

2009 MARKS SPECIAL TIME FOR CPFCU

As the year 2009 winds to its conclusion, we'd like to pause and be thankful for all that has taken place.

In 2009, CPFCU was fortunate to be the first ever, Platinum Sponsor of the Chicago Police Memorial Foundation. If we were privileged to line up beside you at the "Run to Remember", for that we are grateful.

In 2009, the vision and dreams of our board and employees were realized when we opened our new headquarters. If we were fortuitous enough to witness the Honor Guard and listen to the Pipes and Drums of the Emerald Society at our grand opening with you, for that we are thankful.

In 2009 our members had many choices in financial institutions. Each of you entrusted your finances to the people of CPFCU, and for that we are humbled.

May the gratitude that we feel for the relationships we developed in 2009 and the determination that we feel to better ourselves daily form the foundation for a successful 2010.

*May we wish a blessed
holiday season to you all!*



Roth IRA Conversions in 2010

Public discussion about tax law changes for 2010, specifically rule changes regarding Roth IRA conversion, is becoming more widespread.

Includes Deferred Comp

Most of the information available discusses the impact on Individual Retirement Accounts (IRA) and 401(k) plans. You should know that any source of pre-tax retirement savings is eligible for conversion, including the City of Chicago 457 Deferred Comp plan if you will be retired during 2010.

Tax Impact

Converting a Traditional IRA into a Roth IRA makes most sense if you think you will be in the same, or even higher, tax bracket in the future. Because retired police officers receive lifetime pension benefits subject to Federal income tax, few of our members will be in a lower tax bracket during retirement. The Bush tax cuts are set to expire in 2011, and projected budget deficits increase the likelihood of tax hikes in the future.

Roth IRA advantages:

- Tax-free growth of retirement assets
- Tax-free withdrawals after age 59½ and the Roth IRA is more than five years old
- No Minimum Required Distributions (RMD) when you turn 70½
- Withdrawals don't influence if Social Security income is taxed
- An eventual reduction in the size of your taxable estate
- A larger, tax-free legacy for your heirs

Amounts you convert to a Roth IRA during 2010 are taxable at today's rates, but that tax liability can be spread out over tax years 2011 and 2012, effectively delaying full payment until April 2013.

Be Ready

Whether you convert retirement assets from a Traditional IRA to a Roth IRA or not, you will still want to know about the changes affecting IRAs and other retirement savings vehicles, and your estate and other investments.

It's always best to make an informed decision. If you have a question about what's right for you and feel you would benefit from professional advice before deciding whether to take advantage of the rule change this year, call the *Financial Planning and Education Center* at 312-499-8888 for an appointment to discuss your situation.

Roll Call

Roll Call

CHICAGO PATROLMEN'S FEDERAL CREDIT UNION

CPFCU OFFERS AUTO LOAN RATES AS LOW AS 2.97%!!



There has been a significant amount of turmoil in the financial markets recently. Many large banks have taken taxpayer money, and then invested it to shore up the appearance of their financial position.

At Chicago Patrolmen's Federal Credit Union, we've taken a different approach. First, we haven't taken a dime of taxpayer money. In addition, we've consistently stepped up to offer new lending opportunities for our members. Currently, we are offering auto loans with annual percentage rates as low as 2.97%. These low rates apply to both new and used automobile financing, and are less than half the recent Auto Overnight Averages of 6.83%.*

The CPFCU program offers you more value when you combine our financing with cash rebates offered by the auto manufacturers. Often, you can put the cash rebate in your pocket, and still utilize the outstanding auto loan rates offered by CPFCU. We can help you get the best of both worlds!

In the end, the question of the day remains, "Who is creating value?" Is it large banks investing taxpayer bailout funds for their own benefit, or is it Chicago Patrolmen's Federal Credit Union offering Chicago Police Officers and their eligible family members rates less than half of Auto Overnight Averages? The choice is yours and the value is there for you to enjoy. Contact us today!

For complete details on the program, visit our website at patrolmensfcu.org, or contact us today at 312-726-8814.

* Per *Bankrate.com*, 12/11/09.

Loans
Boat
Home Equity
Member Business Lending
Mortgages
Motorcycle
New & Used Auto
Share & Certificate Secured
Signature
Student and Secured Cards
Tuition
Student
VISA Platinum
VISA Classic

Savings Accounts
Christmas Saver
Individual Retirement Accounts
Money Market Accounts
Regular and Special Purpose
Share Certificates

Free Checking Account
ATM/Debit Cards
Free Overdraft Protection

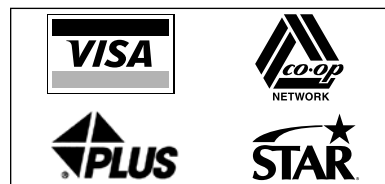
Convenient Access
Audio Telephone Teller
Electronic Bill Payment
Home Banking
Internet Access
No-Fee ATMs

Payment Origination Services
Debit Origination
Direct Deposit
Direct Payment
Payroll Deduction
VISA Automatic Payment

Additional Services
Certified Checks
Notary Public
Safe Deposit Boxes
Signature Guarantee
Travelers' Checks
Wire Transfers

ATM NETWORKS

Look for these symbols when using your ATM Card or your credit union CheckCard.



Many of you have asked me what's next for the credit union now that we have opened the new headquarters. After all, there has been a lot going on over the last few years in terms of expansion and I think that many of you have come to expect constant progress, which is a great thing.

There are always new initiatives on the horizon, three of which are worth a mention here.

You may have received a new debit and/or ATM card from us recently. This was a precursor to a significant expansion of our ATM network. We completed our conversion to a wireless platform that will help us to greatly increase the size of our ATM fleet because we will no longer be reliant on telephone lines. Our plan is to have ATMs in virtually every police facility in the very near future. If you are in the 1st or 3rd districts, you can expect a new ATM in the first few months of 2010 and we will continue the expansion from that point.

You can also expect to see a revamped and more user-friendly home banking system in place by the middle of summer. We have been gathering your feedback and will be responding with a product that is more capable of meeting your on-line banking needs.

Also, we will be opening up a branch in the Garfield Ridge/Clearing neighborhood in the not-too-distant future, perhaps as early as mid 2011.

Additionally, we never stop working to improve the products and services that are already available to you.

No matter how much we have going on, we always appreciate the work that you do and the value that you provide to our society everyday and we are here for you when you need us.

It is always an honor and our pleasure to be of service to you. Thank you very much for your business and may everyone enjoy a healthy and prosperous 2010!

Scott Arney
CEO

CREDIT UNION PARTICIPATES IN SCHOLARSHIP PROGRAM

The Chicago Police Department Basketball team hosted the Moody Bible Institute Basketball Tournament earlier this year. CPD Coach Keith Anderson led the CPD team on the court, and he generously set aside a portion of the proceeds from the tournament for scholarships to worthy individuals. At Mr. Anderson's request, CPD personnel assisted by reaching out to police organizations, who, in turn, selected worthy scholarship winners.



Left to right - Grace Moriarty, Scholarship Winner; Dave Dunham, CPFCU; Keith Anderson, CPD Basketball; Christina Bennett, Scholarship Winner; Dana Starks, NOBLE; Scott Arney, CPFCU; Bill Moriarty, the Emerald Society; and Mark Donahue, FOP, present to the scholarship recipients at the FOP meeting.

This year, the winners were Christina Bennett, from the National Organization of Black Law Enforcement, and Grace Moriarty, from The Emerald Society. Christina and Grace were presented with the scholarship funds at the FOP Meeting on December 15, 2009.

The credit union would like to thank Keith Anderson, Mark Donahue, Sid Davis, the FOP Board, Pat Moriarty, Debbie DiMaggio, the Emerald Society Board, Chief Eugene Williams, Dana Starks, The NOBLE Board, Grace Moriarty, Christina Bennett, and their families for making the program a success!

CPFCU PRESENTS SKIP-A-PAY FOR CREDIT CARDS

Just when you need a financial boost to help you pay for your holiday purchases, CPFCU is there to help you. Members who meet the specified credit criteria have been given notice that they can skip their January minimum payment on their CPFCU VISA® Credit Cards.



To find out if you qualify for the January VISA Skip-A-Pay, simply check your December VISA statement for the message indicating that you can skip your January minimum payment.*

Skip-A-Pay is one more way that CPFCU offers you alternatives to help you manage your cash around the holidays.

* Finance charges continue to accrue.

CURRENT RATES

SAVINGS RATES		CHECKING ACCOUNTS	
Share Savings Accounts (Regular and Special) \$100-2,999.99 0.15% APR 0.15% APY \$3,000-24,999.99 0.25% APR 0.25% APY \$25,000 and up 0.65% APR 0.65% APY		Checking Accounts \$1,000 and up 0.25% APR 0.25% APY	
Share Certificates** • Minimum Deposit of \$2,500.00 • Senior Saver Option Available • 55 and older members earn an additional .25% and our 55 and older members earn an extra .25% for having a CPFCU checking account with direct deposit. Non-compounding 6 Month Term 1.25% APR 1.25% APY 12 Month Term 1.55% APR 1.55% APY 24 Month Term 2.00% APR 2.00% APY 36 Month Term 2.25% APR 2.25% APY Compounding 6 Month Term 1.25% APR 1.25% APY 12 Month Term 1.55% APR 1.56% APY 24 Month Term 2.00% APR 2.02% APY 36 Month Term 2.25% APR 2.27% APY		Christmas Savers Accounts** • Funds Available on 10/01/09 0.50% APR 0.50% APY Individual Retirement Accounts** Share IRA (\$25 Minimum) 1.50% APR 1.51% APY Traditional, Roth (\$1,000 Minimum) and Educational (\$500) IRA Certificates 12 Month Term 1.65% APR 1.66% APY 24 Month Term 2.15% APR 2.17% APY 36 Month Term 2.50% APR 2.52% APY	
		Money Market Accounts • \$2,500 minimum to open • \$15 per month fee if the average daily balance falls below \$2,500. Limit of six withdrawals or transfers per month. \$0 - \$24,999 1.00% APR 1.00% APY \$25,000 - \$49,999 1.15% APR 1.15% APY \$50,000+ 1.50% APR 1.51% APY	
LOAN RATES		SIGNATURE LOANS	
Auto Loans New Auto 2.97% - 14.47% APR* Used Auto 2.97% - 14.87% APR* Motorcycle Loans New Motorcycle 5.47% - 12.97% APR* Used Motorcycle 5.87% - 13.37% APR* Boat Loans New Boat 6.47% - 11.97% APR* Used Boat 6.87% - 12.37% APR* Tuition Loans 5.90% - 7.90% APR**** Student Loans 5.90% - 7.90% APR**** Mortgage Loans Market Rates Home Equity Line of Credit 4.25% APR*** Fixed Rate Home Equity Loan 9.90% APR		8.90% - 14.90% APR Share Secured Loans 5.00% APR*** Certificate Secured 5.00% APR*** Money Market Secured 5.00% APR*** Member Business Lending Market Rates VISA Classic Purchases 13.90% APR Cash Advances 13.90% APR**** VISA Secured Purchases 14.90% APR Cash Advances 14.90% APR VISA Student Purchases 14.90% APR Cash Advances 14.90% APR VISA Platinum Purchases 9.90% APR Cash Advances 9.90% APR****	
<small>Dividends computed based on daily balance and paid quarterly for all share products. Rates as of 11/11/2009 & May Change at Any Time APR = Annual Percentage Rate • APY = Annual Percentage Yield</small>		<small>*Call for quote, some restrictions apply. Rates as much as 0.75% higher without checking with direct deposit and 20% down. **Early withdrawal penalty may apply. ***Variable rate adjusted quarterly.</small>	

CPFCU is continuing to install more wireless ATMs in the police districts and we hope to complete installation by the end of the first quarter.

CPFCU employee Bonnie Mulligan recently celebrated her tenth anniversary with CPFCU and then became a grandmother, all within a one-month period. Congratulations, Bonnie!

We will be closed in observance of the following holidays:

- January 1, 2010
New Year's Day
- January 18th
Martin Luther King Jr. Day
- February 15th
Presidents' Day

COMMON FEES

- (Effective 8/15/07)**
- Under minimum monthly share fee \$10.00
 - Transfer from savings or money market to share draft/checking to cover an overdraft (each occurrence) \$10.00
 - Stop payment (all items) \$30.00
 - Photocopy of draft (each item) \$3.00
 - Non-sufficient funds item (each) \$35.00
 - Collection item processing \$30.00
 - Certified Check \$5.00
 - Deposited checks and other items returned unpaid \$30.00
 - Domestic outgoing wire transfer \$20.00
 - International wire transfer (minimum) ... \$40.00
 - Western Union wire transfer \$20.00
 - International Western Union fee (minimum) \$22.00
 - Bad Address fee \$5.00
 - Account research \$25.00
 - Copy of statement \$5.00
 - Under minimum average daily balance money market fee \$15.00
 - Late Loan Payment \$30.00

HOME BANKING FEES

- Bill Payer Fee (per month, if applicable) \$9.95
- Bill Payer / Insufficient Funds (NSF) ... \$35.00
- Bill Payer Check Copy \$20.00
- Bill Payer Stop Payment Fee \$30.00

ATM DEBIT CARD FEES

- Replacement ATM or Debit Card \$10.00
- Replacement PIN \$10.00
- VISA® Credit Card Replacement \$10.00

There is a charge of \$1.00 for each withdrawal, transfer, point-of-sale, or inquiry in excess of five per month using your ATM or Debit Card.

*Fees are subject to change.

- Traveler's Check Fee 2% of check total
- Bank Check Fee \$2.00
- Temporary Checks \$2.00
- Check by Phone \$5.00
- Late Mortgage Payment 5.0000% of payment
- Late Home Equity Loan Payment \$25.00
- Payoff Letter for Real Estate Loans \$10.00
- Verification of Deposit \$10.00