

your money

A New Look for LBS Financial

Your Credit Union is getting dressed up!

Your Money newsletter has a whole new look beginning with this November issue. LBS Financial Credit Union will also bring a new design and functionality to our website!

When you visit www.lbsfcu.org later this year, be prepared for a whole new design and some exciting new features, including:

- Financial tips and articles
- FAQs
- New financial calculators
- Search engine and site map

Plus, you can continue to enjoy these great features of our current website:

- Free online banking and Bill Payer
- Apply for a loan
- Rate and product information
- Hours and locations
- Reorder your checks online
- Research new & used vehicles and contact our network of auto dealers (CUDL)
- Community information, Multiple Listing Service (MLS) access and free property valuations (OneSource Real Estate Services)

Convenient access is important, and LBS Financial is always looking for ways to make your access to the Credit Union simple. Enjoy our new look, and especially our new website that is projected to be launched by year-end!



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www.lbsfcu.org

President's Message



As another year comes to a close, I look back on 2006 as the end of an era for the Credit Union and the beginning of a new.

In 1946, Morris Hayter, the first President & CEO of LBS Financial Credit Union, began his tenure. Through his leadership, the Credit Union (then known as Long Beach School District Employees Federal Credit Union) inspired a culture of employees that are focused on the member. I was fortunate enough to be hired by Mr. Hayter in 1977 and carry with me to this day many of his same values that are still present throughout the Credit Union. With Mr. Hayter's passing in August, it feels like a part of the history of LBS Financial has gone along with him. He was truly an LBS Financial legend and will be deeply missed.

Member service continues to be our focus at LBS Financial. Without you, our members, we would not exist. Twice per year we survey members to ask about your satisfaction with our products and services, and I'm pleased to share that we not only exceeded our goal for overall member service but received one of the highest ratings ever. Thanks to all of our members that completed this survey. Your feedback is truly important and keeps us focused on maintaining a high quality of service from the phones to the branches.

It is the beginning of a new era here at the Credit Union as we continue to evolve and change with the times. As you noticed from our new newsletter and the upcoming redesign of our website—we are refreshing our look and reviewing what we present to make sure our online information is updated, easy to access and offers you the latest financial information. Adding new security features to CU OnLine in the next few months will provide even more protection for our members' privacy.

Our new tagline, *Adding Value to the Neighborhood*, means that LBS Financial brings great rates, low fees and competitive products and services to our neighborhood of members. And, if you don't live near one of our branches, we are bringing the neighborhood to you through convenient access, including more than 25,000 no-surcharge CO-OP® ATMs, 2,200 Shared Branches, plus easy-to-use online and telephone banking. We truly believe in neighborhood value and make many of our services low cost or free of charge.

We hope you like the new look of LBS Financial Credit Union. Although our marketing and website have a facelift, some things remain the same as we stay focused on your satisfaction and will continue to grow with you. I wish you and your families a wonderful holiday season. Thank you for supporting your Credit Union!

Best Regards,

Jeffrey A. Napper
President & CEO

FICO Score Factors

Five Factors Affecting Your Credit

When you're applying for credit, whether it's a credit card, car loan, personal loan or mortgage, lenders will want to know your credit risk level. To understand your credit risk, most lenders will look at your credit score. Many financial institutions use the FICO (Fair Isaac Corporation) score to determine how good or bad a risk you are when it comes to lending you money. FICO scores range from a low of 300 to a high of 850. Higher FICO scores usually translate into more favorable rates and terms.

With this in mind, it's important to be aware of the factors and their percentages in making up your FICO score:

- 1. Payment History (35%)** - Accounts reviewed in this category include credit cards, retail accounts and installment loans. If you are past due, delinquent or have an account sent to collections, this will affect your payment history. The last 12 months of your payment history have the most weight in deciding your score.
- 2. Capacity/Amount You Owe (30%)** - The majority of Americans who go bankrupt charge their credit cards to the limit before they file. Showing that you can have credit without reaching your maximums is important in proving you aren't a bankruptcy risk. Keep your balances low on all revolving credit and pay off debts within open accounts instead of closing accounts and consolidating it into one or two accounts with higher balances.
- 3. Length of Credit History (15%)** - The length of time you keep your accounts open is important. Lenders want borrowers with long credit histories which proves over time that you've been consistent in paying your debts. Think twice before you close older accounts as it could affect this part of your score.
- 4. Types of Credit (10%)** - Having a balanced mix of credit can help this aspect of your score. A good credit mix usually includes credit cards, mortgages and consumer finance accounts (ex: auto loan).
- 5. New Credit (10%)** - The number of new accounts you have opened will be reviewed including:
 - Number of accounts
 - Length of accounts
 - Recent requests for credit
 - Length of time since credit report inquiries were made by potential lenders

The following items will not go into your FICO score: race, color, religion, national origin, sex, marital status, age, salary, occupation, title, employer, date employed, place of residence, your participation in credit counseling, or any requests you have made for your credit report. If you check your credit score by going directly to a credit reporting agency, this will not affect your credit.

By knowing how your credit risk is evaluated, you can take actions that will lower your credit risk — and raise your score over time. A better score means better financial options for you.

Get the Most for your Money!

LBS Financial offers some of the best rates in town for Share Certificates! Just look at how we compare to some of the biggest financial institutions:

Financial Institution	3 Month Certificate	6 Month Certificate	12 Month Certificate
LBS Financial	4.75% APY	5.00% APY	5.25% APY
Bank of America	2.75% APY	2.75% APY	3.70% APY
Wells Fargo	2.70% APY	3.50% APY	3.90% APY
Washington Mutual	1.35% APY	3.80% APY	3.60% APY

The above rates do not reflect LBS Financial's current promotions. Take advantage of our new 7 month or 13 month Certificate Specials and earn the most for your money. Call us today for current rates or visit our website at www.lbsfcu.org.

* Rates for each institution were taken from the following websites on 11-10-06: www.bofa.com, www.wellsfargo.com and www.wamu.com and are based on a deposit of \$10,000 or more. LBS Financial Credit Union is not affiliated with the above financial institutions nor have they approved or endorsed the use of their rate information.

Our Holiday Gifts To You

Happy Holidays! As a small token of our appreciation, we are pleased to offer you two great gifts from LBS Financial Credit Union.

Skip-a-Payment

You have an option to automatically skip your Visa® Classic or Gold payments for December 2006 and January 2007.*

*For your convenience, the Visa Holiday Payment Skip will be done automatically and there will be no need to contact LBS Financial Credit Union. If payment is normally made through an automatic transfer, your payment will continue UNLESS you contact us. Skip-a-Payment is only available for members whose Credit Union account is in good standing and current. Some other restrictions apply. Members who do not wish to participate in the Skip-a-Payment promotion can simply continue making regular monthly payments. Interest due on the Visa balance during December and January will continue to accrue.

Waiver of Visa Gold Annual Fee

Your Visa Gold Annual Fee of \$24 will be waived for 2007. And, continue to enjoy our Visa Gold benefits:

- Awarded bonus points (you can trade-in for cash)
- Free auto rental insurance
- Free \$400,000 travel accident insurance
- Travel assistance and more!

Enhanced Security – Coming Soon!

LBS Financial Credit Union will soon be introducing enhanced security features to CU OnLine, our online banking service. Keeping your information secure is one of our top priorities, and our new enhancement will offer the following to add more protection to your account online:

- An image and a caption, selected by you, will display every time you log in assuring you that the LBS Financial site is authentic (anti-phishing).
- Each PC you use to access CU OnLine will be registered with information unique to that computer. If you or anyone else attempts to log on to your account from a different computer, security questions you set up during the enrollment process will be asked to confirm your identity and register the new device.

The new features will be added to all online accounts at no cost to members. The process will be simple and there will be no need to change your current password. However, at the time of this change, we will recommend that you consider "strengthening" your password to make it more complex. Information will be sent to CU OnLine users in the next few months to let you know how to complete the enrollment process.

Former LBS Financial CEO Passes Away



Morris Hayter, who served as CEO of LBS Financial Credit Union for 37 years, died on Sunday, August 27, 2006. He was 92.

Hayter joined LBS Financial Credit Union in September,

1946, when the Credit Union was known as Long Beach School District Employees Federal Credit Union. At that time, LBS Financial had over \$328 thousand in assets and 1,200 members. Upon his retirement in June, 1984, the Credit Union had grown under his leadership to more than \$103 million in assets and 24,994 members.

During Hayter's tenure, LBS Financial introduced services such as share loans, payroll deductions, savings bond redemptions, money orders, travelers' checks, free notary services and Series E bonds. His passion was always in providing friendly and quality service to the Credit Union's members. In 1979, Hayter was the recipient of the prestigious California Credit Union League Leo Shapiro Award for his outstanding service to credit unions.

Hayter is survived by his wife, Lorene and his sons George and William and their families.



Visit our Newport-Mesa Office!

Do you live or work near Newport Beach? Our Newport-Mesa office is open Monday through Friday from 9 a.m. to 5 p.m. to serve you!

1401 Quail St.
Newport Beach, CA 92660

We Are Here for You!

Call us to complete transactions, get account and product information or inquire about a loan, Monday through Saturday. See our Call Center hours below.

Office Hours & Locations

	MON	TUES	WED	THURS	FRI	SAT
Bixby Knolls* 4436 Atlantic Avenue	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 5
Cerritos 11462 South Street	Closed	11:30 - 7	11:30 - 7	11:30 - 7	11:30 - 7	9 - 5
East Long Beach* 4341 E. Tenth Street	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 12
Lakewood* 4916 Bellflower Boulevard	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 5
Los Altos 6417 E. Spring Street	Closed	11:30 - 7	11:30 - 7	11:30 - 7	11:30 - 7	9 - 5
Newport-Mesa 1401 Quail Street	9 - 5	9 - 5	9 - 5	9 - 5	9 - 5	Closed
Call Center	8:30 - 5:30	8:30 - 7	8:30 - 7	8:30 - 7	9 - 7	8:30 - 5

*Walk-up windows open Monday - Thursday at 8:30 am and Friday at 9 am. Lakewood's is open until 7 pm Monday - Friday. Bixby and Lakewood walk-up only on Saturday.

RATES As of November 8, 2006. All Rates are subject to change without notice.

SAVINGS	Dividend Rate	APY
SHARE SAVINGS		
Average Daily Balance below \$100	0.75%	0.75%
Average Daily Balance \$100 or above	1.00%	1.01%
MONEY MARKET		
\$100,000 and above	4.16%	4.25%
\$50,000 to \$99,999	3.68%	3.75%
\$25,000 to \$49,999	3.44%	3.50%
\$2,500 to \$24,999	3.20%	3.25%
Below \$2,500	1.00%	1.01%
CLUB/IRA SUB SHARE	1.00%	1.01%

LOANS <small>Rates Quoted as low as APR</small>	
SIGNATURE LOAN <small>Unsecured*</small>	11.65%
NEW OR USED AUTO, TRUCK, SUV <small>(Up to 36 months)**</small>	
100% Financing	6.00%***
80% Financing	6.00%***
BOATS/RVS - <small>New or Used</small>	
80% Financed up to 66 months/ <small>New**</small>	7.50%
MOTORCYCLES - <small>New or Used</small>	
100% Financing up to 48 months/ <small>New**</small>	8.75%

SHARE CERTIFICATES <small>All Rates Quoted in Annual Percentage Yield (APY)</small>	BRONZE (\$2,500 min.)	SILVER (\$20,000 min.)	GOLD (\$50,000 min.)	JUMBO (Over \$90,000 min.)
3 month (\$1,000 min.)	4.75%	4.80%	4.85%	5.00%
6 month	5.00%	5.05%	5.10%	5.25%
7 month	5.25%	5.30%	5.40%	5.50%
13 month****	5.50%	5.55%	5.65%	5.75%

Savings: The dividend rates and APY are anticipated and paid on the entire balance in the account. Fees or other conditions may reduce earnings on the account. Certificate terms available: 3,6,9,12,18,24,30,36,42,48,60 months. IRA: 6,12,18,24,30 months. Loans: Rates are quoted as the lowest rate available, in Annual Percentage Rate (APR) and reflect a .25% discount for automatic payment transfer from Savings or Checking or payroll deduction.

*Signature Loan financed to 5 years, \$22.08 per \$1,000 borrowed. **Longer terms are available for these products. Contact the Credit Union for details. ***A loan at 6.00% APR for 36 months will have a monthly payment of \$30.44 per \$1,000 borrowed. Promotional loan rates are not available on existing LBSFCU loans. Loan rate based on LBSFCU credit approval. ****New money only.

LBS Financial's Supervisory Committee

Encourages monthly account statement review to ensure accuracy. They also want to ensure that you are completely satisfied with LBS Financial Credit Union's service and encourages contact with them if an issue arises and is not resolved to your satisfaction. LBSFCU Supervisory Committee, P.O. Box 4860, Long Beach, CA 90804

Your Money is published exclusively for members of LBS Financial Credit Union. Email: info@lbsfcu.org

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