

DEFENSE CONTRACTS SOUTH FEDERAL CREDIT UNION

QUARTERLY NEWSLETTER

October 1, 2005

PHONE NUMBER: (214) 742-7830

FAX NUMBER: (214) 742-7834

TOLL FREE: 1-800-851-7830

E-MAIL: dcscfu@wt.net

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

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DIVIDENDS

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

DIVIDEND RATE AND
ANNUAL PERCENTAGE YIELD (APY)

BALANCES BETWEEN	RATE	APY
\$25.00 — \$499.99	1.50 %	1.51 %
\$500.00 — \$1,999.99	2.50 %	2.52 %
OVER \$2,000.00	3.50 %	3.55 %

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.

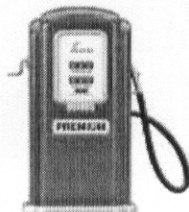
Deposit Limit: The limit on deposits remains at \$2000 per account per calendar month.

Your Savings
Federally Insured to \$100,000
NCUA
National Credit Union Administration,
a U.S. Government Agency

Beware of Dealers' 0% Financing:

Although these offers look very tempting, dealers compensate by charging higher prices for the cars. Read the small print, "Dealer participation may result in a higher negotiated price." It is almost always better to negotiate the lowest possible price including all rebates and finance with DCSFCU's low loan rates. Call the Credit Union to compare. We will analyze your deal, check the invoice price, and help you decide which deal is best for you with no pressure. We can offer this service on weekends with advanced notice. This phone call can save you money.

Fuel Loans Are
Now Available



New Car Loan Rates

<u>Term</u>	<u>Rate</u>
4 Years	5.40 %
5 Years	5.90 %
6 Years	6.55 %



UNITED WE STAND!

New Employee Hired: DCSFCU's newest employee is Aaron Westmoreland. Aaron has a Bachelor of Arts degree in Journalism with a concentration in business from Baylor University and was continuing his postgraduate studies at the University of North Texas and the University of Texas at Arlington where he was studying to get his teaching certificate. Aaron brings solid customer service, communication and computer skills to the Credit Union. He will be a valuable asset to DCSFCU.

OUR PRIVACY POLICY

The following privacy principles were established to maintain the security, integrity, and confidentiality of your personal financial information.

The type of information we collect:

We routinely collect and retain the information we obtain from your account applications, transaction history and from consumer reports. This information helps us:

- To establish and administer your accounts. (Example: We ask you for personally identifying information to protect your accounts from fraud.)
- To satisfy certain regulatory requirements. (Example: When you open an account that pays interest, we are required by the Internal Revenue Service to obtain your Social Security Number.)
- Better understand you so that we may provide you with additional or improved products and services. (Example: We require information concerning your credit history and your assets to determine if you qualify for loan approval.)

We do not share the nonpublic personal information of our current or previous members and nonmember customers with affiliates or nonaffiliated third parties except as permitted or required by law.

How is that information protected?

Access to your personally identifiable financial information is limited to employees with a specific business reason for utilizing this data. Our employees are educated about the importance of maintaining confidentiality and member privacy. If necessary, we will take appropriate disciplinary steps to enforce our employees' responsibility to protect your very personal information. In order to prevent unauthorized access to your information, we maintain security standards and procedures that conform with industry practices and procedures are routinely tested to verify the integrity of our systems.