

DEFENSE CONTRACTS SOUTH FEDERAL CREDIT UNION

QUARTERLY NEWSLETTER

January 1, 2009

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600 NORTH PEARL STREET, SUITE S-203 DALLAS, TEXAS 75201		HOME BANKING 24 HOURS A DAY: www.dcsfcu.com	

Message From The Manager:

Happy New Year! Our Credit Union remains strong and well positioned to handle the current economic environment.

- For the second consecutive year, a Bonus Dividend and Interest Rebate was declared by the Board of Directors to show appreciation to our borrowers and savers. The declared special payout was for \$100,000.
- Loan rates were reduced again by the Board of Directors making it an outstanding time to purchase a new or used vehicle.
- The Credit Union's home banking is an exciting new service for the membership at www.dcsfcu.com.
- Make plans to attend the 43rd Annual Meeting on January 21, 2009. Best wishes in the new year.

Billy Edwards

Bonus Dividend Paid

The Board of Directors declared a special bonus dividend of 7.90% of dividends paid to members in 2008. Open accounts on December 31, 2008 received the bonus dividend. DCSFCU remains a great place to save.

Interest Rebate Paid

The Board of Directors declared an interest rebate of 6.80% of interest paid on loans in 2008. Only current loans received the rebate. The rebate was deposited to your shares. DCSFCU is the best place for your loan needs.

DIVIDENDS

Your Board of Directors declared the dividend for the fourth 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 %	2.02 %
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 \$5000 per account per calendar month.

43rd Annual Meeting of Shareholders Wednesday, January 21, 2009 11:00 a.m.

Plaza of the Americas

New Location in North Tower
700 North Pearl Street, Suite 310

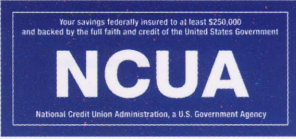
- **Board of Directors and Credit Committee elections**
- **Cash door prizes will be awarded**
- **Lunch will be provided**
- **Free parking available in the Plaza of Americas parking garage located on San Jacinto Street**
- **This meeting is an excellent opportunity to visit with retirees and friends**

Make Plans to Attend this Event

New Car Loan Rates Reduced To Near All Time Lows:

Auto dealers are now offering huge rebates, incentives and special offers. Negotiate the lowest price and finance your vehicle with DCSFCU.

WE HAVE MONEY TO LEND!

<u>Term</u>	<u>APR</u>	<u>Savings Insured To</u> <u>\$250,000 by NCUA</u>
4 Years	4.65 %	
5 Years	5.15 %	
6 Years	5.80 %	

Board of Director & Credit Committee Nominations:

The Credit Union is now accepting nominations for Board of Directors and Credit Committee. Please contact Carol Berardi at (214) 670-9335 by January 15, 2009. Check with each member you wish to nominate to ensure they are willing to serve in these important leadership positions.

The 2008 Bonus Dividend & Interest Rebate Declared To Members Totaled \$100,000