



Now That's Convenience!

Members of LBS Financial Credit Union have access to more than 2,000 shared branch network locations and more than 25,000 no surcharge CO-OP ATMs nationwide.



RATES As of August 1, 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	3.92%	4.00%
\$50,000 to \$99,999	3.44%	3.50%
\$25,000 to \$49,999	3.20%	3.25%
\$2,500 to \$24,999	2.96%	3.00%
Below \$2,500	1.00%	1.01%
Club/IRA Sub Share	1.00%	1.01%

LOANS (rates quoted as low as)	as low as APR
Signature Loan (Unsecured)	11.65%
New or Used Auto, Truck, SUV (up to 36 months)	
100% financing	5.24%*
80% financing (financing available up to 84 months)	5.24%*
Boats/RVs - new or used	
80% financed to 66 months/new	7.50%
Motorcycles - new or used	
100% financing up to 48 months/new	8.75%

	SHARE CERTIFICATES — all rates quoted in Annual Percentage Yield (APY)			
	Bronze (\$2,500 min.)	Silver (\$20,000 min.)	Gold (\$50,000 min.)	Jumbo (Over \$90,000 min.)
3 month (\$1,000 min.)	4.50%	4.55%	4.60%	4.75%
6 month	4.75%	4.80%	4.85%	5.00%
8 month	5.00%	5.05%	5.15%	5.25%
15 month**	5.25%	5.40%	5.50%	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. A loan at 5.24% APR for 36 months will have a monthly payment of \$30.08 per \$1,000 borrowed. * Promotional loan rates are not available on existing LBSFCU loans. Signature Loan financed to 5 years, \$22.08 per \$1,000 borrowed. Loan rate based on LBSFCU credit approval. **New money only.



WATCH YOUR MONEY GROW!

OUR RATES KEEP GETTING BETTER!
ASK FOR CURRENT RATES ON OUR 8 AND 15 MONTH SHARE CERTIFICATE SPECIALS.

LBSFCU's Supervisory Committee

Encourages monthly account statement review to ensure accuracy.

They also want to ensure that you are completely satisfied with LBSFCU'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.
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Your Money

www.lbsfcu.org

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Recommend LBSFCU and Earn Cash!

Now you can share your experience at LBS Financial Credit Union with friends, family or co-workers and receive cash when they open a Choice Checking Account with a \$250 minimum deposit!

What's in it for you?

Your Family Member/Friend Opens	You Receive
Choice Checking Account*	\$25

A referral slip is included with this newsletter. Just provide copies of the referral slips to your friends, family or co-workers with your contact information and have them turn the slip in to LBSFCU when they open their new account(s) by September 30, 2006.

There's no limit to the number of new members/Choice Checking Account openings that you may refer and how much cash you can earn. Each person you refer must be eligible for membership, 18 years of age or older, and he or she must present a coupon with your contact information. To open a qualifying account, each of your referrals must be a new member and open a Share Savings account (\$1 fee plus \$5 balance to maintain the account) in addition to a qualifying account to earn cash rewards.

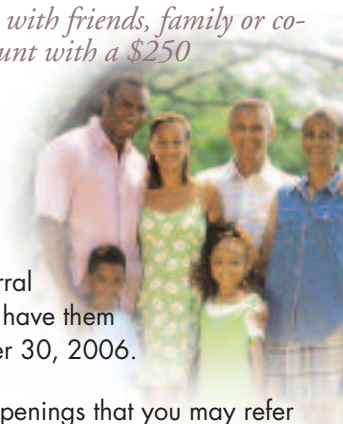
What's in it for your friends and family?

The LBSFCU service and great rates you already know and trust can be shared with your friends and family. Plus, when they open a Choice Checking Account and turn in your referral slip, they receive \$25 cash* too! They can also enjoy any of the following cash rewards when they open any of these accounts with your referral slip before September 30, 2006.

Your Family Member/Friend Opens	They Receive
Choice Checking Account*	\$25
Share Certificate**	\$25
Home Equity Line of Credit***	\$100

Look for the enclosed referral slip, visit www.lbsfcu.org or call the Credit Union for more information. See inside for more information on these LBSFCU products!

*Checking eligibility is subject to account verification. Account must remain open and in good standing for a minimum of 90 days. Referring member and new member will each receive \$25 credited to their Share Savings accounts at the end of the 90 day period. Minimum balance of \$250 to open checking account and receive cash under this program. **Share Certificates for any term must be opened by new member for a minimum deposit of \$20,000. ***Home Equity Line of Credit must be for a minimum of \$20,000 with an initial draw of at least \$5,000. Subject to credit approval. Early closure fees may apply. Referral awards for Share Certificates and HELOCs will be deposited into the new member's Share Savings account when the above qualifications are met and the accounts have been open and in good standing for 90 days. Referral awards will be subject to IRS tax reporting.





What sets LBS Financial Credit Union apart from the sea of financial institutions available? Service, service and more service. And not just any service, but the best kind of service. We want to say yes to your loans and offer great savings rates; we want to simplify your life and help you grow financially.

I feel fortunate to have been with the Credit Union for more than 29 years, working in many different aspects and directly with many of you, our valued members. Our long-time members are like family, and we hope that our newer members experience that same family-atmosphere that makes us unique and has helped us continue to grow since 1935.

Recently, credit union members and the rights and services they enjoy are under the heaviest pressure ever from some bankers and banking trade associations. They'd like to eliminate credit unions, period.

Credit unions are healthy competition for the banks. If credit unions weren't here to put pressure on banks to lower their fees and offer competitive rates, banks could charge whatever they wished.

While we may look similar and offer the same products and services, there are crucial differences between credit unions and banks. The difference is in ownership, rates and in use of services.

- 4 You own your credit union. Credit unions are member-owned nonprofit financial cooperatives dedicated to improving members' lives.
- 4 Credit unions have the best rates. Credit unions price loans, pay interest on funds you've deposited, and charge nominal fees to provide you with high-quality, low-cost services. Banks generally price products and services to make a profit.
- 4 Credit unions are the only democratically controlled financial institutions in the United States. You and other members elect an unpaid volunteer board of directors to oversee the credit union.
- 4 You earn more on your savings—in some cases up to one percentage point—at the credit union.

The average credit card interest rate is four percentage points better at credit unions vs. banks. And credit union auto loans average almost one and one-half percentage points less than banks' auto loan rates. Credit unions emphasize consumer loans and some offer member business loans. Banks offer consumer loans, but really emphasize business loans.

How do we support the credit union movement? LBSFCU and other credit unions are lobbying legislators and supporting bills that will help keep credit unions in business. We will keep you posted as to if and when we may need to call upon you for your support with legislators during this battle. By supporting LBSFCU products and services, you are already doing your part. Thank you for your support over the years and for keeping the credit union spirit alive.

Best regards,

Jeffrey A. Napper
President & CEO

Debit or Credit?

You're at the check out stand at your local grocery store and just swiped your LBS Financial Credit Union debit card through the machine. The machine asks you to select "Debit or Credit", which one is right for you?

One way to simplify this transaction is to remember that debit asks for your PIN number and allows you cash back and credit asks for your signature and offers you Visa's Zero Liability. Here's a quick comparison between the two options:

Debit

- n Better for the merchant—they get additional funds when you use this transaction type
- n Occasionally the merchant will charge an additional surcharge fee when you make a debit transaction
- n You can request cash back
- n Must remember your PIN number



Credit

- n Better for the Credit Union—we get additional funds when you use this transaction type at no cost to you
- n More protection for you—Visa's Zero Liability is activated which means you will not be liable for any unauthorized purchases made to your account on signature based transactions
- n You can dispute the charge if the product you purchased doesn't live up to what was advertised
- n Simple—just sign for your purchase (no PIN needed!)

Remember to choose "credit" when possible to protect your transactions and support your Credit Union as a member-owner!

Hassle-Free Auto Shopping

Take the hassle out of buying a new car and let the LBSFCU Surrogate Auto Shopper do the work for you. If you don't like to haggle with auto dealers but still want to get the best price, this is the perfect program for you. Here's how it works:

1. **Select your vehicle:** Research new vehicles online through the www.lbsfcu.org website. Decide on make, model, color and equipment.
1. **Get pre-approved:** Call or visit the Credit Union or submit a request for your loan application online at www.lbsfcu.org
3. **Contact Denise Gediman**, our onsite Surrogate Auto Shopper at extension 4151 or visit www.lbsfcu.org and select **Auto Arena** to make an online request

For more than 18 years, Denise has provided this service to satisfied LBSFCU members. Whether you're getting a LBSFCU pre-approved auto or share loan, get an extra 1/4% off your loan rate when you use this service.

Call Denise today at extension 4151.

Home Equity Can Be Tax Deductible

Although home loan and home equity line of credit rates are rising, they are still historically low. Get approved online at www.lbsfcu.org or call the Credit Union directly and get approved over the phone.

Keep in mind that the interest on a home equity loan or home equity line of credit may be tax deductible. However, if you use the money for anything other than home improvements, you may not be able to deduct all the interest. Contact your tax advisor for more information.

Choice Checking:

One Account, Many Options

At some institutions you can choose from 4-5 different checking accounts. Deciding on the right account can seem complicated. At LBSFCU, one account can meet all of your needs.

Earn Dividends

- n Earn .75% APY* on average daily balances of \$750 or more

Make it Free**

- n \$4 per month with no requirements or **make it free:**
 - Keep a minimum balance of \$300 in Checking or \$1,500 combined balance on the same main account **or;**
 - Use LBSFCU ATMs only and no office lobby transactions **or;**
 - Direct deposit your paycheck to checking and no office lobby transactions (no ATM restrictions)

Choice Checking Features

- n Dividends on minimum average daily balances of \$750 or more
- n Free home banking through CU OnLine and free Bill Payer
- n Free HomeTeller, automated phone teller service
- n Unlimited check writing
- n No fee transfers, withdrawals, deposits and balance inquiries at more than 25,000 CO-OP Network no surcharge ATMs nationwide***
- n Free unlimited use of LBSFCU ATMs
- n Free Visa Debit/ATM Combo Card
- n Automatic overdraft protection using an LBSFCU Share Savings, Classic Visa or Visa Gold account.

Keep it simple. One account. A lot of options. Whether you are looking for a basic free account or a dividend earning account, Choice Checking is the account for you! Call the Credit Union today to open up your account.



*APY=Annual Percentage Yield. APY is based on the assumption that dividends remain within the account. Rates are subject to change at anytime.

**\$4 is saved when minimum balance above is fulfilled. \$2 is saved when you sign up for direct checking deposit via payroll deduction/ACH; an additional \$2 is saved when you use LBSFCU ATMs solely, or do not conduct lobby transactions (use LBSFCU ATMs and electronic services exclusively) for your checking transactions.

***CO-OP Network (including LBSFCU ATMs) and F&M Bank ATM transactions are free. POS transactions are free from our \$1 surcharge, however, the merchant may have a surcharge.

Office Hours & Locations

	Mon	Tues	Wed	Thurs	Fri	Sat
Bixby* 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.



Beware of Credit Report Scams

Every 12 months you are eligible for a free credit report from each of the consumer reporting companies: Experian, Equifax and TransUnion. It's very important for you to request these reports and review them annually. However, you should be cautious of any companies offering this service since you will be required to enter your social security number and information into a website to get the reports. **The only online source authorized to give you these reports at no charge is www.annualcreditreport.com.**

There are some sites out there that will offer "free" credit reports but may charge you for another product if you accept the "free" report. If you have paid for what you thought was a free report, contact the Federal Trade Commission (FTC) at www.ftc.gov and select "File a Complaint." Also, if you have received any unsolicited emails offering a free annual credit report, let the FTC know by forwarding the email to spam@uce.gov.

Remember, your annual credit report is only free through www.annualcreditreport.com. Do not contact the three agencies individually and be wary of any other offers.