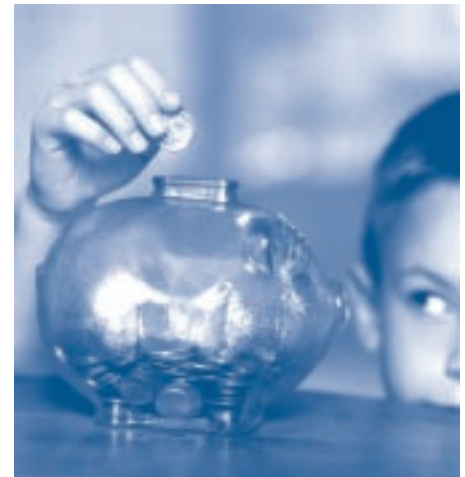


Six Tips To Teach Your Kids About Money

1. Use coin banks to help young children learn how to identify coins and count money. Understanding the value of money usually takes place around the age of 9, but you can start early by simply encouraging your younger children to recognize the differences between coins. A simple sorting game with containers for different coins can entertain a 3-6 year-old for quite some time!
2. Include your children in monthly home accounting tasks. School-aged children can begin by arranging your checks by check number while the adult marks off the cancelled checks.
3. Giving a weekly allowance to older children offers a chance to learn how to budget, save and value money. Help your children to understand how to budget by giving them financial responsibilities to be included in their allowance, such as paying for their own school lunch. Be understanding and have alternatives such as short-term loans for when your child makes a mistake and comes up short!
4. Teach your children the reality of debt. "A penny saved is a penny earned" is a valuable lesson and will instill a deep sense of financial responsibility in your children.
5. When helping your child to create savings and a budget, label different containers. Make suggestions for the containers, for example: "Spend," "Save," and "Share." Remember that children have a different experience of time, and need to see results more quickly than adults. Seeing quick results will give children satisfaction, as will the experience of spending wisely and donating to others.
6. When the "Save" container fills up, take a trip to the Credit Union. Let your child fill out the deposit form, and watch their savings grow! You can create a simple chart at home that shows the increase in their savings with short- and long-term goals.



Make Your Family Part of Our Family

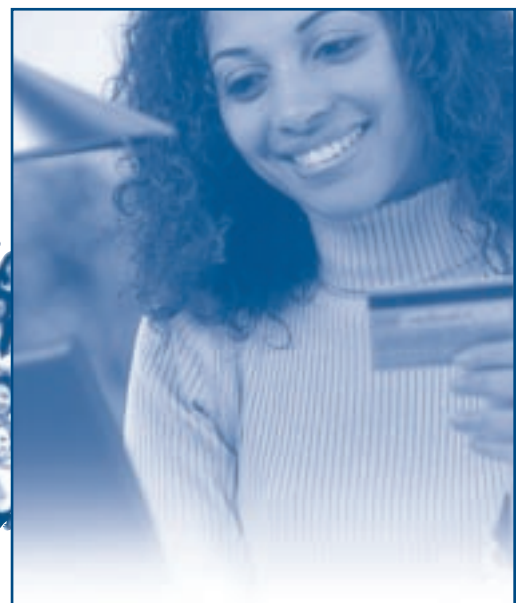
Let your family members enjoy the benefits of Credit Union membership. Immediate family members, which include husband, wife, children, parents, grandparents, grandchildren, stepparents, stepchildren, stepsiblings and adoptive family, will have access to the same benefits you already enjoy.

As a Credit Union member, most times you earn more with our savings and certificates and you'll pay less with our loans. Your money is always accessible through our convenient services. So why not share these wonderful benefits with your family members?

You are special at the Credit Union. You're more than a customer, you are an owner and member. As an owner, you benefit from higher dividends paid on savings and lower interest rates on loans, and your family can benefit from these savings as well. Refer them to your Credit Union today, so they can start enjoying:

- Daily money management products
- A variety of loan products that meet your financing needs
- Convenience
- Personal and professional service

Make your family part of our family! Contact us today for family membership information.



American Spirit VISA Credit Card

3.9%

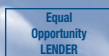
3.9% introductory rate for new VISA accounts for 6 months, and 10.9% thereafter. Promotion ends November 30, 2003, so hurry down to the Credit Union for more information today!



Our Mission

Make a positive difference in the lives of our members, employees and the community!

American Spirit Federal Credit Union
1110 Elkton Road
Newark, DE 19711
Phone: (302) 738-4515
(800) 941-7789 (out of New Castle County, DE)
Fax: (302) 738-4562
Website: www.americanspirit.org



Lobby Hours:

Monday to Friday 9:00 a.m. to 4:30 p.m.
Saturday 9:00 a.m. to 12 Noon

Drive-Up Hours:

Monday to Thursday 9:00 a.m. to 4:30 p.m.
Friday 8:00 a.m. to 6:00 p.m.
Saturday 9:00 a.m. to 12 Noon

ASAP - American Spirit Automated Phone
24 Hour Access:
(302) 738-ASAP (2727)
(800) 941-7790 (out of New Castle County, DE)

Loan Arranger:
(302) 738-4515 (press 3, then 1)

S IN THE SPIRIT

A Newsletter For Members Of American Spirit Federal Credit Union

In This Issue...

1. *International Credit Union Day Overdraft Privilege Program is Here! Home Equity Loan Promotion Take Up To 1.0%* Off*
2. *Daily Money Management Has Never Been Easier We'll Match Loan Rates! Refinance Your Vehicle with Rates as Low as 2.5% CONTEST! Non-Member Check Cashing*
3. *February 17, 2004 Deadline For Nominations Petition ELECTION SCHEDULE*
4. *Preparing for Retirement In the Spirit?-Volunteers Needed Deduct-A-Buck for Your Consumer Choice Deduct-A-Buck Authorization Form Cell Phone Etiquette*
5. *A New Generation of Personal Trust Service Member Advantages from You Decide ASFCU VISA Credit Card Gives You More! Auto Insurance Might Not Be Enough*
6. *Six Tips To Teach Your Kids About Money Make Your Family Part of Our Family American Spirit VISA Credit Card Mission Statement Lobby Hours Drive-in Hours Account Service Fees*

Catch the American Spirit October 16 – International Credit Union Day



Visit with us on Thursday, October 16, 2003 between 11 a.m. and 3p.m. to enjoy some refreshments, have some fun, and celebrate International Credit Union Day.

All week long we will celebrate the consumer's right to choose a low-cost alternative to banks. Some credit unions were formed to serve employees of a business, while others serve religious groups, labor unions, fraternal organizations and communities. Over 70 million Americans enjoy credit union services every day.

For over 50 years, credit unions have set aside the third Thursday in October to celebrate International Credit Union Day. International Credit Union Week is celebrated from October 14th through the 18th.



Overdraft Privilege Program is Here!

This program is offered to checking account holders who are in good standing with the Credit Union. Should a member overdraw his/her account for any reason, American Spirit Federal Credit Union will consider as a discretionary courtesy, and not a right or obligation, covering overdrafts up to a \$300 maximum which includes the non-sufficient funds/overdraft fee of \$20. We will save you from the embarrassment and inconvenience of a returned check as well as the fee normally charged to you by the merchant for checks returned to them.

Home Equity Loan Promotion

Need money to remodel your home, to finance an education, or simply consolidate high-interest credit card payments?



Maybe the last time we made this offer, you didn't have enough equity; how about now? A Home Equity Loan from your Credit Union may be your smartest choice. Plus, the interest on your loan may be tax-deductible, too.*

With our variable and fixed rate Home Equity Loan options, we can design a loan that's right for you. With rates as low as 5.00% APR and \$100 off your application fee, you won't find a better rate anywhere else.

* Consult your tax advisor for advice specific to your situation.

** APR = Annual Percentage Rate. Rate shown is for qualified borrowers. Rates subject to change. Contact the Credit Union for details.

Holiday Closings

Your Credit Union will be closed in observance of the following 2003 holidays.

Monday, October 13
Columbus Day

Tuesday, November 11
Veterans, Day

Thursday, November 27
Thanksgiving Day

Thursday, December 25
Christmas Day

Thursday, January 1, 2004
New Year's Day

Take Up To
1.0%* OFF

**our existing rates on
all Home Equity, 2nd
mortgage and New &
Used Vehicle loans!**

* Reduced rate available to qualified borrowers. Maximum discount of 1.0% available to qualified preferred members with Direct Deposit to an American Spirit account.

Daily Money Management Has Never Been Easier

Everyone needs funds for making purchases and paying bills. Cash is often inconvenient and unsafe. Money orders are inconvenient and expensive. So a checking account is best... and a checking account with a check card is even better!

Our Credit Union can save you time and money. With low fees and no minimum balance, you can save hundreds of dollars in fees each year. Our checking account is designed with you in mind and the benefits are awesome. We can offer direct deposit or payroll deduction so funds go automatically to your account. With direct deposit, you get a guaranteed date of deposit. You don't have to wait in line to deposit your check into your checking account - even if you are ill or out of town.

The Credit Union Check Card makes it even more convenient to make purchases. The Check Card works just like a check. Shopping with the card allows you to pay for purchases with money from your checking account. You can forget about the hassle of showing identification or getting a check approved. You can shop safely without cash.

And don't forget your check card gives you instant access to cash at ATM's. You can also transfer funds between accounts and obtain your balance. Make sure you keep track of your check card purchases and ATM withdrawals in your check register. Money management has never been easier!



We'll Match Loan Rates!

Did you know that American Spirit Federal Credit Union does rate matching? Many members have taken advantage of this great service. We will match whatever rate the dealer or mortgage company is offering (with a rate floor of 4.00% APR*). All we need is written proof of the rate offered to begin the loan process.

So, BEFORE you sign those loan documents at the dealer or mortgage company office, be sure to contact your Credit Union Loan Officers to see if you qualify for our rate matching program.**

* Annual Percentage Rate.
** Loan approval is subject to AFSCU lending policy.

Refinance Your Vehicle with Rates as Low as 2.5%

Whatever interest rate you're paying for your vehicle loan at **another financial institution**, it's probably too much. Refinance at American Spirit from April 1 through August 31, 2003 and save money.

- **At least 1.5% below your current rate**
- **Must have at least 6 months of on time payments on current auto loan.**
- **No payment for 45 days on refinance**
- **Interest rate ceiling of 18%**
- **Standard Underwriting guidelines apply**



CONTEST!

Hey Kids and Parents! Help us kick off our youth account by participating in our "Find-A-Name Contest"! There will be two stages for our youth accounts. We need a name for stage one, which will be for ages 0-12, and a name for the stage two account, which will be for ages 13-18.

There will be two sets of movie tickets awarded in each of the two stages. If the name that you enter wins, you will receive two tickets to the movie of your choice at the Regal Cinema in Glasgow, Newark.

Stop by the Credit Union and enter a name in the box located in our lobby. The last day for entry in this exciting contest will be December 1, 2003. We will be announcing the winner of our contest in our December newsletter.

Thank you in advance for participating, and GOOD LUCK!



VISA payments received at the Credit Union after 3:00 p.m. will be applied to your account the following business day.

Non-Member Check Cashing

Tell your friends and family members that the Credit Union is now cashing non-member payroll and government checks for a low fee of 1.5% of the total amount of the check.

A New Generation of Personal Trust Service

Your Credit Union recognizes that as your financial responsibilities change throughout your life, so do your financial needs. To help you protect your assets and minimize tax liabilities, we have partnered with INAT Trust to offer you a new generation of Personal Trust Services.

With A Trust, You Can:

- Set aside assets for young children or family members who may not be able to manage financial matters.
- Minimize tax liabilities and simplify record keeping
- Protect assets from claims against your estate (divorce, malpractice, creditors) and minimize probate.
- Manage your investments and financial affairs after your death or in the event you become disabled.

Best of all, you can establish a trust with INAT Trust with as little as \$250,000 of investable assets (including real estate, investments, etc.). Once your trust is established, you control how your assets are invested. In addition, our fees are considerably lower than those charged by other firms.

For more information about the benefits of trust services and INAT Trust, contact your Credit Union Trust Liaison at 877-462-8778

Member Advantages from YouDecide

Member Advantages from *You Decide* *Now there's an easier way to save on your insurance.*

Auto and homeowners insurance rates are projected to rise 9% in 2003, and if you haven't shopped around to compare rates recently, you may be paying too much! American Spirit FCU members now have access to a convenient and hassle-free way to comparison shop for insurance through the "Member Advantages from YouDecide" service.

By calling toll-free or visiting YouDecide online, you can shop for insurance with no sales pressure and get multiple rate quotes from top-rated providers to compare. Plus, you'll have free online access to a wide variety of financial planning tools, rate calculators and articles that can help you make smart financial decisions.

To see how much you might save on auto, homeowners, boat, collector auto, motorcycle or RV insurance, call 1-866-828-7313 or go online to www.youdecide.com/ASF475.



ASFCU VISA Credit Card Gives You More!

Increased credit lines

ASFCU is currently offering qualified members credit line increases up to \$10,000. For more details, call the Credit Union.

Balance transfers can save you money

Now you can transfer your balance from those higher rate credit cards to your ASFCU VISA Credit Card. Call us to find out how and start saving right away!

Auto Insurance Might Not Be Enough



If your vehicle is stolen, accidentally damaged beyond repair, or otherwise declared an insured total loss, your auto insurance will cover the replacement value. Nevertheless, you remain liable for payments of the difference between the insurance settlement and your loan balance. The deficiency can easily amount to thousands of dollars – money that comes out of your pocket for a vehicle that no longer exists.

Member's Choice GAP Protection

Member's Choice GAP Protection is an affordable way to fill the GAP. For just a few dollars a month, you can protect yourself against this kind of unexpected expense.

It's Easy to Get

You can elect for Member's Choice GAP Protection at the same time you apply for your vehicle loan. There's no underwriting – no hassles. It's that easy. And your Member's Choice GAP Protection premium can be rolled into your monthly loan payment.

Refundable

Member's Choice GAP Protection may be fully refundable if you cancel the coverage within the first 60 days,* and is partially refundable anytime thereafter.

*Grace period may vary by state, carrier or credit union.

February 17, 2004 *Deadline For Nominations Petition*

Official Notice of Election **Election of Directors For Three-Year Terms** **Annual Meeting March 27, 2004**

Two Board of Directors' terms will expire in March, 2004. The Nominating Committee is accepting requests for nomination before December 1, 2003. Board members and volunteers are not compensated for their participation. Terms will expire in 2007.

Nominations for the Board of Directors may also be made by petition in accordance with Article V of American Spirit FCU's Bylaws. The Nominating Committee will attach instructions to the petition on how to complete the petition correctly. Please contact American Spirit FCU for petition forms. Each petition must contain a minimum of 100 signatures of Credit Union members in good standing along with their account numbers.

The candidate's biography and qualifications must accompany the petition. Include in the biography information about occupation, Credit Union membership, Credit Union experience and a brief statement about serving as a director. Each nominee must be in good standing with the Credit Union, at least 18 years old and certify in writing that he/she is agreeable to the nomination and will serve if elected to office.

All nomination petitions must be received by the secretary of the Board no later than the close of business on February 16, 2004 at: American Spirit Federal Credit Union, 1110 Elkton Road, Newark, DE 19711. Nominations by petition, along with those of the Nominating Committee will be posted in the lobby of the Credit Union office by close of business on February 20, 2004. Incomplete petitions, petitions without an adequate number of valid member signatures, and petitions received after the deadline will be ineligible for consideration. A member must be a minimum of 16 years old to vote. An election will not be conducted by ballot when there is only one (1) nominee for each position filed.

There will be no nominations taken from the floor at the Annual Meeting in accordance with Article V of American Spirit FCU's bylaws.

Duties of a Director

The primary duty of a Credit Union director is to set operational policies. Each policy sets rules that give the Credit Union's management and staff a firm operational foundation. Personnel, investments, asset-liability management

and federal regulatory compliance are examples of areas that must be covered by written policies.

To make competent policy decisions and serve the members, best interests, a director must understand federal NCUA regulations, as well as what the Credit Union must do to remain financially strong.

Serving on one of the Credit Union's committees is the best way to learn more about how the Credit Union operates. Any member in good standing that is interest in running for the office of director will be required to familiarize him or ser self with the "Board of Director's Handbook" as well as the Educational Requirements of a Director.

Requirements to Hold the Office of Director

- Immediately begin the Volunteer Achievement Program.
- Attend all meetings scheduled by the chairman.
- Attend at least two training sessions per year on director's responsibilities.
- Attend the Delaware League Annual Meeting.
- Attend Credit Union financial management training.
- Attend specialized Asset-Liability management (ALM) training and understand the Credit Union

ELECTION SCHEDULE

1. **October 10, 2003**– October newsletter announces Annual Meeting date and requests nominations.
2. **October 17, 2003**– Nominating Committee appointments filed with Secretary.
3. **December 1, 2003**– Nominating Committee files its nominations with the Secretary.
4. **January 12, 2004**– Members are notified of the Annual Meeting, nominations and the opportunity to be nominated by petition.
5. **February 16, 2004**– Petitions filed with Secretary.
6. **February 20, 2004**– Nominees posted in the credit union lobby.
7. **March 27, 2004**– Annual Meeting slated for 7 P.M.

Preparing for Retirement

You're almost there. Before you take the plunge into the life of retirement, consider these points when planning. Here is a brief checklist that helps to address some key issues and questions when planning your retirement:

- Create a budget for retirement.
- Determine whether to pay off your mortgage and other loans before retirement.
- Update your will so you can meet the needs of your surviving family members. Consider and plan for the possibility of long-term care, such as a nursing home. Should you have a living will and a power of attorney?
- Decide whether you will have health insurance; then determine what type best suits the needs of retirees who may need more medical care as they grow older.
- Look at how your retirement benefits will be taxed during retirement. Will your taxes increase or decrease?
- Decide if you need life insurance during retirement.



American Spirit
Federal Credit Union

In the Spirit? Volunteers Needed

Are you interested in becoming more involved with your Credit Union? A unique difference of credit unions versus other financial institutions is volunteer committees. Volunteer committee persons keep the Credit Union connected to the ones we serve (and hope to serve), and as we expand, we need your help! We are currently seeking a few dedicated members to serve on our Loan Board. The only requirements are: membership in good standing, willingness and time to attend meetings, and the desire to help your fellow Credit Union members.



The Loan Review Board is responsible for reviewing a percentage of approved and denied loans each month. The Board reviews the underwriting of the loan officers to ensure that the Credit Union policy and procedures have been met, and that members have been dealt with fairly in the lending process.

Apply for this volunteer committee at the Credit Union, and qualify to win dinner for 2 at your favorite restaurant.

Cell Phone Etiquette

When using your cell phone, keep in mind the following cell phone etiquette tips:

- Keep noise pollution down. Make calls only when you need to and ask your friends to use the same rule when calling you.
- Keep your calls short and your voice low. Or, if possible, find a quiet spot where your conversation won't bother others.
- Turn your phone off if its ringing may disturb someone. Always turn off your phone in theaters, libraries, houses of worship, hospitals, courts of law, restaurants and in elevators.



Deduct-A-Buck for Your Consumer Choice

Did you know that bankers outspend credit unions 20 to 1 in Washington? That's right! American bankers spend millions of dollars lobbying in Washington, D. C. while credit unions spend a pittance! With this financial clout, banks are trying to influence politicians to vote against credit unions. If they are successful, credit unions will be restricted in growth potential, and eventually, the services offered to members.

Help us fight greedy bankers! The Deduct-A-Buck program, introduced by the Credit Union National Association, is designed to encourage the nation's 73 million credit union members to contribute \$1 per year to the campaign. We'd raise \$73 million, making us the strongest lobbying group in Washington.

If you want to help support your credit union and protect your membership, complete the enclosed Deduct-A-Buck contribution form and return it to American Spirit FCU, 1110 Elkton Road, Newark, DE 19711.

DEDUCT-A-BUCK AUTHORIZATION FORM

YES! I want to increase credit unions' voice in Washington!

Please make a quarterly deduction of:

- \$1.00 (\$4.00 per year)
- \$5.00 (\$20.00 per year)
- \$10.00 (\$40.00 per year)
- \$20.00 (\$80.00 per year)
- Other \$ _____

Name _____

Address _____

Please make the deductions from my:

Savings Account Share Draft/Checking Account

CU Account Number _____

Federal Election Law requires the following:

Employer _____

Occupation _____

Contributions to CULAC and DE State PACs are strictly voluntary. Contributions to the federal and state PACs are not deductible for federal tax purposes. You have the right to refuse to contribute without any reprisal. Paid for by American Spirit Federal Credit Union