



Currency Affairs

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**University**
FEDERAL CREDIT UNION
Live Learn Prosper



Member Education Seminars



Mark your calendar and register at ufcu.org

Seminar Topic	Date	Time	Location	Details
Optional Retirement Planning	Jan. 8	6 PM	UFCU University Branch 2244 Guadalupe St. Austin, TX 78751	Do you have questions about your ORP plan at work? If so, please join us for this complimentary seminar to learn about the options that are available to you and your family through your optional retirement plan.
Teacher Retirement System Planning/ Optional Retirement Planning	Jan. 14	6 PM	UFCU N Guadalupe Branch 4611 Guadalupe St. Austin, TX 78751	Please join us for this seminar to learn more about the retirement options that are available to you. Whether you have an ORP with a University or you are eligible for TRS benefits from the state, we can help you sort through all of the different selections.
Teacher Retirement System Planning	Jan. 15	6 PM	Hilton Galveston 5400 Seawall Blvd. Galveston, TX 77551	As an educator, it is important to you help your students understand the choices that are available to them. At UFCU, we feel the same way about our members. Please join us to learn more about your choices and opportunities within your TRS retirement plan. We will discuss your options while you are employed as well as your options upon retirement.
	Jan. 21	6 PM	UFCU Steck Branch 3305 Steck Ave. Austin, TX 78757	
Saving vs Long-Term Investing	Feb. 3	6 PM	UFCU Lakeline Branch 13860 N. Highway 183 Austin, TX 78750	Whether you are saving money for a home purchase or planning for your retirement, it is important to understand all of the risk associated with your potential choices. Please join us for this education seminar where we will discuss the differences in savings vehicles vs long-term investment alternatives.
Teacher Retirement System Planning	Feb. 12	6 PM	Hilton Galveston 5400 Seawall Blvd. Galveston, TX 77551	As an educator, it is important to you help your students understand the choices that are available to them. At UFCU, we feel the same way about our members. Please join us to learn more about your choices and opportunities within your TRS retirement plan. We will discuss your options while you are employed as well as your options upon retirement.
	Feb. 18	6 PM	UFCU Brodie Branch 9925 Brodie Lane Austin, TX 78748	
Small Business Retirement Plans	Feb. 23	6 PM	UFCU Ben White Branch 130 E. Ben White Blvd. Austin, TX 78704	Running a small business means that you wear many different hats. From salesperson to accountant to many more, you have to make decisions on a daily basis. Let us help with your retirement plan choices. Join us for this educational seminars where we will discuss the different plans available to you as a small business owner as well as the tax consequences of each plan.
IRA/401k 101	Mar. 5	6 PM	UFCU Hwy 79 Branch 201 W. Palm Valley Blvd. Round Rock, TX 78664	Are you wondering how much you should be contributing to your IRA or 401k? Do you have questions about the different choices that are available to you? If so, please join us for this educational seminar where will discuss the basic risks and benefits associated with participation in IRA/401k plans as well the different options available in many of the plans.
Teacher Retirement System Planning	Mar. 12	6 PM	Hilton Galveston 5400 Seawall Blvd. Galveston, TX 77551	As an educator, it is important to you help your students understand the choices that are available to them. At UFCU, we feel the same way about our members. Please join us to learn more about your choices and opportunities within your TRS retirement plan. We will discuss your options while you are employed as well as your options upon retirement.
Tax Freedom Day	Mar. 23	6 PM	UFCU Ben White Branch 130 E. Ben White Blvd. Austin, TX 78704	Please join us for this seminar where our investment representatives available through CUSO Financial Services L.P. will discuss the different opportunities that are available to you in the form of tax deferred accounts.
Teacher Retirement System Planning	Mar. 24	6 PM	UFCU Brodie Branch 9925 Brodie Lane Austin, TX 78748	As an educator, it is important to you help your students understand the choices that are available to them. At UFCU, we feel the same way about our members. Please join us to learn more about your choices and opportunities within your TRS retirement plan. We will discuss your options while you are employed as well as your options upon retirement.
UFCU Event	Date	Time	Location	Details
Shred Day	Feb. 7	10 AM – 2 PM	UFCU N Guadalupe Branch 4611 Guadalupe St. Austin, TX 78751	Criminals need very little information to steal identities, and garbage cans offer an abundance of personal information in your discarded paperwork. Bring up to two file boxes of paper per household for free, confidential shredding. Commercial high-volume shredders, courtesy of Iron Mountain, will be on-site to shred your records. UFCU's Risk Manager Chris Miller also will be available to answer any questions and/or concerns about ID theft and other fraud issues. Mark your calendars now!
Annual Meeting	Apr. 6	5:30 PM	UFCU Steck Branch 3305 Steck Ave. Austin, TX 78757	Please refer to page 4 of this <i>Currency Affairs</i> edition



President's Report



Need a loan for educational purposes? We're here for you!

It seems everywhere I go, people are discussing the faltering economy and its impact on their families and retirement plans. Such conversations focus on "liquidity" and "bailouts" and even the Secretary of the Treasury who, by the way, has gone so far as to establish a presence on YouTube! These are indeed unusual times.

Many of you are aware of ongoing turmoil in the education loan sector and, more specifically, how the credit crunch is expected to reduce availability of education loans in months ahead. A recent survey by MeritAid.com found that 16% of surveyed students said they were deferring college plans because of financial considerations. Further, 57% of the 2,500 students surveyed said they were considering a less prestigious school

because of affordability and 85% said they had significantly increased the time and energy they spend searching for student aid.

As a university credit union, we have an obligation to help parents and students responsibly finance higher education. And, obviously, proceeds of such loans serve as critical revenue to the universities whose faculty, staff and students comprise the majority of our membership. This academic year, we will make more than 21,500 education loans totaling \$104 million, placing UFCU among the top credit union education lenders in the country. While we continue strongly committed to serving families and our universities in such a manner, recent market conditions have forced us to modify the manner in which we offer education loans. Due to a tight and, at times, nonexistent secondary market for education loans, we in 2009 anticipate using the U.S. Department of Education (DOE) as a credit resource. Because the DOE limits the total interest rate reduction lenders can offer borrowers to 25 basis points, unfortunately, we have had to reduce borrower benefits to mirror what the DOE permits. New DOE rules also will cause UFCU to discontinue its zero-fee program effective January 1, 2009, on new education loans but, otherwise, our Federal Family Education Loan Program (FFELP) will continue exceptionally strong competitively.

The DOE is in the process of implementing a pilot auction program for another lending product---parent PLUS Loans---whereby prospective lenders will bid for the right to

participate in funding such loans within a particular state during a two-year period. While UFCU will bid aggressively for this opportunity, the DOE will select only two institutions to provide parent PLUS Loans in the state of Texas. Regardless, existing UFCU parent PLUS Loan borrowers will continue to be able to borrow from UFCU until their children have completed their educations.

UFCU remains fully committed to the Federal Family Education Loan Program and to serving our universities despite the fact market conditions may make education lending, at best, a break-even proposition in the near future. We've made education loans to students and their parents since 1981 and, during that period, have introduced several attractive features, including zero-fee education loans, to our marketplace. I am hopeful that, as our economy improves, we will again have opportunities to innovate within this critical product line. As a university credit union, our goal is to ensure that attractive financing is available to all students attending institutions of higher education.

Visit our website at ufcu.org for more details of UFCU's education loan program.

Warmest regards,

Tony C. Budet
President/CEO



Smart But Simple Financial Moves to Help You as the Economic Mess Begins to Impact Everyday Life.

The impact of the world financial crisis is beginning to trickle down to the people who really didn't cause it but could eventually be hurt by it the most—us. And that trickle could become a torrent. No fun at all.

Here's the type of things that are happening right now:

- You always pay your credit card bills on time, and even pay more than the minimum payment.
 - Despite your good record, the credit card company raises your interest rate ten percent on balances. Bingo, you need \$30 more a month to pay the extra interest.
- Because things are tight, you begin charging more items on your card. Your power bill, for instance. All these extra charges have brought you close to your credit limit. Totally legal.
 - But you still get a letter from your credit card company saying your limit has been lowered. You have to pay your card down to the new limit immediately, pretty hard to do. And suddenly you can't charge on that credit card at all. Not fun.
- You have bills that need paying, and no ready money. So, you deposit a credit card "check" for money to pay the bills. Or, you use the "overdraft" feature on your checking account as a short-term loan. You'll pay both back later.
 - Bad decision, both times: Most credit card "checks" charge much higher interest. Bingo, you're in a bigger hole.

- And the free "overdraft" protection some companies give you with your checking account? Using that money as a loan source is typically like borrowing from a rip-off lender. You can pay hundreds of percent in interest.

Now, that's enough bad news for the day. How about some good news?

The consumers who make small changes in their lifestyle now probably can avoid the torrent now and avoid making as many large changes later. Small decisions on your part right now can improve your future.

Here's the plan this week. We'll be giving you more tips over time. And incidentally, each tip can help raise your credit score in the long run:

Think before you use any credit card. Don't charge anything unless you really need to charge it. Try to pay cash, or don't incur the expense.

- Start paying down your credit card bills. Start with the one with the highest interest rate. Pay as much as you can pay each month and pay that bill the instant it comes.
- Compare your current credit card interest rates to rates offered by UFCU or another credit union. Many of you will get a lower rate by transferring balances from high-rate cards to credit union cards.
- Never use credit card "checks." Except at a very few institutions, I think they are rip-offs.
- Don't use your courtesy "overdraft" protection as a loan source. If need be, apply for a signature loan at the credit union instead.

Slow down and think. We'll be helping you look each month at smart options to maximize your money. So, slow down, take control and look for the little savings.

Historic Auto Industry Changes Mean Historic Chances For You.

A "perfect storm" of problems has hit the auto industry with such force that some of America's biggest auto makers could be forced into bankruptcy or even fail outright.

- First spiking gas prices reminded us that we can't go on driving gas guzzlers forever (even those prices have recently dropped). Companies like GM that spent billions

tooling up for big vehicles barely can sell those vehicles at any price and are years away from offering the cars we're all going to need to buy.

- Then the economy made many of us decide we shouldn't be driving a car, period. The bus and carpooling started to make a lot more sense. Who wants to go look at a new car, much less buy one?

The result? Hundreds of dealers are hurtling towards bankruptcy, tens of thousands of vehicles are covered in cobwebs, and there's a sense of desperation at just about every dealership.

Bad news for them, good news for you. All that means right now is the time to buy, if you're prudent and careful—and especially if you're not trading a vehicle in. Here's what to do:

- First make sure you're financially stable. Don't buy anything unless you're comfortable with your job and basic income.
- Next, sell your old car yourself, do not trade it. Dealers are giving pennies on the dollar for trade-ins. They're literally drowning in trade-ins. So, sell yourself.
- Next buy a late-model used vehicle. Buy some new vehicles today, and tomorrow they can be worth less than half what you paid! Why take that hit? Find a late-model used vehicle sitting on a dealership lot, and follow our buying steps in our Wheels 101® program.
- Finally, don't finance at the dealership without comparing line-for-line a credit union contract for the same amount of money. The easiest money you can make in your life is the money you save when you finance a used vehicle right now at a credit union rather than at most dealerships.

It really is the worst of times and the best of times, right now. Make it the best of times for you, and follow our car buying tips found in a Wheels 101® program at ufcu.org.

Remar Sutton
UFCU's Consumer Spokesperson

Annual Meeting and Election of Directors

An election of Directors is scheduled in conjunction with University Federal Credit Union's 2009 Annual Meeting for three places on the Board of Directors.

Annual Membership Meeting
Monday, April 6, 2009
5:30 pm

UFCU Main Office, 3305 Steck Avenue, Austin, TX

Chairman of the Board Cynthia A. Leach appointed a Volunteer Development/Nominating Committee comprised of Director and Committee Chair Dr. Mike Harris and Directors Tom Ardis and Dr. William T. Guy, Jr. The Committee considered sixteen potential candidates including five women and eleven men. Ten candidates were identified by management, three were recommended by Directors, and three applied at-large. All possessed exceptional qualifications. At the Board of Director's November 25, 2008, meeting, the Committee nominated and the Board unanimously accepted the following members to serve as UFCU Directors for three-year terms: Gerald L. Davis, Dr. John R. Durbin and John A. Martin.

UFCU's Bylaws permit other nominations by petition if signed by 500 qualified members and, together with a Statement of Qualifications and signed Certificate stating the nominee is agreeable to such nomination and will serve if elected, is submitted to UFCU's Senior Manager-Assurance Services by 5:00 pm Central Standard Time on February 5, 2009.

The election will be conducted by mail ballot only if there exist one or more petition candidates. Bylaws do not allow nominations from the floor at the Annual Meeting when there exist one or more candidates for each open position.

For more information regarding the election process, including how to obtain related documents, please contact the Office of the Senior Manager-Assurance Services at extension 22311 at (512) 467-8080, (800) 252-8311 or (409) 797-3300 in the Galveston area.



Gerald L. Davis

President/CEO, Goodwill Industries of Central Texas, Inc., Austin, TX
Goodwill Industries of Central Texas employs over 1,100 people and generated 2007 revenue of over \$39 million, making it the 15th largest of 183 Goodwill organizations worldwide. Goodwill serves fifteen Central Texas counties and last year provided 23,224 services to 9,699 people with barriers to employment. Under Mr. Davis' leadership, Goodwill was the recipient of the 2004 Ethics in Business Award, 2006 & 2008 recipient of a Best Places to Work Award, and 2002 & 2006 recipient of the Annie E. Casey Award, which fosters public policies to more effectively meet the needs of children and families. Mr. Davis holds a Bachelors Degree from Ohio State University and a Masters Degree from DePaul University. He has been a UFCU member since 1998 and previously served UFCU in the capacity of Associate Director. According to Mr. Davis, "my oldest memories of 'banking' are from my parents' membership in the local credit union, and I have been a member of UFCU and other credit unions my entire adult life. On a personal level, it is important to me as a member that our credit union remain strong. I believe my experience as a non-profit executive and my leadership on many boards will provide UFCU with useful perspectives and decision-making experience."



Dr. John R. Durbin,

Professor of Mathematics, University of Texas at Austin (Retired)
Dr. Durbin joined UT's faculty in 1964, has authored six mathematics textbooks, chaired the Faculty Senate 1982-1984 & 1991-1992, and served as Secretary of the General Faculty 1975-1976 & 1998-2003. In 2003, Dr. Durbin received the University's Civitatis Award in recognition of dedicated and meritorious service to the University above and beyond the regular expectations of teaching, research, and writing. He earned Teaching Excellence and Outstanding Teaching Awards from the College of Natural Sciences and Department of Mathematics, respectively. Dr. Durbin earned Bachelors and Masters Degrees from the University of Wichita (now Wichita State University), a Ph.D. from the University of Kansas, and has been a UFCU member since 1965. According to Dr. Durbin, "my service to UT Austin over many years came from a strong belief in the value of well-run institutions. UFCU, like UT Austin, is substantial in size and critical to the quality of life of its members. I would be honored to serve on its Board of Directors."



John A. Martin

Division President, Flintco Construction Solutions, Austin, TX
Mr. Martin leads the Texas Division of Flintco, Inc., a 100-year-old national commercial construction company. With annual revenue of over \$1 billion and more than 900 employees nationwide, Flintco is the largest American Indian-owned construction company in the world. Mr. Martin's construction management career includes work in the commercial, industrial, retail, education, athletic, laboratory and high-tech sectors. Flintco is a key provider of construction services for the University of Texas System and recently completed the UFCU Disch-Falk Field and UT Garrison Hall renovations, both of which have won construction excellence awards. Under Mr. Martin's leadership, Flintco constructed the UT System's first LEED® Certified building and earned a top 10 ranking of Best Companies to Work For in Texas for the past three years. Mr. Martin earned a Bachelors Degree from Oklahoma State University and has been a UFCU member since 2005. According to Mr. Martin, "in my personal and professional life, I have always operated out of deep-rooted values of integrity, stewardship and service. In my experience with UFCU, those values are evident and I am honored about the possibility of serving a values-based organization that truly 'walks the talk.'"

Interested in leading our cooperative?

Credit unions are unique financial cooperatives in that their boards of directors, committees and task forces are comprised of volunteers. In an ongoing effort to diversify professional skills and experience represented among UFCU's volunteer leaders, UFCU's Volunteer Development/Nominating Committee encourages members interested in serving in a volunteer capacity to complete a Volunteer Application available from the President/CEO's Office (extension 21008) at (512) 467-8080, (800) 252-8311, or (409) 797-3300 in the Galveston area.





In Emergencies, Don't Forget the Pets!

If you evacuate your home, **DO NOT LEAVE YOUR PETS BEHIND!** Pets most likely cannot survive on their own; and if by some remote chance they do, you may not be able to find them when you return. For additional information, please contact The Humane Society of the United States.

Plan for Pet Disaster Needs

- Identify shelter. For public health reasons, many emergency shelters cannot accept pets. Find out which motels and hotels in the area to which you plan to evacuate allow pets -- well in advance of needing them. There are also a number of guides that list hotels/motels that permit pets and could serve as a starting point. Include your local animal shelter's number in your list of emergency numbers -- it might be able to provide information concerning pets during a disaster.
- Take pet food, bottled water, medications, veterinary records, cat litter/pan, can opener, food dishes, first aid kit and other supplies with you in case they're not available later. While the sun is still shining, consider packing a "pet survival" kit which could be deployed easily if disaster hits.
- Make sure identification tags are up to date and securely fastened to your pet's collar. If possible, attach the address and/or phone number of your evacuation site. If your pet gets lost, his tag is his ticket home. Make sure you have a current photo of your pet for identification purposes.
- Make sure you have a secure pet carrier, leash or harness for your pet so that if he panics, he can't escape.
- "Animals in Emergencies for Owners," check out this video, developed by the Chemical Stockpile Emergency Preparedness Program (CSEPP)/FEMA. It is intended to help pet and livestock owners prepare to protect their animals during emergencies.

Prepare to Shelter Your Pet

- Call your local emergency management office, animal shelter or animal control office to get advice and information.
- If you are unable to return to your home right away, you may need to board your pet. Find out where pet boarding facilities are located. Be sure to research some outside your local area in case local facilities close.
- Most boarding kennels, veterinarians and animal shelters will need your pet's medical records to make sure all vaccinations are current. Include copies in your pet survival kit along with a photo of your pet.
- **NOTE:** Some animal shelters will provide temporary foster care for owned pets in times of disaster, but this should be considered only as a last resort.

- If you have no alternative but to leave your pet at home, there are some precautions you must take, but remember that leaving your pet at home alone can place your animal in great danger! Confine your pet to a safe area inside -- **NEVER** leave your pet chained outside! Leave them loose inside your home with food and plenty of water. Remove the toilet tank lid, raise the seat and brace the bathroom door open so they can drink. Place a notice outside in a visible area, advising what pets are in the house and where they are located. Provide a phone number where you or a contact can be reached as well as the name and number of your vet.

During a Disaster

- Bring your pets inside immediately.
- Have newspapers on hand for sanitary purposes. Feed the animals moist or canned food so they will need less water to drink.
- Animals have instincts about severe weather changes and often will isolate themselves if they are afraid. Bringing them inside early can stop them from running away. Never leave a pet outside or tied up during a storm.
- Separate dogs and cats. Even if your dogs and cats normally get along, the anxiety of an emergency situation can cause pets to act irrationally. Keep small pets away from cats and dogs.
- In an emergency, you may have to take your birds with you. Talk with your veterinarian or local pet store about special food dispensers that regulate the amount of food a bird is given. Make sure that the bird is caged and the cage is covered by a thin cloth or sheet to provide security and filtered light.

After a Disaster

- If after a disaster you have to leave town, take your pets with you. Pets are unlikely to survive on their own.
- In the first few days after the disaster, leash your pets when they go outside. Always maintain close contact. Familiar scents and landmarks may be altered and your pet may become confused and lost. Also, snakes and other dangerous animals may be brought into the area with flood waters. Downed power lines are also a hazard.

The behavior of your pets may change after an emergency. Normally quiet and friendly pets may become aggressive or defensive. Watch animals closely. Leash dogs and place them in a fenced yard with access to shelter and water.

MORTGAGE LOANS: From “Yes, Yes, Yes!” To “No, Not Available, Not for You!” What’s a Home Buyer to Do?

Everyone knows that the wild ride of lenders making home loans for any and every one who applies, regardless of credit, savings or income, is over. The story of toxic assets and the tragedy of foreclosures are becoming a part of our everyday conversation. Sadly, the pendulum of available mortgage loans has swung so far in the opposite direction that qualified buyers or those wanting to refinance are beginning to believe that there are no longer any mortgage loans for the average citizen.

At UFCU, we believe that this is a good time to buy a home, and may be a good time to refinance. The guiding principle behind your credit union is that we take in deposits from our members and make loans, in a prudent and reasonable manner, to our members. We also have access to some government-insured products that actually are designed to allow buyers to buy. While sound lending principles will guide our decisions, we can offer some loan programs that you might not find elsewhere.

Here are a few of these programs. All offer fixed rate loans, with no prepayment penalty, and may be right for you:

FHA Loans: The 3.5% down payment can come from a gift, a secured loan or several other sources. You can negotiate with a seller to pay some or all of your closing costs. Rates are low, fixed and qualifying requirements are very reasonable.

USDA Loans: These loans are available in a number of areas surrounding Austin, and allow a borrower to finance 100% of the purchase price.

Low Interest Rate Jumbo Loans: While the outside market carries a high interest rate on loans above \$417,000, this UFCU loan requires a 10% down payment and has a significantly lower interest rate.

Construction Loans: Almost all lenders have abandoned loans for construction of your personal residence. Beginning in early 2009, UFCU will be offering construction loans.

Land Loans: With a 10% down payment, you can finance land with UFCU for up to 12 years.

Energy Efficiency Loans: We can add the cost of energy efficiency upgrades to your home loan so you can afford to buy your home and comfortably stay in it when your utility bills arrive.

These, and many other home loans, are available at UFCU. Just as we said “no” to subprime loans, you may find that our loan consultants may now be able to say “yes” when other lenders cannot. More importantly, if we approve your loan, we will deliver on our promise. Most importantly, we will consult with you, discuss your long- and short-term plans, and help to find the right loan for you. Call us, (512) 997-HOME.

Balance Transfers

Transfer your balances to your UFCU credit card, and your APR on the balance transfer will be 3% less than your UFCU Credit Card everyday rate.*



3 Ways to Transfer Your Balances

- Visit ufcu.org to complete the online Balance Transfer Form.
- Obtain a Balance Transfer Form from any branch representative.
- Call (512) 467-8080 to complete the request over the phone.
- Fax a printed out form to (512) 421-7450.

With UFCU you have 24/7 credit card access online. You can view all your account information online (statements, balances, payment due date, etc.). Access your card through ufcu.org or EZCARDINFO.com

*Promotion dates are from January 1, 2009, to June 30, 2009. On July 1, 2009, any unpaid balance will return to your normal UFCU credit card rate.



Use the New Year to Reposition and Differentiate Your Small Business.

Congratulations! You've piloted your business through rough waters in 2008, and what a year it was. Unprecedented financial market conditions, a slowing economy, reduced consumer confidence, and all that with the nightly news full of ominous messages about

deteriorating market conditions that affect your business, your customers, and your team. If you felt like the odds were stacked against you, you are not alone.

But 2008 is behind us now. The New Year is an opportunity to take a hard look at your business to find ways to improve your efficiency. Use the fresh start of the New Year and current market conditions to assess your real value propositions and focus your efforts in those areas. Here are some basic starting points for 2009:

Reconnect with established clients. We all know that client acquisition costs are high while average return on prospecting dollars is low. Deepening existing relationships is a smart way to strengthen your connection to clients. They will appreciate the extra attention and your focus on their success. Remember in tighter markets, "Your Clients" are your competitor's "Prospects."

Differentiate yourself from the competition. Think of the old adage, "Meat markets sell steaks, steakhouses sell SIZZLE!" How do you add value to your clients? Don't you have a special value proposition that lets you do business just a little differently than your competitor? Determine what that is, and spend time telling your customers about it.

Refine your business. Now is the perfect time to look at your current systems and fine tune your operations. Determine if you are as efficient as possible. Automate processes, restructure responsibilities and set new goals early in the year.

Cut costs, not people. Remember, people do business with people. Resist the urge to slash wage dollars. You might find that your extra efforts to generate business will pay off and you'll be positioned to respond. Don't get caught flat footed when the market rebounds.

Recently I met a well-respected and experienced management consultant that said of market downturns, "In 40 years, I've seen recessions and market downturns and in my experience, customers don't stop buying, businesses just stop selling." Sage advice to those of us in the business world.

If UFCU can help your business in any way, please contact our Business Services Team at (512) 467-8080 x22333.

Mike Gandy
Business Lending Manager

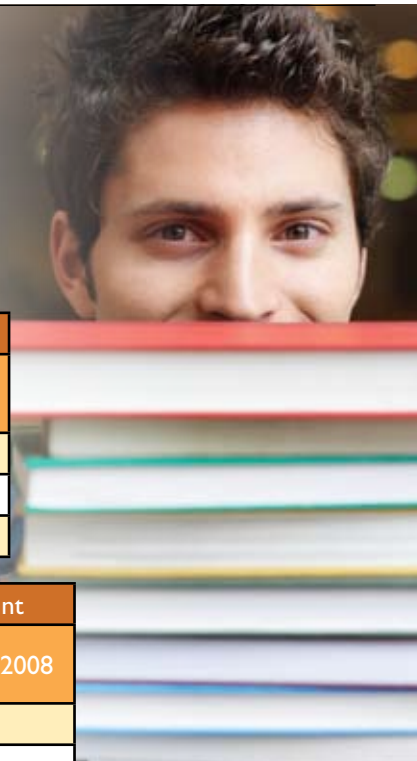
Education Loans

UFCU Education Loans are available to you to help pay costs associated with college. The chart below outlines the amount students can borrow each year. Parents are also eligible to apply for loans to pay for their undergraduate student's education and can borrow up to the full cost of education less any other aid the student receives.

Maximum Loan Amounts (per academic year)

Dependent Students (Except Students Whose Parents Cannot Borrow PLUS)	Base Amount	Additional unsubsidized loan amount	
		Prior to July 1, 2008	Effective July 1, 2008
Freshman	\$3,500	0	\$2,000
Sophomore	\$4,500	0	\$2,000
Junior or Senior	\$5,500	0	\$2,000

Independent Undergraduate Students and Dependent Students Whose Parents Cannot Borrow a PLUS Loan	Base Amount	Additional unsubsidized loan amount	
		Prior to July 1, 2008	Effective July 1, 2008
Freshman	\$3,500	\$4,000	\$6,000
Sophomore	\$4,500	\$4,000	\$6,000
Junior or Senior	\$5,500	\$5,000	\$7,000



Investment Strategies for Uncertain Times

Your first step in preparing to cope with downturns should be to recognize that falling markets are a function of stock market cycles. Step two is to create a diversified investment portfolio with your financial professional that matches your investment objectives with your risk tolerance levels. Lastly, as the economy and stock market move through cycles of strength and weakness, smart investors can use two investment strategies to help their portfolios weather market volatility.

1. Dollar-Cost Averaging: Simply put, dollar-cost averaging is regularly investing a set amount of money over a set time period, regardless of which way the market is moving. Utilizing this strategy, you can buy more shares of a mutual fund when its price is lower, and fewer shares when its price is higher. To take advantage of this strategy, you need to invest on a regular basis and, most importantly, during market downturns.+

2. Asset Allocation: Asset allocation means dividing your portfolio over several different asset categories—typically including stocks, bonds and cash equivalents—so your investments are well diversified. A well diversified plan may not always outperform the top asset class in any given year, but over time it may be one of the most effective ways to realize your long-term goals.

What Should You Do Right Now?

In times of uncertainty, your financial professional is one of your best sources for market and investment information. He or she can help you review whether your time horizon, risk tolerance and financial situation still match your unique investment objectives. Your conversation will either reaffirm your investment plan or offer insight on how to reposition your portfolio to match your investing needs.

UFCU is pleased to offer a complimentary review of your portfolio with one of our registered investment representatives. To schedule your complimentary appointment, please visit your UFCU branch or call (512) 467-8080 x21081.

+ Such a plan does not assure a profit and does not protect against loss in a declining market. Dollar-cost averaging involves continuous investment in securities, regardless of fluctuating price levels. Investors should consider their financial ability to continue purchases through periods of low price levels or changing economic conditions.



Need Investment Advice? Talk to the UFCU Professionals.

Do you have investments held with another financial institution or former employer's retirement plan that have gone neglected? Let us help you navigate through rough seas.

Gather up your most recent statements, then schedule your appointment with UFCU to meet with a Financial Advisor* registered through CUSO Financial Services, L.P. Call (512) 467-8080 x21081 for a complimentary consultation.

At UFCU we are member owned and member focused!

* Investment products and services offered through CUSO Financial Services, L.P. (CFS) are NOT NCUA/NCUSIF insured, are NOT credit union guaranteed and may lose value. Investment representatives are employees of University Federal Credit Union and registered through CFS. UFCU is affiliated with CFS (member FINRA/SIPC).

Tax TIME



Save Time and Money on Tax Preparation

Tax time is right around the corner, and UFCU has partnered with two tax preparation providers to offer you a choice of special savings and services. Whether you prefer to self-prepare online or work with a tax professional, we have a solution for you.

TurboTax® OnlineSM

As a valued member, you now can discover just how untaxing tax prep can be when you file your simple federal return with TurboTax Federal Free Edition. Or choose TurboTax Online Deluxe to maximize your deductions. Either way, you'll get your refund in as little as eight days when you e-file and choose direct deposit into your checking or savings account. Visit ufcu.org for more information about TurboTax Online.



Jackson Hewitt

Relax and let a local Jackson Hewitt tax professional handle your taxes. Preparing your own taxes can be a complicated and confusing process. At Jackson Hewitt Tax Service, you'll find trained tax preparers who understand your income tax situation. The preparers will address your concerns and answer all of your tax questions with professional, friendly service. Visit ufcu.org for more information about Jackson Hewitt.

UFCU members save \$25 off tax preparation at Jackson Hewitt. Present the coupon at time of tax preparation to receive the discount.

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NO APPOINTMENT NECESSARY

Offer valid on tax preparation fees only. Does not apply to financial products or other services. Present coupon at time of tax preparation. Valid at participating locations only and may not be combined with any other offer. Most offices are independently owned and operated (DPR) 4330W COUPON CODE: HAWWT

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Becky M. LeBlanc, VP Leadership
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UFCU: Here For You Through 2008 and Here Tomorrow.

The year 2008 could easily be compared to a rollercoaster ride. We experienced an ever-changing economic state of being, phenomenal Olympic season, a hurricane that directly affected our members, a historic barrier-breaking election and those are just some of the largest ups and downs. It goes without saying we've had plenty to think about, and while some of these events were less fortunate than others, UFCU was here... secure, thriving and supporting our members. We were here every step of the way.

Over the past year UFCU has continued to show its dedication to our membership by improving the products and services we make available to you.

- We said "no" to sub-prime lending and because of this choice we were able to not only continue providing quality service to our membership, but also offer a helping hand to those that fell subject to the crisis.
- We redesigned our core checking accounts, developing a series of accounts which offer additional and more desirable benefits.
- By incorporating new training modules into our FoolProof financial education tool, we encouraged young adults to understand and develop an intimate relationship with their finances.
- And in the wake of Hurricane Ike, we developed a program which allowed

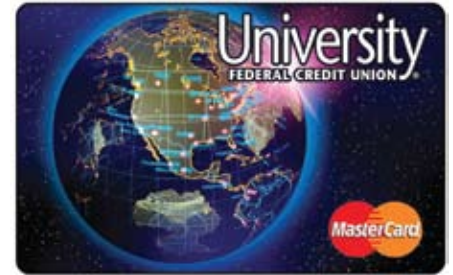
affected members to request a deferred payment on any UFCU loan for up to 90 days in order to prioritize and get back on their feet.

While offering you the best products and services will ensure a solid financial foundation and future, we also find community involvement vital to the prosperity of our membership. This year UFCU hosted the re-dedication of UFCU Disch-Falk Field. With UFCU's \$13 million donation over 15 years to UT Athletics, UT was able to renovate its baseball field offering fans an unforgettable experience. We opened our first "green" branch on East Ben White Boulevard, supporting the fight to create a healthier environment. The Ben White Branch is only a preview of what is to come. UFCU has committed to using these same green building principles in the construction of all future branches.

UFCU CEO Tony Budet has spoken about UFCU's financial security, "whole and healthy with a strong balance sheet, more than adequate liquidity and high net worth." UFCU is fortunate to be in this position because of our dedicated internal employee experts and more importantly our members' confidence and support. It's a collaboration that can only lead to a positive result. Happy New Year to you all, and look for exciting new things coming in 2009!

Lyndee Bennett
Marketing Specialist

Take advantage of UFCU's Premium Travel Rewards MasterCard®.



Offered exclusively to Premium Checking account holders, our Premium Travel Rewards Platinum MasterCard® options combine competitive interest rates and program rewards with no annual fee.

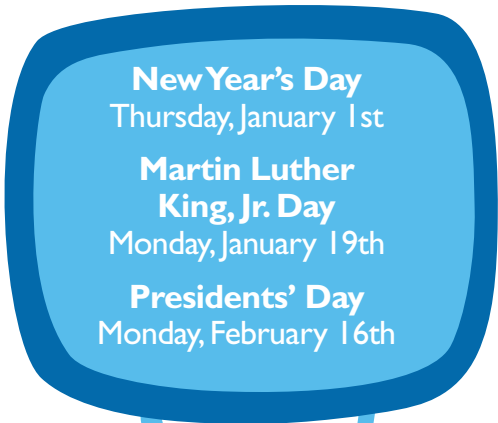
Features include:

- No annual fee - A great rate without annual fees equates to lower costs for a card that offers you travel and merchandise reward options.
- One point per \$1 spent equals free travel or merchandise - no holiday blackout periods. Your points never expire, so you'll have plenty of opportunities to amass points and purchase travel or other items. Compare this card to other credit card "teasers," and you'll choose our card hands-down
- Competitive fixed interest rate - We're talking about a flat rate that remains "fixed" as long as you pay your monthly statement on time.
- Premium Travel Rewards - Offered exclusively to Premium Checking account holders. No annual fee, a low rate and no expiration on travel miles.

For more details please go to ufcu.org.

Holiday Closings

UFCU will close in observance of the following holidays:



New Year's Day
Thursday, January 1st

Martin Luther King, Jr. Day
Monday, January 19th

Presidents' Day
Monday, February 16th



Locations

- BEN WHITE** 130 E Ben White Blvd, Austin, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 7:30 - 7
Saturday 9 - 2
- BRODIE** 9925 Brodie Ln, Austin, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 7:30 - 7
Saturday 9 - 2
- DOWNTOWN** 702 Colorado St, Austin, TX
Monday - Friday 9 - 5:30
- GALVESTON** 428 Postoffice St, Galveston, TX
Monday - Thursday 8 - 4
Friday 8 - 5
Drive-Thru Monday - Friday 7 - 6
Saturday 9 - 1
- HIGHWAY 79** 201 West Palm Valley Blvd,
Round Rock, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 7:30 - 7
Saturday 9 - 2
- LAKELINE** 13860 North US Hwy 183,
Austin, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 7:30 - 7
Saturday 9 - 2

- N GUADALUPE**... 4611 Guadalupe St, Austin, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 7 - 7
Saturday 9 - 2
- S MoPAC** 5033 US Hwy 290 W at MoPac,
Austin, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 8 - 7
Saturday 9 - 2
- STECK** 3305 Steck Ave, Austin, TX
Monday - Friday 9 - 5
Saturday 10 - 2
Drive-Thru Monday - Friday 7 - 7
Saturday 9 - 2
- TAYLOR** 407 N Main St, Taylor, TX
Monday, Wednesday, Friday 9 - 4
Tuesday, Thursday Closed
- UNIVERSITY** 2244 Guadalupe St, Austin, TX
Monday - Friday 8:30 - 6
Saturday 10 - 2

YOU CAN REACH US BY DIALING
Austin.....(512) 467-8080
Galveston.....(409) 797-3300
US Toll-free.....(800) 252-8311
TDD Number.....(512) 421-7477

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