

DEFENSE CONTRACTS SOUTH FEDERAL CREDIT UNION

QUARTERLY NEWSLETTER

April 1, 2005

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600 NORTH PEARL STREET, SUITE S-203 DALLAS, TEXAS 75201 VISIT THE WEB SITE 24 HOURS A DAY: <http://www.desfcu.com>

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DIVIDENDS

Your Board of Directors declared the dividend for the first quarter as follows:

DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD (APY)

BALANCES BETWEEN	RATE	APY
\$25.00 — \$499.99	1.00	1.00
\$500.00 — \$1,999.99	2.00	2.01
OVER \$2,000.00	3.00	3.03

Note: The annual percentage yield is a percentage rate that shows the total amount of dividends, based on the dividend rate and the frequency of compounding for a 365-day period. Dividends are figured on date of deposit to date of withdrawal basis.

Deposit Limit: The limit on deposits remains at \$2000 per account per calendar month.

39th ANNUAL MEETING A SUCCESS

The 39th annual meeting of shareholders was a huge success. There were approximately 130 members in attendance. Board of Directors and Credit Committee elections were held. A total of 39 door prizes were awarded including 12 at-random winners. Dorothy Urey won the \$156 door prize. It was wonderful seeing so many retirees at this event.

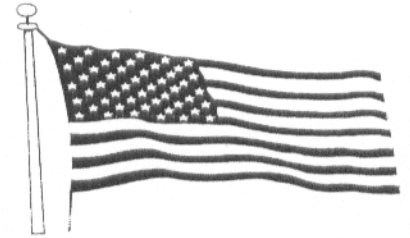
SIGNATURE LOANS FOR:

- ◆ TAXES
- ◆ VACATION
- ◆ CAR REPAIR
- ◆ HOME IMPROVEMENT
- ◆ CREDIT CARD CONSOLIDATION
- ◆ CALL TODAY (214) 742-7830

New Car Loan Rates

<u>Term</u>	<u>Rate</u>
4 Years	5.15 %
5 Years	5.65 %
6 Years	6.30 %

United We Stand



Auto Equity Loans Available: Borrow up to the loan value of your vehicle for any purpose. Interest rates on these loans are much lower than credit card or signature loan rates.

Example: Carla has a \$3,000 loan balance remaining on a 2003 Chevrolet Tahoe worth \$20,000 and needs to payoff her high interest credit card balances. Carla could add \$17,000 to the balance of the current loan. The loan would be refinanced at our current 2003 used car rates based on the term of the loan.

10 Year Financing for Motor Homes, Boats and Travel Trailers:

The Credit Union now offers financing for up to 10 years for motor homes, travel trailers and boat loans over \$25,000. Please contact the Credit Union for details on this new offer.

CREDIT UNION STATISTICS

AS OF MARCH 31, 2005

MEMBERS	2488	LOANS	\$9,816,447
ASSETS	\$29,547,069	CAPITAL	\$4,267,707
SHARES	\$25,067,306	39 Years of Serving Members	

DO YOU HAVE A CAR FINANCED WITH ANOTHER INSTITUTION?

<u>Model Year</u>	<u>Four Year Rate</u>	<u>Model Year</u>	<u>Four Year Rate</u>
2005	5.15 %	2002	6.25 %
2004	5.15 %	2001	6.25 %
2003	5.75 %	2000 & older	7.75 %

- ✓ Compare your rate to these rates
- ✓ Car must meet loan value requirement
- ✓ A small difference in rates can save you a substantial amount of interest

Loan Rates with Payment Factors on Reverse for Your Convenience