit union membership or 500 members, whichever is less, to the secretary of the credit union prior to March 4, 2006.

James Dyson, Secretary

Mark Your Calendar

Annual Meeting March 20

Beacon Credit Union's 2005 Annual Meeting will be held **Monday, March 20, 2006** at the **Honeywell Center in downtown Wabash.**



Registration begins at 6:00 p.m. with the business meeting beginning promptly at 7:00 p.m. This is an event for the entire family to attend. For those children who do not want to attend the business meeting, roller-skating will be available in the Honeywell Center's Roller Skating Rink. For those children who are too young to skate, a childcare room will be available as well. Both will be staffed by Beacon Credit Union personnel and is free to all credit union members.



Be sure to join us for a **pie and ice cream social** which will follow immediately after the business meeting.

During the business meeting, reports will be given by the Board of Directors, Credit Committee, Supervisory Committee, Nominating Committee and Management. A report explaining the financial condition of the credit union will be presented, and newsworthy events from the past year will be shared. *We look forward to seeing you at our Annual Meeting!*

Retiring Board President Don Denney to be Honored



Don Denney, president of Beacon Credit Union's Board of Directors for the past 24 years, will be officially retiring from the board at the Annual Meeting.

Don and his wife Marilyn reside in Wabash and are the parents of three children: Mike, Jon, and Jane. He is a member of the Wabash Christian Church, Oldsmobile of America Club, Buick Club of America, and the GMC Motor Home Club. Don assures us that he will continue to stay active as co-owner of Denney Motors in Wabash.

We'd like to thank Don for his leadership and guidance over the years and wish him well!

Bruce Ingraham, Beacon CU President, Named to Chair Honeywell Center Board



Bruce Ingraham
President, Beacon Credit Union

The Honeywell Foundation Board of Directors has announced the appointment of Beacon CU President Bruce Ingraham as board president. Ingraham succeeds Steve Downs, who served as president from 2000 - 2005. Downs remains on the board as vice president.

"It's an honor to lead such an outstanding organization," Ingraham said. "Steve provided excellent leadership throughout his presidency, and I look forward to leading the Board's efforts to improve the opportunities for people in north central Indiana through the efforts of The Honeywell Foundation."

Beacon Credit Union Privacy Notice

Beacon Credit Union is owned by its members and run by a board of directors you elect. You can be confident that your financial privacy is a top priority of this credit union. We are required by law to give you this privacy notice to explain how we collect, use and safeguard your personal financial information. These practices are followed by the credit union and its affiliate, Beacon Investment Services, Inc. and therefore, this notice will be applied to both. If you have any questions, please contact a member service representative at 260-563-7443.

Information We Collect And Disclose About You

We collect the following nonpublic personal information about you from the following sources:

- Information we receive from you on applications, emails, or other forms;
- Information about your transactions with us, or affiliate (Beacon Investment Services, Inc.) or others including those companies that work closely with us to provide you with diverse financial products and services;
- Information we receive from a credit reporting agency;
- Information obtained when verifying the information you provide on an application or other form(s) (this may be obtained from your current or past employers, or from other institutions where you conduct financial transactions); and
- Information we may obtain from consumer purchasing and census data providers to develop competitive marketing programs for our members.
- Information you provide when you choose to customize the Internet portal;
- Information that is generated when you contact us electronically.

Our Internet financial services provider, FundsXpress Financial Network, Inc. ("FundsXpress"), may collect general information on our website and Portal visitors simply to help us provide banking and other financial services to you online. They collect certain information for security and statistical purposes. The information collected for these purposes may include:

- The Internet address (referral site) which brought you to our web site;

- The date and time you access our site;
- The name and version of your web browser;
- The internet service provider you used when you accessed our site;
- Your Internet Protocol (IP) address;
- Cookies Content; and
- The pages visited in our website and Portal.

We may disclose all of the information we collect, as described above, as permitted by law.

Parties Who Receive Information from Us

We may disclose nonpublic personal information about you to the following types of third parties:

- Financial companies, such as insurance companies and securities broker-dealers; and
- Non-financial companies such as data processing vendors, ATM and debit card processors, Internet banking and bill payment processors, Internet Portal providers, check printers, statement processors, consumer reporting agencies and census data providers.

We may also disclose nonpublic personal information about our members, former members, website users and portal users as required by law.

We may disclose all of the information we collect, as described above, to companies that perform marketing or other services on our behalf or to other financial institutions with whom we have joint marketing agreements so that we may provide member's competitive products and services. To protect our members' privacy, we only work with companies that agree to maintain strong confidentiality protections and limit the use of information we provide. We do not permit these companies to sell to other third parties information we provide them.

In the future, we may disclose a portion of the aggregate customer information that we collect on the Portal to companies or financial institutions that perform marketing services on our behalf. We have such an agreement with FundsXpress. Our contract requires FundsXpress to protect the confidentiality of your personal information to the same extent that we must do. The disclosure of certain aggregate information to FundsXpress or other companies could help us market finan-

cial products and services that may be of particular interest to you or save you money. We will provide you an opt-in or opt-out notice if required by law.

If you terminate your membership with Beacon Credit Union, or its affiliate, MEMBERS Financial Services, Inc., we will not share information we have collected about you, except as may be permitted or required by law.

Internet Protocol (IP) Addresses

An IP address is a number that's automatically assigned to your computer whenever you're on the Internet. Web servers, the computers that "serve up" Web pages, automatically identify your computer by its IP address.

When collecting information for us, FundsXpress does not link IP addresses to anything personally identifiable, which means that a user's session will be logged, but the user remains anonymous to FundsXpress and us.

FundsXpress may use IP addresses to audit the use of our site. FundsXpress can and will use IP addresses to identify a user when necessary for security purposes.

External 3rd Party Links

Our Portal has numerous links to other 3rd party sites. These links to external third parties are offered as a courtesy and convenience to our members. This financial institution is not responsible for the privacy practices or the content of such web sites service provider.

Third party merchants may collect personal information from you when you visit their sites. For example, they collect personal information from you when you provide billing information or send them an email. Some third party merchants may also send you a cookie to collect data on your Internet usage and preferences. When you click on advertisements at third party sites, the advertising company may also send you a cookie. With the exception of FundsXpress, this financial institution does NOT have access to the information collected by any third party, nor can we control how they use this information. As a general rule, you should always look for and review a site's privacy policy before giving our

any personal information.

If you have questions or concerns about the privacy policies and practices of these third parties, please review their websites and contact them directly. This financial institution assumes no responsibility for the content, safety, security, or privacy of any such site or any transactions you conduct through them.

Website Visitors

Visitors to our website remain anonymous. We do not collect unique identifying information about you unless you voluntarily and knowingly provide us that information, such as when you send us an email or complete an application online. If you provide us this information, it is only used internally and in furtherance of the purpose for which it was provided.

Internet Banking Cookies

A cookie is a very small text file sent by a web server and stored on your hard disk in your browser so that it can be read back later. Cookies cannot "read" information about you from your computer or be used to "steal" information about you; cookies don't carry viruses; and cookies are not programs that can perform functions on your computer.

Cookies are a basic way for a server to identify you (most cookies actually identify the computer you happen to be using at the time, not you personally), and cookies are used for many things from personalizing start up pages to facilitating online purchases. Cookies do perform a very important function when you engage in secure Internet banking.

Our Internet banking service provided by FundsXpress uses encrypted cookies that do not pass to your computer. Instead, the cookie is stored in the memory of your browser, identifying only your computer while you are logged on. Only FundsXpress can read the information in these cookies. This Internet banking cookie allows FundsXpress to process multiple transactions during your session without requiring you to reenter your pass code for each individual transaction. The cookies for Internet banking simply provide another level of security for our Internet banking product.

When you log off, close your browser, or turn off your machine, the cookie is destroyed. A new cookie is used for each session. That way, no one can use the prior cookie to access your account. For additional security, the cookie expires after 10 minutes of inactivity. It must then be renewed by reentering your pass code.

FundsXpress does not (and cannot) use this cookie to collect or obtain new personal information about you. You must allow your browser to accept this cookie so you can use the Internet banking system.

Portal Cookies

FundsXpress collects general information on all Portal visitors through a cookie. This cookie is sent to your computer and provides us information, such as when you accessed our site, which pages you accessed in the portal, and what Internet provider you used when you accessed our site. The information collected through this cookie is not personally identifiable and is only used for statistical purposes to assist us in our planning process and our marketing program.

When registered users login and select the "Remember Me" checkbox FundsXpress sends another cookie to your computer. This "Remember Me" cookie enables you to customize the Portal and bypass the login process each time you revisit the Portal. This cookie is retained on your computer until you either delete it or click on the Logout link within the Portal. This cookie does not contain or collect personally identifiable information and is only tied to a user identification number.

When registered users login the Portal, FundsXpress will send an additional cookie called a "per-session" cookie or "server-side" cookie. This "server-side" cookie resides in the browser and is only used by FundsXpress to monitor the session by a unique identification number. This cookie is used for security purposes and you must allow your browser to accept the "server-side" cookie to use the Portal. The cookie is destroyed after eight hours.

How We Protect Your Information

We restrict access to nonpublic personal information about you to those employees who have a specific business purpose in utilizing your data. Our employees are trained

in the importance of maintaining confidentiality and member privacy. We maintain physical, electronic, and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your nonpublic personal information.

Our Internet banking service provider, FundsXpress, has also developed security policies and procedures to protect the customer information that they must collect and maintain to help us process your banking transactions over the Internet. They have developed a top-of-the line security system to ensure your customer information is protected on the Internet and within the FundsXpress environment. For more information on the FundsXpress security measures, please visit www.fundsxpress.com.

Privacy of Children

This financial institution respects the privacy of children. We do not knowingly collect names or any other personally identifiable information from children. We do not knowingly market to children.

What Members can do to Help

Beacon Credit Union and MEMBERS Financial Services, Inc. are committed to protecting the privacy of its members and customers. You can help by following these simple guidelines:

- Protect your account numbers, PINs (personal identification numbers) and passwords. Never keep your PIN with your debit card or credit card, which can provide free access to your accounts if your card is lost or stolen.
- Keep your information current. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of your account, we will attempt to contact you immediately. If your address or phone number changes, please let us know.
- Let us know if you have questions. Please do not hesitate to call us - we are here to serve you!

Special Notice

Scholarship Deadline Approaching



The Board of Directors of Beacon Credit Union has announced that eight (8) \$500.00 student scholarships will be available to members or their children. The program is targeted to assist students entering their freshman or sophomore year of college.

Students will be required to submit a 200-300 word essay based on the following question: *“If you had to invest enough money to put yourself through college, how would you invest your money?”* Essays will be judged on accuracy, creativity, attention to detail and organization.

Completed form, essay and most recent academic transcript from your school/college and mail post-marked no later than **February 28, 2006**. Entrants will also be required to complete an application and provide a transcript of their most recent semester in school.

Applications and complete details are available at any branch location or online at www.beaconcu.org.



Current Rates



SAVINGS RATES

APY

6 Month Certificate (\$10,000 min.).....	4.07%
1 Year Certificate (\$10,000 min.).....	4.18%
18 Month Certificate (\$2,500 min.).....	4.18%
2 Year Certificate (\$2,500 min.).....	4.18%
3 Year Certificate (\$2,500 min.).....	4.18%
4 Year Certificate (\$2,500 min.).....	4.39%
5 Year Certificate (\$2,500 min.).....	4.59%
IRA Account (18 Month Cert.).....	4.16%
Passbook Savings	1.36%
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)	6.250%
Primary Resident 30 yr. fixed (15% down)	6.750%
Primary Resident 1 yr. ARM (25 yr. amort./20% down)	5.370%
Primary Resident 3 yr. ARM (25 yr. amort./20% down)	5.625%
Primary Resident 5 yr. ARM (25 yr. amort./20% down)	5.875%
1st Time Home Buyer 3 yr. ARM (25 yr. amort./10% down).....	5.875%
Second Mortgage.....	by quote

Agricultural Loans

Farm Equipment	7.000%
Farm Operation (1 year max.).....	6.750%
Farm Real Estate 15 yr. fixed (35%down)	6.750%
Farm Real Estate 15 yr. fixed balloon (25 year amort./35% down) ..	7.000%
Farm Real Estate 5 yr. ARM (20 yr. amort./35% down)	5.750%

Commercial Loans

Commercial 15 yr. fixed (30% down)	7.500%
Commercial 2-7 year fixed (30% down)	7.000%
Commercial 3 yr. ARM (20 yr. amort./30% down)	7.250%
Commercial Line of Credit (1 yr./30% down)	6.900%

Investment Properties

Investment Property 12 yr. fixed, 30-40% down	8.250%
Investment Property 3 yr. ARM, 15 yr. amort./30-40% down ...	6.875%

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 January 24, 2006 · Rates Subject to Change

Have You Reviewed Your Checking Account Features Lately?

These days a checking account is much more than a checkbook - it's a gateway to total money management. If your checking account isn't with Beacon, consider the list of features below.

Net Direct CHECKING

Our Net Direct Checking account has been built to provide terrific value:

- Free VISA Check Card*
- Free Online Banking & Bill Pay
- Free Online Check Images
- Free eStatements and e-LERTs
- Free TouchTone Teller Access
- Free Welcome Kit (with checks to get you started)
- Free Direct Deposit
- Surcharge – Free ATMs
- No per check fees
- \$25 minimum balance
- No dividends paid

Ready to switch?

Then we're ready to help.

Just stop by any branch and open your account today!

*A Beacon Checking Account or Savings Plus Account is required before applying for the Beacon Credit Union Check Card. Subject to credit requirements verification using the Emperica Credit Score. †APR: Annual Percentage Rate.

Interest Advantage CHECKING

Interest Advantage acts like a savings account. Earn higher dividends than most are paying on savings accounts - with a low minimum balance:

- Earn 1.00% APR[†] on your checking account balance
- Dividends Compounded monthly
- Free VISA Check Card*
- Free Online Banking
- Free Online Bill Pay
- Free Online Check Images
- Free eStatements
- Free e-LERTs
- Free TouchTone Teller Access
- Free Welcome Kit (with checks to get you started)
- Free Direct Deposit
- Surcharge – Free ATMs
- No per check fees
- \$100 minimum balance. (A \$4.00 monthly service fee will be charged if balance falls below \$100).

Investing or Planning for Retirement? We're Here to Help.



Beacon Investment Services (left to right):
Tim Hollowell, Tiffany Hauptert, and Mike Farmer.

Were you aware that the Beacon Investment Services Center makes the following services and programs available to our members?

Retirement Planning • Retirement Plan Rollovers • Investment Planning
Brokerage Accounts • Mutual Funds



Call (260) 563-7443 ext. 2009, to schedule an appointment today.

Representatives are registered through, and securities are sold through, and Investment Advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member NASD/SIPC, A Registered Investment Advisor, 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.

IRA Options for Every Stage of Life

Whether you're saving for retirement, a new home or college expenses, IRAs are a great tool to save for those major events in your life. Beacon offers three types of accounts - Traditional IRA, Roth IRA and Coverdell Education Savings Account.

Visit us today to learn about increased contribution limits on Traditional and Roth IRAs Stop by your local branch or call our IRA Department at **1-800-762-3136, ext. 2230.**

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

ASI

Early withdrawal penalties may apply. Please consult a tax professional regarding your specific circumstances.