

NEWSLETTER

SUMMER 2013



ROLAND DRAPER, CEO

SOMERVILLE MUNICIPAL FEDERAL CREDIT UNION

236 Holland Street
Somerville, MA 02144
Phone: 617-625-0898
Fax: 617-625-0364
www.sommfcu.com

HOURS OF OPERATION

Monday, Wednesday, and Friday
9:00 am - 4:30 pm

PLEASE NOTE OUR EARLY AND LATE DAY CLOSING:

Tuesday 9:00 am - 3:00 pm
Thursday 9:00 am - 6:00 pm

Of Course our HFS (Home Financial Services home banking), ATM (Automated Teller Machine) locations & automated toll-free telephone banking service at 1-866-412-0716 provide you 24/7 access to your credit union!

Contact us today if you are not enrolled!

HOLIDAY CLOSINGS

Monday, September 2, 2013
Labor Day

CEO's Message

Somerville Municipal Federal Credit Union has been working hand-in-hand with the Allanach Mortgage Group (AMG) for more than 3 years and during that time AMG has enabled us to allow our 3,000 members the opportunity to purchase and refinance primary residences, second homes and vacation properties and multiple family investment properties at affordable terms and rates. In fact between March 2011 and March 2013 I am pleased to report that your credit union has closed and disbursed approximately \$10 million in mortgage financing to over 50 members. In addition to providing our members with some of the lowest rates ever seen, at terms ranging from 10 years up to 30 years, we have also worked with AMG to offer mortgage products that we have not traditionally been able to provide, such as FHA, VA, reverse mortgages and non-owner occupied investment property financing. All of the above has been made possible through the strategic alliance with our trusted mortgage partner, the Allanach Mortgage Group. Through AMG and our personal mortgage adviser Mary Dolciotto, Vice President at AMG, they originate the application process with our members and then Mary's staff processes the documentation. The end result is that your credit union is able to provide you with a full array of real estate products, while your credit union staff attends to your member service needs as usual.

AMG is a full service mortgage company, devoted to serving over 60 credit unions in Massachusetts, New Hampshire, Connecticut and Rhode Island since 1992. AMG's mortgage products are customized to fit specific needs of the credit union industry as well as our unique membership base.

Our goal is to make sure every member knows that when it comes to real estate lending you don't need to look anywhere else for financing options! Our partnership with AMG allows us to avail ourselves to secondary market products while still maintaining the flexibility in residential purchase and refinance mortgages to meet each member's individual needs. In fact in the majority of cases your credit union has been able to keep these low fixed rate mortgages in our loan portfolio, without the need to sell our members mortgages to a large impersonal bank or mortgage company located thousands of miles away.

Although the mortgage rates have risen in the recent weeks, your credit union remains committed to offering you competitive and affordable rates and terms. Even with a rise in rates, today's rates are still near record lows historically. Your credit union is excited to inform you that your Board of Directors has allocated a limited amount of funds for those members interested in refinancing (or purchasing a home) their owner-occupied 1-4 family residences into a 5, 10 or 15 year fixed mortgage vehicle. The rates being offered are significantly lower (in some cases by 1/2% at the time of this printing) than found anywhere else.

So please consider SMFCU for all your financing needs, and if you are looking to retire your mortgage in 15 years or less, and pay no points, then please contact either Jackie Timas or myself at 617-625-0898, and we will get the process started quickly, before the special ends! (Please note that the above referenced mortgage special on 5, 10 and 15 year fixed rate mortgages is for a limited time and may be withdrawn without further notice. In addition, eligibility and approval conditions and restrictions apply including minimum credit scores, appraisals, loan-to-value and debt-to-income ratios, and maximum loan limits).

Beware of Debit Card Fraud!

In our busy world of online payments and the goal of increasing the speed and efficiency of moving funds and purchasing goods and services it is important to take some precautionary measures in the use of your debit card (this applies to your SMFCU MasterMoney Platinum debit card as well as other debit cards you may hold).

In fact since we began offering debit cards to our membership in late 2011 we have noticed an increasing trend of fraudulent activity against our members holding debit cards. This trend is not unique to SMFCU as fraudulent activity related to debit card use (and credit card as well) has exploded across the nation's entire financial services industry.

Unlike a credit card transaction which offers the consumer dispute and charge-back rights the use of a debit card typically does not afford the consumer such protective safeguards. Furthermore when using a credit card the consumer has only to be concerned with whether the amount charged is owed to the issuer. When using a debit card a fraudulent user can literally steal funds from your checking account balance. Most checking accounts have transaction such as direct deposit of a consumer's payroll, thereby opening these funds up to fraudulent access by a debit card perpetrator. Since debit card fraud requires notification by a financial institution's debit card transaction processor to the credit union or bank, and then it could take up to 10 days to investigate the fraudulent activity, during that time the opportunity for funds to be fraudulently withdrawn are enormous. In addition to this risk, funds withdrawn fraudulently and without the knowledge of the consumer and financial institution, can result in additional fees associated with checks to payees (such as mortgage payments and car loans) being returned for insufficient funds.

Notify the credit union if you think your debit/ATM card has been compromised.

Tell us at once if you think that your debit/ATM card, your secret password (personal identification number) or both have been lost, stolen or used without your permission. Telephoning us during our Monday-Friday business hours at 617-625-0898 (or write to us at 236 Holland Street, Somerville, MA 02144)





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Beware of Debit Card Fraud!

(continued from reverse side)

is the best way to minimize your possible losses. If you think your statement or receipt is incorrect, or if you think a transaction is wrong, or if you need more information we must hear from you within 60 days after we sent you your first statement on which the problem or error appeared (or after the error was first reflected on your statement). Please include the following information in your communication to us: your name and account number; describe the error or electronic banking transaction you think is incorrect and clearly explain why you believe it is an error or why you need more information; tell us the dollar amount of the suspected error.

If you notify us orally, you must send us your complaint or question in writing within 10 calendar days following the date you notified us. We will report to you the results of our investigation within 10 days following the date that you notified us. We will correct any error promptly. If we need more time however, we may take up to 45 calendar days to investigate your complaint or question following the date you notified us.

If we decide to use more time to investigate, within 10 calendar days following the date you notify us, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes to complete our investigation. If we do not receive your complaint or question in writing within 10 days of your oral notification, we may not credit your account. If we decide there was no error, we will send you a written explanation within 3 business days after we finish our investigation.

Please note that the above error resolution process does not encompass all components and requirements, and therefore you should refer to your Electronic Services Agreement and

Electronic Funds Transfer Disclosure, or contact the credit union in such an event for further instructions.

Notify Elan if you think your debit/ATM card has been compromised and the credit union is closed:

Elan Financial Services

**To Report Debit Card Fraud:
1-800-935-2635 option 5**

To Report Lost or Stolen Debit Cards After Hours: 1-800-264-5578.

Reminder: the above phone numbers are also on the Credit Union's website.

The Riskiest Places to Use Your Debit Card:

- Online!
- Restaurants, bars, gas stations and hotels
- Travel purposes
- Large dollar items
- Situations where a security deposit or rental is required
- Regular or recurring payments (like gym memberships especially)
- Non-credit union and non-bank owned ATM locations
- Swap shops and flea markets
- Small retail and dining/bar establishments in foreign countries
- Wi-Fi hot spots and areas where there is public computer access

Although the above list is not meant to be all-inclusive it does list some of the more common places that debit card fraud has known to occur. Many of the above locations are remote or do not have the stability associated with established merchants, and thus are more susceptible to compromising your personal identification and

financial security. When in doubt you should always use your credit card as it has the protections of a charge-back in the event of a dispute or unauthorized transaction.



New Supervisory Committee Members Appointed

The Board of Directors has recently appointed the following 3 members to serve on the Supervisory Committee of your credit union:

- Lori Batzek
- Francis Melaragni
- David Trant

The above individuals will serve with the Chair of the Supervisory Committee, Jo-Ann Liberatore, to faithfully volunteer their time to provide fiduciary stewardship and guidance to our credit union.

5 YR Fixed Rate 2.49% APR*

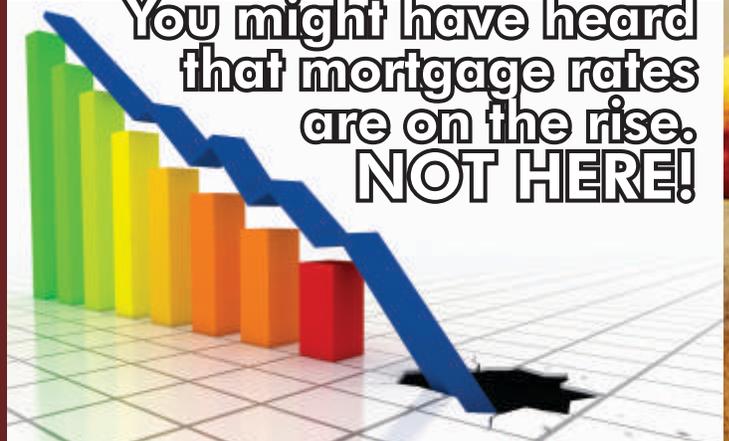
10 YR Fixed Rate 2.75% APR*

15 YR Fixed Rate 2.99% APR*

*APR – Annual Percentage Rate

Rates are subject to change and are based on the 1-4 family owner occupied, 80% loan-to-value (20% down-payment or equity), zero point, rates in effect as of July 1, 2013. Other rates and terms are available and may apply based on individual credit score. Closing costs apply to the above rates. All loans are subject to credit approval and may be subject to secondary market rate adjustments. Higher rates apply for jumbo mortgage products.

You might have heard that mortgage rates are on the rise. NOT HERE!



Please contact the credit union directly at 617-625-0898 during business hours, or check online at www.sommfcu.com for our latest rates and terms.

