

S IN THE SPIRIT

A Newsletter For Members Of American Spirit Federal Credit Union

February 17, 2003 Deadline For Nominations Petition

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Holiday Closings

Your credit union will be closed in observance of the following 2003 holidays.

- Monday, January 20
Martin Luther King, Jr. Day
- Monday, February 17
Presidents' Day
- Friday, April 18
Good Friday
- Monday, May 26
Memorial Day
- Friday, July 4
Independence Day
- Monday, September 1
Labor Day
- 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

Two Board of Directors terms will expire March of 2003. The Nominating Committee has placed the following names in nomination to fill those three-year positions:

- George Bush
- Lewis Reisinger

These terms will expire in 2006. The Nominating Committee received no other requests for consideration before the December 2, 2002 deadline. Board members are volunteers and are not compensated for their participation.

Nominations for the Board of Directors may still be made by petition in accordance with Article V of American Spirit FCU's Bylaws. Petitions must be filed with the Secretary before the close of business on February 17, 2003. The Nominating Committee will provide the petition with instructions 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.

Petitions may be delivered to the credit union

during normal business hours or mailed to: American Spirit Federal Credit Union, P.O. Box 8065, Newark, DE 19714. 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 21, 2003. 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.

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Congratulations to Stephanie Mitchell

Stephanie Mitchell, a Member Service Representative with American Spirit Federal Credit Union was presented a Resolution for Volunteer Service October 4, 2002 at the Governors Fire Safety Conference. The award was presented in recognition of her public speaking about fire safety and the importance of smoke detectors. Stephanie began her volunteer activities after loosing 5 members of her family to a fire October 31, 2000 at Broadkill Beach.

Stephanie emphasizes... "wake up Delaware, working smoke detectors saves lives".



American Spirit has partnered with Enterprise Car Sales to bring its members quality used cars at great prices. Check out our website for the link to find out about our upcoming promotions and variety of cars available.



American Spirit
Federal Credit Union

ELECTION SCHEDULE

1. **October 11, 2002**– October newsletter announces Annual Meeting date and requests nominations.
2. **October 15, 2002**– Nominating Committee appointments filed with Secretary.
3. **December 2, 2002**– Nominating Committee files its nominations with the Secretary.
4. **January 13, 2003**– Members are notified of the Annual Meeting, nominations and the opportunity to be nominated by petition.
5. **February 17, 2003**– Petitions filed with Secretary.
6. **February 21, 2003**– Nominees posted in the credit union lobby.
7. **March 29, 2003**– Annual Meeting slated for 7 P.M.

Deadline For Nominations Petition

(continued from page 1)

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 interested in running for the office of Director will be required to familiarize him or herself 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.



American Spirit Loan Promotions Home Equity (Line of Credit)

It's PRIME time to check your equity. Get an Equity loan with 4.25%APR fixed for the first six months when you have a Freedom checking account. Interest rates haven't been this low in a generation, so it's PRIME time to start that project you've been dreaming about. Open a 80% LTV or less Home Equity Line of credit and your introductory rate stays fixed at Prime for 6 months! This special is available through March 31, 2003. Consolidate bills, remodel your home, plan that family vacation- it's PRIME TIME for whatever you want or need! Visit us or apply online today.

- Borrow up to 80% of the equity of your home
- Low application fee
- May offer tax advantages (check with your tax advisor)
- Terms up to 15 years
- No closing cost

Unsecured Personal loan

We have lowered our rates just for you. Fixed rate as low as 10.4% APR and you can borrow up to \$10,000.

- Payments as low as \$340
- Consolidate your holiday debt
- Pay off that tax bill

Visit or call us for more details.

American Spirit Federal Credit Union

Addendum to Loanliner® Credit Agreement and Truth In Lending Disclosure

EFFECTIVE JANUARY 1, 2003

INSTRUCTIONS: This addendum is incorporated into and becomes a part of your LOANLINER? Credit Agreement. The Annual Percentage Rates and corresponding daily periodic rates for each loan sub-account are shown below. The amount and due date of payments will be determined at the time of each advance and disclosed on the advance request voucher or transaction receipt. Other charges that may be imposed are also shown below (i.e., late charges, filing fees, collection costs).

Loan Sub-account Description	Approximate Term	% Above Index	Daily Periodic Rate	ANNUAL PERCENTAGE RATE
New Vehicle	24 Months	N/A	0.016438% to 0.049315%	6.00% to 18.00%
Used Vehicle	36 Months	N/A	0.017123% to 0.049315%	6.25% to 18.00%
New and Used Boats	48 Months	N/A	0.017808% to 0.049315%	6.50% to 18.00%
Recreational Vehicles	60 Months	N/A	0.018493% to 0.049315%	6.75% to 18.00%
	72 Months	N/A	0.020548% to 0.049315%	7.50% to 18.00%
Extended Terms For New and Used Boats, Recreational Vehicles	84 Months	N/A	0.022603% to 0.049315%	8.25% to 18.00%
	120 Months	N/A	0.024658% to 0.049315%	9.00% to 18.00%
Personal Loans	See attached Overdraft Protection Agreement	N/A	0.029863% to 0.049315%	10.90% to 18.00%
Line-of-Credit		N/A	0.029863% to 0.049315%	10.90% to 18.00%
*Overdraft Protection		N/A	0.029863% to 0.049315%	10.90% to 18.00%
Share Secured (Regular)	Index - Maximum Dividend Rate	2.00%	0.006849%	2.50%
Share Secured (Money Market)	Index - Maximum Dividend Rate	2.00%	0.008219% to 0.010000%	3.00% to 3.65%
Share Certificate Secured	Index - 1 Year Share Certificate - \$1,000	2.00%	0.013424% to 0.013698%	4.90% to 5.00%

The **ANNUAL PERCENTAGE RATE** you received for the above sub-accounts will be within the range disclosed above and is based on certain creditworthiness criteria. Ask the credit union for the rate you qualify for. The actual Annual Percentage Rate and Daily Periodic Rate you receive on each advance will be disclosed on the advance request voucher you receive at the time of the advance.

The **Annual Percentage Rate (APR)** for Share Secured and Share Certificate secured advances will be the dividend rate being paid on the shares and certificates (index) plus the applicable percentage shown above. The share rates are subject to change on the first day of each month. For Share Secured advances, your APR is subject to change on the first day of each calendar month to reflect any change in the index. For Share Certificate secured advances, your APR is subject to change upon renewal of your certificate to reflect any change in the index. The Share Certificate must be renewed until the advance is completely paid. Failure to renew will result in default under the plan and the advance will be repaid from the proceeds of the Share Certificate. Any increase in the APR will take the form of more payments of the same amount until what you owe has been repaid. The Annual Percentage Rate and daily periodic rate for Share Certificate secured advances will be disclosed on the voucher at the time of the advance.

Preferred Borrower Program: If the member has a credit union checking account, a credit union Debit Card or credit card, direct deposit and automatic payments they will be eligible for a .5% discount on the above disclosed loan rates.

Filing Fee: You may be charged a lien filing fee at the time of an advance if the credit union takes a security interest in your collateral. The amount of the filing fee will be based upon the amount of fee required by state law for the credit union to obtain a lien on your property. The amount of the filing fee will be disclosed on the voucher.

Late Charges: You will be assessed a late payment fee of 5% (five percent) of the delinquent amount past due every month that you are late on your payments, (\$5.00 minimum late payment fee). There is a 15 (fifteen) day grace period from the date due, until a late charge is applied.

Collection Costs: You promise to pay all costs of collecting the amount you owe under this agreement including court costs and reasonable attorney fees.

***Negative Account Balance Add-on:** You authorize any negative share account balance to be added to your Overdraft Protection sub-account when that negative status exists for more than 60 days. Negative status means that your share account was drawn below zero for reasons including fees and returned checks. Those funds disbursed from the Overdraft Protection sub-account will bring the share account to zero balance, and the share account will be placed on hold. Funds will be accessed from the Overdraft Protection sub-account by the 10th day of the month following the 60-day negative account status. Your payments will be the same as that disclosed on your Overdraft Protection Agreement.

Credit Card Cautions

If it looks too good to be true, then it probably is! Unfortunately, this tends to be the case for all of the remarkable credit card offers that you receive every day. The credit card companies entice you to become their customer by offering you 0% financing for the first few months, and you cannot believe your good fortune. However, the majority of these cards require an annual fee of \$25 to \$50, and the interest rate is typically 20%. Then, the great deal you seemingly had was not such a deal after all.

Don't let opportunities pass you by, however. The truth is that you should not make it your general rule to dismiss all credit card offers – if you know how to “play the game.” When you are making a large cash purchase at any store, if the clerk offers you a 15% discount if you open a charge card, do it. Deposit the cash back into your checking account, write a check in the amount of your purchase, and pay off the card when the bill comes in. When your new, shiny credit card arrives, pull out your scissors and slice it in half! This game requires discipline and willpower, so enter into the game with care.

As long as you realize the difference between a debit card and a credit card, you may want to begin paying for purchases that you normally make on your credit card with your debit card. Although it may be convenient to buy items with your credit card because you get extra time to pay, remember that you may eventually be paying much more for that item than the actual cost if you carry a balance. Furthermore, even if you intend to pay off your credit card bill every month, it's easy to be tempted by the minimum payment due and forgo the total payoff. So by using your debit card rather than your credit card, you could be saving a large amount of money in interest. The caution with using a debit or check card, of course, is making sure funds are available to draw against.

Used wisely, credit cards can help you manage your cash flow and spending. Without discipline, credit can be costly and eventually lead to serious financial problems. Be a smart consumer by educating yourself and exercising control!

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)

Account Service Fees

(Effective January 1, 2003)

Item	Fee
Checking Account:	
Freedom Checking	\$5.00/month
Return Check Charge	\$20.00/check
Checks Manually Paid	\$ 5.00/check
Copy of Paid Check	\$2.00/check
Copy of Statement	\$2.00/month
Stop Payment of Checks	\$15.00/check or series
Check Book Balancing (Research)	\$15.00/hr
Personal Check Orders:	
Freedom Checking (Check Order-Basic Style)	50% of cost <i>(Listed price on all others)</i>
Standard Checking (Check Order)	Listed Price
Last Chance Checking (Check Order)	Listed Price
VISA Check Card (Debit Card):	
Debit Card Fee	\$1.00/month <i>(No fee with direct deposit into primary account)</i>
Freedom Checking	.75/withdrawal after 10
Standard Checking	.75/withdrawal after 6
Lost Card Fee	\$25.00/card
Transfer Fee	\$5.00/transfer
Overdraw Fee	\$20.00
VISA Credit Card:	
Late Fee	\$25.00
Over Limit Fee	\$20.00
Lost Card Fee	\$25.00
Automated Clearing House (ACH) Fees:	
Return Charge	\$20.00/return
Stop payment	\$15.00/return
Transfer Fee	\$5.00/transfer
Other Service Fees:	
Travelers Checks (per \$100))	\$1.00
Western Union	\$15.00
International Wire Transfers	\$30.00/wire
U.S. Wire Transfers	\$15.00/wire
Inactive Fee (Dormant) (NO activity for 6 months or more)	\$5.00/month
IRA Annual Account Fee	\$10.00
I.R.S. Levy	\$25.00
Internet Access/Bill Payer Service	\$4.95/month
Money Orders	\$2.00/each
Skip Payment Fee	\$25.00
Loan Payment Late Fee	\$5.00 minimum or 5% of delinquent amount
Second Mortgage /Home Equity Application Fee	\$350.00
Deposited Check Returned (On own account)	\$25.00/check
Returned Mail Fee	\$2.00/item
Check Cashing Fee (with share balances below \$250)	\$1.00/each
Bulk Checks, Cashing Fee (10 and up)	\$10.00
Cashier Check	\$5.00/check
Excessive W/D Fee (7 or more per month)	\$2.00/check
Copies	\$.25
Fax	\$1.00 first three pages, \$.50 each additional
Coin Counting Fee	5%
Safe Deposit Box:	
One Time Set-up Charge	\$10.00
Annual Rent Fee Depending on Box Size	\$15 - \$100 (Box sizes available 3x5, 5x5, 3x10, 5x10, and 10x10)

Truth In Savings Disclosure For Share Certificates

EFFECTIVE JANUARY 1, 2003

The Account Rate and Fee Disclosure Schedule is part of your account agreement and describe charges and fees that may be made on your account. Any charges may be deducted directly from your account. The rates and conditions below are applicable to all of our accounts at the Credit Union and are accurate as of the effective date. The Credit Union reserves the right to amend this schedule. Each applicant agrees to these terms at the time he or she becomes a member. Potential members or members may receive disclosure forms at any time upon request. All certificates are fixed rate accounts.

Rate and Balance Information:

Account Type	Dividend Rate	Annual Percentage Yield	Minimum Balance	Minimum Balance for Dividends
Share Certificates				
12-month	2.90%	2.93%	\$1000	\$1000
24-month	3.05%	3.09%	\$1000	\$1000
36-month	3.30%	3.34%	\$1000	\$1000
48-month	3.35%	3.39%	\$1000	\$1000
Share Certificates				
12-month	2.95%	2.98%	\$10,000	\$10,000
24-month	3.10%	3.14%	\$10,000	\$10,000
36-month	3.35%	3.39%	\$10,000	\$10,000
48-month	3.40%	3.44%	\$10,000	\$10,000
Share Certificates				
12-month	3.00%	3.03%	\$50,000	\$50,000
24-month	3.15%	3.19%	\$50,000	\$50,000
36-month	3.40%	3.44%	\$50,000	\$50,000
48-month	3.55%	3.60%	\$50,000	\$50,000
I.R.A. Certificates				
1-Year **	3.00%	3.03%	\$1000	\$1000
2-Year **	3.15%	3.19%	\$1000	\$1000
3-Year **	3.40%	3.44%	\$1000	\$1000
4-Year **	3.55%	3.60%	\$1000	\$1000
5-Year **	3.65%	3.70%	\$1000	\$1000

Nature of Dividends

Rates are subject to change as determined by the board of directors. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. The Credit Union anticipates paying the dividend rates on the table above. The APY (Annual Percentage Yield) is a projected rate that takes into consideration the effect monthly compounding has on the dividend rate.

Compounding and Crediting

Dividends on the accounts listed above will be compounded monthly. The dividend period will be the first calendar day of each month to the last calendar day of each month. Dividends are calculated on the last day of each month and will be credited to your account on the last day of the month.

Balance Computation Method

The dividends are calculated by the daily balance method to calculate dividends, which applies a daily periodic rate to the balance in the account each day.

Dividend Accrual

Dividends begin to accrue on the day of your cash or non-cash deposit(s). If you close an account, dividends will be paid as of that date.

Minimum Balance Requirements

Credit Union's minimum balance requirements are disclosed in the table above. ** Minimum balance for Education I.R.A. Certificates is \$500.

Account Limitations

Early withdrawal penalty is equal to 90 days dividend. You may not add to a certificate once it is opened. You may only make additions after maturity and during the 14-day grace period. You may not make withdrawals of principals from this account. You may only withdraw dividends, if you elected to have dividends automatically transferred to a disbursement account each month in lieu of compounding, the APY will be equal to the stated dividend rate.

Renewal/Maturity

The Credit Union will give the owners a minimum of 14 days, notice prior to maturity. If the certificate is not renewed at maturity the Credit Union will transfer all funds to the regular share account or pay funds directly to the owner(s). The other account features will remain the same.



Truth In Savings Disclosure For Savings Accounts

EFFECTIVE JANUARY 1, 2003

The Account Rate and Fee Disclosure Schedule is part of your account agreement and describe charges and fees that may be made on your account. Any charges may be deducted directly from your account. The rates and conditions below are applicable to all of our accounts at the Credit Union and are accurate as of the effective date. The Credit Union reserves the right to amend this schedule. Each applicant agrees to these terms at the time he or she becomes a member. Potential members or members may receive disclosure forms at any time upon request. Regular share accounts are fixed rate accounts.

Rate and Balance Information:

Account Type	Dividend Rate	Annual Percentage Yield	Minimum Opening Balance	Minimum Balance for Dividends
Regular Shares ___ Shares (01) ___ Special (08) ___ Vacation (10) ___ Insurance Accumulation (11) ___ Holiday (15)	.50%	.50%	\$5	\$250
___ Youth Shares (02)	.50%	.50%	\$5	N/A
___ Regular Checking (Share Draft) (75)	0.00%	0.00%	\$0	N/A
___ Money Market (16)	1.00% 1.15% 1.40% 1.65%	1.01% 1.16% 1.41% 1.66%	\$1,000	\$1,000 \$10,001 \$25,001 \$50,001
IRA Shares ___ Traditional (81) ___ Educational (82) ___ Roth (83)	2.00%	2.02%	\$0	N/A

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Balance Computation Method

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Dividend Accrual

Dividends begin to accrue on the day of your cash or non-cash deposit(s). If you close an account, dividends will be paid as of that date.

Minimum Balance Requirements

Credit Union's minimum balance requirements are disclosed in the table above.

Account Limitations

Regular Shares - A condition for membership requires a \$5.00 minimum balance in the regular share (01) account. The ATM system will allow up to \$500.00 of available funds to be withdrawn per business day. Members with Youth Accounts must be under the age of 18. Withdrawals are limited to a maximum of 6 per month. Additional withdrawal fees are disclosed on the Rate and Fee Schedule.

Credit Union reserves the right to close the account if the account user violates applicable laws, regulations or credit union policy

Money Market - Minimum \$500.00 withdrawal required. Only five (5) withdrawals of any kind are permitted each month. The penalty indicated on the Rate and Fee Schedule will be charged for any withdrawals beyond five. If the balance is drawn below \$1,000.00, the account will be closed and the balance will be deposited to the regular share account.

Individual Retirement Accounts (IRA) - Limitations in IRA accounts are in accordance with regulations set forth by the federal government. Annual maintenance fee for IRAs is \$10.00.

