

MONEYLINE

A MONTHLY UPDATE FOR KENTUCKY TELCO FEDERAL CREDIT UNION MEMBER-OWNERS

July 2010



A great rate - as low as 2.99% APR* - Put more money in your pocket with an auto loan from Kentucky Telco. Get rates as low as 2.99% APR on any new or used auto when you purchase or refinance your existing auto loan.

Give back - When you purchase a new or used auto or refinance your existing auto loan during the promotional period, **Kentucky Telco will donate \$25 on your behalf to a non-profit organization of your choice.**

Find out more by calling us at (800) 292-9490 or visit www.kytelco.com.

Holiday Closing July 5, 2010

Contact Us

Main Branch: 502-459-3000
Max24: 800-221-6279
Online Banking: kytelco.com

Deposit Rates

Prestige Checking 1.50% APY**
(up to \$10,000)
Personal Reserve .50% - 1.10% APY**
90 Day - 60 Month Certificate 1.00% - 2.80% APY**

Loan Rates

Visa Platinum as low as 8.90% APR*
Keyline HELOC as low as 5.00% APR*
Auto Loans as low as 2.99% APR*

*APR=Annual Percentage Rate. Your rate may be higher based on your credit performance. Rates subject to credit approval. Vehicle and Signature loan rates include discounts. Rates effective 07/01/10 and are subject to change without notice.

** APY=Annual Percentage Yield. Personal Reserve rate is tiered based on deposit amount. Other Certificate terms available on request. A \$500 minimum is required for all Certificate Accounts. Certificates subject to penalty for early withdrawal. Rates are effective 07/01/10 and are subject to change without notice.

Negative Information Notice: We may report information about your loan and deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.



Choose from one of these great non-profit organizations:

Bellewood Home for Children: Bellewood serves abused, at-risk and homeless youth across Kentucky through a wide variety of programs. They provide a continuum of care to ensure those in its service become stable, self-sufficient adults. The ultimate goal of Bellewood is to see its clients become independent individuals who make positive contributions to their community.

Brooklawn Child and Family Services: Brooklawn is a Psychiatric Residential Treatment Center for Adolescents and Children and has been restoring hope and healing by providing comprehensive care, treatment, and education to young minds and hearts since 1851.

Center for Women and Families: The Center for Women and Families helps victims of intimate partner

abuse or sexual violence to become survivors through supportive services, community education and cooperative partnerships that foster hope, promote self-sufficiency and rebuild lives.

Custom Quality Services: The mission of the organization is to provide meaningful employment to individuals with varying degrees of disability, people who are homeless, and those who are new to this country.

YMCA: Contributions to your local YMCA makes a difference to children, teens and families in your community. Gifts from generous donors enable the YMCA to offer scholarships and reduced fees for those who need it, in support of the YMCA's mission - To put Christian principles into practice through programs that build a healthy spirit, mind and body for all.

*APR=Annual Percentage Rate. Rate effective 7/1/2010 and can change at any time without notice. Rates may vary based on your credit profile or the age and condition of the vehicle. Lowest loan rate includes a .25% discount for 20% equity in vehicle and a .25% discount for automatic payment. Existing Telco loans are not eligible for this promotion.

A World Beyond Banking



What 0% Financing Really Costs

Why finance your car at Telco when the major dealers are offering 0% vehicle financing? The answer is simple. Sometimes, what looks like a deal really isn't.

Consider this:

- Only 10 out of every 100 that apply are eligible for the 0% rate.
- 0% rate may only be available for short terms; that equals higher monthly payments.
- Application or pre-payment fees add hidden costs to the low interest loans. Banks and dealers may charge up to \$200!
- If you choose the 0% rate, you lose any rebates being offered by the dealer and **you end up paying more for the vehicle.**
- Low rate loans are often only available on slower-selling models. These cars may have lower resale values.
- Low rate dealer loans can have bigger pre-payment penalties and can require bigger down payments.
- Usually, dealer financing plans are limited to dealer stock. That means you may have to sacrifice the color, style, and/or options you want.
- Don't forget that unwanted options can add up to 30% to the sticker price of the car.
- Don't be smitten by auto dealers' hype. Financing your new or used vehicle through Kentucky Telco is a smart way to save money!

Would you get a better deal by buying a car, truck, or SUV with a dealer's 0% interest rate and no rebate, or by taking the \$2,500 rebate from the dealer and financing the vehicle with Kentucky Telco at 2.99% APR?

The following chart shows a side-by-side comparison of purchasing a vehicle at 0% or using the dealer's rebate and financing with Kentucky Telco.

	Dealer Offer	Telco
Sale Price	\$20,000	\$20,000
Rebate from Dealer	\$0	\$2,500
Amount Financed	\$20,000	\$17,500
Interest Rate for 60 mos.	0% APR	2.99% APR
5-yr term total interest	\$0	\$1363.92
You Pay	\$20,000	\$18,863.92
You SAVE	\$0	\$1,136.08

As you can see from the chart, by taking the dealer rebate and financing at Kentucky Telco, you will save more than \$1,000.

In addition to saving money, Telco offers a variety of services to help you find the perfect vehicle at just the right price. Our partner, Members Leasing & Sales, can locate your next new or used car, truck, or SUV without you ever stepping foot on a lot! Plus, Telco offers members payment protection plans, in case the unexpected happens, and extended vehicle warranties.

For more information, or if you would like to apply for your vehicle loan, please contact a loan officer at (502) 459-3000 / (800) 292-9490 or apply online at www.kytelco.com.



Keep your valuables secure for just pennies a day!

There's no better deal when it comes to safeguarding your personal treasures than a Kentucky Telco Safe Deposit box. Safe Deposit boxes are specifically designed for the protection of documents and assets such as:

- Legal Documents - birth certificates, marriage license, passports, property deeds, last will & testament
- Stock and bond certificates
- Loan documents – auto, home, personal
- Insurance policies and documentation
- Jewelry
- Rare coins or stamps
- Heirlooms

Maintain your peace of mind at an affordable price – any size rental for just \$20!

Safe Deposit boxes are available at the following branch locations: Main Office, Stonefield Square in Middletown, Okolona, Dupont Square, and Riverport.

For more information about our Safe Deposit boxes, please call (502) 459-3000 / (800) 292-9490

Dealership of the Month

Kentucky Telco is recognizing one outstanding auto dealership each month as a part of our Dealer Direct Lending Program.



July's Dealership of the Month is Harley Davidson of Louisville. Go to www.kytelco.com to read more about why Harley Davidson Louisville is this month's outstanding dealership.

Ready for a Summer Adventure?



Rates as low as **9.25% APR***

Let Kentucky Telco take you there with a HOT summer loan! Whatever your summer plans, we have the loan that's right for you. And with our RED HOT RATES, you can celebrate your summer without worry. Just look at some of the things you could do with one of our sizzling summer loans!

Plan a Vacation!

Get the cash you need to take the vacation of your dreams.

Ride the Waves!

Get that boat you've had your eye on and take a ride on the waves.

Hit the Road!

Get the RV of your dreams and let the road lead you to a fantastic getaway.

What are you waiting for?
Apply for your summer loan today at www.kytelco.com.

*APR=Annual Percentage Rate. Your rate may be higher based on your credit performance. Rates subject to credit approval. Vehicle and Signature loan rates include discounts. Rates effective 07/01/10 and are subject to change without notice.

Switch to a Kentucky Telco VISA Platinum and save!

Put more money in your pocket with a Platinum VISA from Kentucky Telco. Move your balance today and start the savings!



One way to make a quick, noticeable difference in your financial picture is to lower monthly costs. **Look at the money you can save if you transfer your high rate credit card balances to Kentucky Telco's VISA Platinum.**

19%*
APR
YOUR CURRENT CREDIT CARD RATE

8.9%[^]
APR
TELCO'S BEST CREDIT CARD RATE

\$158*
CURRENT INTEREST PAID MONTHLY

\$74[^]
INTEREST PAID MONTHLY AT TELCO

As you can see, transferring your high rate credit card balances could save you \$84 a month – that's \$1,008 a year!

Kentucky Telco can save you money!
Contact us today at (800) 292-9490 or apply for your VISA online at www.kytelco.com

*APR=Annual Percentage Rate. The monthly payment was based on a \$10,000 monthly balance for one year. ^APR=Annual Percentage Rate. Rate effective 7/1/10 and could change at any time without notice. Rates may vary based on your credit profile.

President's Message

Thank You to Our Members



Have your financial habits changed during the past 3 years? If you are a typical American, your money handling behavior has changed significantly! Many people have decreased their discretionary spending, increased their saving, and accelerated paying down their debt. Purchasing a new vehicle or taking a special vacation have either been eliminated, delayed, or scaled-back to decrease the cost. People are also spending more time searching for the best deal. Making wise financial choices enables all of us to stretch our paycheck.

During July, Kentucky Telco will be offering history-making, low auto loan rates to our members. It's our way of saying "Thank You" for being a dedicated credit union member and encouraging you to move auto loans from other financial institutions to your credit union. If you are shopping for a car, a Kentucky Telco auto loan can save you money by lowering your monthly payment. These special auto loan rates are for a limited time. Act now to get a great deal and keep more money in your pocket!

Thank you for allowing us to serve you. We look forward to becoming your sole financial service provider.

Richard Reese
President & CEO

Branch Locations

LOUISVILLE, KY

Main Office
3740 Bardstown Road
(502) 459-3000
1-800-292-9490

University of Louisville
2126 South Floyd Street

Medical Towers South
234 East Gray Street, Suite 170

Stonefield Square in Middletown
10486 Shelbyville Road

Okolona
4816 Outer Loop

Starks Building Downtown
455 South Fourth Street, Suite 117

Dupont Square
4004 Dutchmans Lane

Riverport
7215 Riverport Plaza Drive

Nia Center

2900 W Broadway

Mazzoli Building

600 Dr. Martin Luther King Jr. Place

Westport CU Service Center

2925 Goose Creek Road

Sears Plaza CU Service Center

4917-B Dixie Highway

LEXINGTON, KY

Bluegrass Service Center
2549 Regency Road

OWENSBORO, KY

933 Tamarack Road

HARRODSBURG, KY

106 Commercial Drive

BELLE, WV

1401 West DuPont Avenue

Telephone Teller - 502-451-1370 or 1-800-221-6279
Online Banking - www.kytelco.com