

DEFENSE CONTRACTS SOUTH FEDERAL CREDIT UNION

QUARTERLY NEWSLETTER

JULY 1, 2006

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

www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com

DIVIDENDS

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

DIVIDEND RATE AND
ANNUAL PERCENTAGE YIELD (APY)

BALANCES BETWEEN	RATE	APY
\$25.00 — \$499.99	2.25 %	2.27 %
\$500.00 — \$1,999.99	3.25 %	3.29 %
OVER \$2,000.00	4.25 %	4.32 %

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.

Vehicles For Sale

2000 Ford Mustang GT Convertible

\$12,500

2003 Dodge Ram Pickup

\$17,995

1999 Ford F150 Pickup


\$7,995

See full details and pictures at

www.dcsfcu.com. Click on the "For Sale" link.

Watch for Bogus E-Mail: A member recently received an e-mail from NCUA (National Credit Union Administration) stating that they needed to confirm the members personal information including account number and social security number with the Credit Union to test security measures. The e-mail states that account access will be limited until the issue is resolved. **The e-mail looks legitimate, with actual NCUA letterhead; however, it is a SCAM.** NCUA does not request personal information from members. Please use caution when responding to any unsolicited e-mail requesting personal information.

New Car Loan Rates

<u>Term</u>	<u>Rate</u>	 UNITED WE STAND!
4 Years	5.90 %	
5 Years	6.40 %	
6 Years	7.05 %	

Free CarFax Reports: Defense Contracts South FCU will provide a free CarFax report for a vehicle when a used car loan application is submitted. Call the Credit Union or visit dcscfu@wt.net for specific details for this offer.

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. Procedures are routinely tested to verify the integrity of our systems.