



On Your Account

WINTER 2010

MUNICIPAL EMPLOYEES CREDIT UNION OF BALTIMORE, INC.

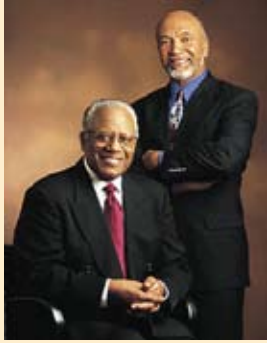


PAYING FOR THE HOLIDAYS

NOW THAT THEY'RE OVER

PLUS

- Credit Card Bills Got You Tied in a Knot?
- First Time Homebuyer Credit Expanded and Extended



December, 2009

Dear Valued Members,

We would like to extend our best wishes for this holiday season to all our MECU members. In November, MECU upgraded its data processing system. In spite of the precautions we took to minimize any negative impact to you, some portions of our new system did not operate as anticipated. We know these problems have caused difficulties and delays for many of you.

We want to assure you that providing the best possible member service is our highest priority and we are working to resolve all of the problems as quickly as possible.

We appreciate the calls, letters and emails we received from you letting us know that our service was unacceptable. We couldn't agree more. There have also been delays in reaching us by phone and in receiving responses to e-mails. We aspire to consistently deliver great service to you and we know that in this instance, we did a poor job.

We recognize that your time is valuable and understand the inconvenience this caused. We do not take this lightly. We'd also like to assure you that overall our systems work reliably and accurately and that we are working diligently to correct any problems.

We value your goodwill and membership. The trust and confidence you place in us is important and we'll continue to work hard to live up to your expectations in the future.

Sincerely,

Herman Williams Jr.
Chairman of the Board

Bert J. Hash, Jr.
President & Chief Executive Officer

CAN YOU AFFORD THE COST OF A REFUND ANTICIPATION LOAN (RAL)?

Your taxes are done and you want your money now. A refund anticipation loan (RAL) looks like the way to go, but do you really know how much you may be losing? **Potentially around \$400!** Quickie tax preparers often overlook Earned Income Tax Credits (EITC) that you may be entitled to, which can average about \$1,800.



Last year, between 15 and 25 percent of tax payers eligible for an Earned Income Tax Credit (EITC) didn't get one because it was not put on their income tax return. Besides

the actual cost of having your taxes prepared by a for-profit company, the interest charged on RALs is around 36%.

Thanks to changes in the tax law this year, you may qualify for the EITC if you earned less than \$49,000.

And, if you qualify for the EITC, you also qualify to have your taxes prepared for FREE!

Free Tax Preparation through the CASH Campaign

For over seven years, the Baltimore CASH Campaign has helped people take advantage of the EITC. They provide FREE help preparing your taxes through 21 Volunteer Income Tax Assistance (VITA) sites in the City that will start opening January 16. To find a site near you and to see if you qualify, call 410-685-0525. Trained volunteers will help you prepare your taxes and check to see if you are eligible for the Earned Income Tax Credit.

To learn more about how the Baltimore CASH Campaign can help you this tax year, go to www.bmorefreetaxes.org.

LEARN FINANCIAL FREEDOM AT MONEY POWER DAY!

2010 marks the fourth year MECU has sponsored the Baltimore CASH Campaign's MoneyPower Day. Join us on Saturday, March 13, 2010 at Baltimore Polytechnic High School for this FREE event. And this year there will be even more activities for kids of all ages.

Some of the things you can do at MoneyPower Day are:

- Attend workshops to learn how to save money to buy a home or start a small business
- Pull your credit report and get help with correcting any issues at the Credit Cafe
- Talk with service providers to learn about organizations that can help you
- Have your income taxes prepared for free, if you meet the income requirements
- Check out great gifts offered by youth entrepreneurs
- Visit lots of exhibitors that have financial products and services to help you
- Watch and participate in fun presentations to help you learn more about managing your money

For more information go to www.moneypowerday.org.





FIRST TIME HOMEBUYER CREDIT

EXPANDED AND EXTENDED

By Sandor Lenner, CPA

A new law that went into effect on November 6, 2009 extends the date by five more months for you to buy, or enter into a binding contract to buy, a principal residence. It also expands the eligibility requirements for purchasers.

First-time Homebuyer Credit Basics:

- a.** The maximum credit is \$ 8,000 and either reduces the amount owed on your taxes or increases the refund, dollar for dollar.
- b.** The credit is fully refundable, even if you owe no tax or the credit is more than the tax owed.
- c.** It does not have to be paid back over a period of time (a big change from the prior year) unless the house is no longer your main residence within 3 years of the purchase.
- d.** The credit is extended to allow long-time homeowners buying replacement homes and taxpayers with higher incomes to qualify for the credit.
- e.** For all qualifying purchases in 2010, you have the option of claiming the credit on either your 2009 or 2010 income tax returns. This provision allows you to buy a qualifying principal residence in 2010 and get the benefit of the credit on your 2009 tax return.

Qualification Requirements for a First-time Homebuyer Credit

The deadline for qualifying home purchases is extended from November 30, 2009 to April 30, 2010 for you to enter into a binding contract. You have until June 30, 2010, to settle on the house. Any home purchased as your principal residence and located in the United States can qualify for the credit. This includes mobile homes. Vacation homes and rental property do not qualify. The credit is not allowed if you purchase a home from a close relative or your spouse.

Long-time Homeowners Buying a Replacement Principal Residence Can Claim the Credit

A long-time homeowner can also get the credit for a qualifying replacement home purchased after November 6, 2009. You must have owned and used the same home as your principal residence for at least five consecutive years out of the past eight. The maximum credit is \$6,500. The income limitations are increased for homeowners claiming the credit. Taxpayers with higher incomes can now qualify for the credit.

For additional information on the First-time Homebuyer Credit, visit Mr. Lenner's blog at <http://1040easytaxes.com/wordpress/>

TAKING ADVANTAGE OF THE FIRST-TIME HOMEBUYERS CREDIT?

MECU HAS A **SPECIAL RATE DISCOUNT** FOR YOU!

Don't forget that MECU reduces the rate of your mortgage by .25%. Along with the loan interest rebate that MECU has paid members every year since 1981, getting your mortgage at MECU means real savings!

If you're a longtime homeowner buying a replacement home, we also reduce the rate for people buying in Baltimore City. It's a good time to move to that easy-to-maintain townhouse in the city!

DO WE HAVE YOUR **EMAIL ADDRESS?**

Everyone is communicating faster these days, including MECU. We communicate with many of our members by email which lets them be among the first to know about important news and special offers from MECU.

But there is a more important reason to make sure that MECU has your email address. It helps us notify you more quickly of scams and possible fraud attempts. As you read earlier, there are new scams being used by people who want to drain your accounts. If you give these scammers your information, there is nothing MECU can do except investigate it. We want to help you avoid these scams and the fastest way for us to do that is to reach you by email.

Please help us by making sure that we have your current email address. If you already use online banking, you can send us a secure email at info@mecu.com.

Or, you can fill out the form below and bring it into one of our seven branches, or mail the information to us at MECU, 7 E. Redwood Street, Baltimore, MD 21202, Attention: Operations Department.



Please add me to the list to receive email information from MECU:

Name _____ Member number _____

Email Address _____

Home Address _____

IT'S EASY TO APPLY FOR A LOAN AT MECU

We've made it even easier for you to apply for all types of loans at MECU! Just come to our website and click on "Apply for a Loan."

That will take you right to a page that will show you all the types of loans you can get at MECU. Just click on the "Easy App" for the loan you want, fill in all the information and click on submit. It's just that easy.

There's an "Easy App" for you whether you want to buy a car, a house or want to take advantage of MECU's low fix-rate credit cards.

CREDIT CARD BILLS GOT YOU TIED IN A KNOT?



The holidays were great but now you have to open all those credit card bills. Interest rates keep going up every few months, and some cards that never charged an annual fee have started charging you one.

Why not transfer those high rate cards to a fixed rate MECU VISA®. There are no fees to transfer balances to MECU, no annual fees and your interest rate is fixed – not variable. It's easy to apply. In this newsletter there is a loan application that you can fill out and send to us. Or you can go online and click on "Apply for a Loan".

EVER IMAGINE OWNING RENTAL PROPERTY?



Or, maybe you already own property that you're renting for residential use. A growing number of people are investing in real estate by purchasing a few rental units they can manage on their own. Depressed property values make buying residential rental properties more attractive and our low rates make it more affordable.

If you already have a mortgage for your rental property, now is also an excellent time to refinance. MECU's Residential Rental Property Mortgage Refinancing could help lower your costs and put more money in your pocket.

MECU offers attractive mortgage financing up to 80% of the value of rental property, whether you are buying or refinancing. With both fixed and adjustable rates available and terms up to 30 years, MECU should be the first – and last – place to check for your mortgage.

Call MECU today at (443) 263-4290 and we will help you choose the rental property financing that is best for you.

MECU'S Fast, Easy & Convenient Loan Application

For faster service, apply securely online at www.mecu.com, or call (800) 373-2914 24/7.

Or, please tri-fold this form on margin "fold" marks with MECU address facing out and seal closed with tape across the top edge of the mailer and mail your application to us postage-paid, fax it to (410) 223-4000 or return it to any MECU office.

To apply for a **HOME EQUITY LOAN** or **LINE**, please visit mecu.com to apply securely online, or call (800) 373-2914 24/7.

To apply for a **MORTGAGE**, please visit mecu.com to apply securely online, or call (800) 730-7599 Mon. – Fri. 9 AM – 5 PM.

Requested Amount	Loan Type(s) <input type="checkbox"/> Individual Credit <input type="checkbox"/> Joint Credit
\$ _____	<input type="checkbox"/> Vehicle <input type="checkbox"/> Purchase <input type="checkbox"/> Refinance <input type="checkbox"/> Pre-Approval
\$ _____	<input type="checkbox"/> Visa® Credit Card
\$ _____	<input type="checkbox"/> Personal Purpose _____ (auto repair, credit card payoff, etc.)
Total Requested \$ _____	<input type="checkbox"/> Loan (term desired: _____ months) <input type="checkbox"/> Personal Line (purpose: _____)
	<input type="checkbox"/> Please contact me to discuss my options.

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Comments

ALL applicants, please complete the following:

Married Applicants: May apply for a separate account. **Individual Credit:** You must complete the Applicant section about yourself and the Co-Applicant section about your spouse if: 1) you live in or the property pledged as collateral is located in a community property state (AK, AZ, CA, ID, LA, NM, NV, TX, WA, WI), 2) your spouse will use the account or 3) you are relying on your spouse's income as a basis for repayment. If you are relying on income from alimony, child, support or separate maintenance, complete the Co-Applicant section to the extent possible about the person on whose payments you are relying. **Joint Credit:** Each applicant must individually complete the appropriate section below.

	Applicant	Co-Applicant (Joint Credit)
Name		
Current Street Address		
City, State & ZIP Code		
Length of Time at Current Address	____ Years ____ Months	____ Years ____ Months
Previous Street Address <small>(If less than 1 Year at current address)</small>		
City, State & ZIP Code		
Home Phone #		
Preferred Phone #		
Email Address		
Date of Birth (MM / DD / YYYY)		
Social Security #		
Monthly Housing Expense	\$ _____ Own ____ Rent ____ Other	\$ _____ Own ____ Rent ____ Other
Employer Name / Income Source		
Occupation / Job Title		
Date of Employment (MM / YYYY)		
Gross Monthly Income	\$ _____	\$ _____
Other Income *	\$ _____ Source: _____	\$ _____ Source: _____
Preferred MECU Branch	____ Dundalk ____ Fallstaff ____ Hamilton ____ Lochridge ____ MLK ____ Redwood ____ Westview	

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1. You promise that everything you have stated in this application is correct to the best of your knowledge. If there are any important changes (i.e. Change of address, phone number, Email, employer, expenses, income, etc.) you will notify us immediately. You authorize the Credit Union to obtain credit reports in connection with this application for credit and for any update, increase, renewal, extension or collection of the credit received. You understand that the Credit Union will rely on the information in this application and your credit report to make its decision. If you request, the Credit Union will tell you the name and address of any credit bureau from which it received a credit report on you. It is a federal crime to willfully and deliberately provide incomplete or incorrect information on loan applications made to federal credit unions or state chartered credit unions insured by NCUA.

2. If you are applying for a credit card, you understand that the use of your card will constitute acknowledgment of receipt and agreement to the terms of the credit card agreement and disclosures. You grant us a security interest in all individual and joint share and/or deposit accounts you have with us now and in the future to secure your credit card account. In the event of default, you authorize us to apply the balance in these accounts to any amounts due. Shares and deposits in an Individual Retirement Account, and any other account that would lose special tax treatment under state or federal law if given as security, are not subject to the security interest you have given in your shares and deposits

* Alimony, child support, separate maintenance payments need not be revealed if you do not wish to have it considered as income.

Signature _____ Date _____

Co-Applicant Signature _____ Date _____

Annual Percentage Rate (APR) for Purchases	1.99% Introductory APR* for the first 6 statement closing dates following the opening of your account. After that, your standard APR will be 9.90%
Platinum Visa	
Gold & Classic Visa	12.92% APR
APR for Balance Transfers	1.99% Introductory APR* for the first 6 statement closing dates following the opening of your account. After that, your standard APR will be 9.90%
Platinum Visa	
Gold & Classic Visa	12.92% APR
APR for Cash Advances	1.99% Introductory APR* for the first 6 statement closing dates following the opening of your account. After that, your standard APR will be 9.90%
Platinum Visa	
Gold & Classic Visa	12.92% APR
How to Avoid Paying Interest on Purchases	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month.
Penalty APR	None
Minimum Interest Charge	None

For Credit Card Tips from the Federal Reserve Board go to www.federalreserve.gov/creditcard

Fees

Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer: None • Cash Advance: None • Foreign Transaction: 1% of transaction in US dollars
Penalty Fees	<ul style="list-style-type: none"> • Late Payment: Up to \$24, dependent upon your outstanding balance • Over-the-Credit Limit: None • Returned Payment: Up to \$15, dependent upon your outstanding balance
Other Fees	<ul style="list-style-type: none"> • Card Replacement Fee: None

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."
Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.
 * In the event of default, your introductory rate will convert to the standard rate

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MUNICIPAL EMPLOYEES CREDIT UNION OF BALTIMORE, INC.
 7 EAST REDWOOD STREET
 BALTIMORE, MD 21202

POSTAGE WILL BE PAID BY ADDRESSEE



NO POSTAGE
 NECESSARY
 IF MAILED
 IN THE
 UNITED STATES



ATTN: TLC

ANNUAL MEETING NOTICE

The Annual Meeting of the Members is set for Tuesday, March 16, 2010 at 12:00 noon at the MECU Corporate Offices, 20th floor, 7 East Redwood Street, Baltimore, Maryland. All members are invited to attend.

Directors and Committees Serving You

Board of Directors: Active Directors – Roman Clark, Fire; Andrew Frank*, Mayor's Office; G. Louise Green, Finance; A. Soula Lambropoulos, Health; Benjamin Meli*, DPW; Peggy A. Peacock, HCD; Charmaine M. Thomas*, Police. Retiree Directors - Ernest J. Glinka; Gary W. McLhinney*; Herman Williams Jr.; Director at Large - Lorretta Johnson, BTU; John T. Walker III, BCPS. Directors Emeritus - Harry Deitchman.

*term expiring

Credit Committee: Deborah Moore-Carter, Labor Commission; Thomas Driscoll, Finance; Dan Fickus, Police; Marietta English, BTU; Glenard Middleton, DPW; Neetu Dhawan-Gray, Associate Member; Robert Sledgeski, Fire.

Supervisory Committee: Troy Brogden, Associate; Judge David Allen, Retired; Margaret Obermeir, Retired; Jennell Rogers, Finance; Abraham Schwartz, ERS; Beatrice Tripps, Mayor's Office.

Nominees for Directorships in 2010

Candidates for directorship may be nominated by the Nominating Committee or by a petition of the members. The Nominating Committee of MECU has submitted the following members as candidates for directorships beginning in March 2010: Active – Andrew Frank, Mayor's Office; Benjamin Meli, Department of Public Works; Charmaine M. Thomas, Police. Retiree – Gary W. McLhinney.

If you have questions about the annual meeting or election procedures, contact Pam Harris at 410-234-3707.

Disclosure of Board and Committee Compensation Schedule - To achieve the strong financial position, which MECU enjoys, requires a team with knowledge, experience, and a dedication to hard work. In a year when the economy was volatile, with other financial institutions and businesses laying off employees and struggling along, MECU paid you, its member-owners, an extraordinary dividend and loan interest refund, for the 28th consecutive year.

The role of the Board of Directors, Credit and Supervisory Committees is critical to the success of MECU in fulfilling its mission. Setting the strategic direction, providing oversight, and acting as your member-elected representatives is a responsibility that is not taken lightly by these individuals. They invest hundreds of hours of personal time to MECU attending meetings, educational sessions required by the State of Maryland, supporting MECU in the community, and more. The expectations for these officials are high; and if one is not willing to make the commitment and sacrifice required it will result in being removed from office.

Fortunately, as a State Chartered Credit Union, the MECU membership can compensate its officials for the many hours they contribute to the betterment of the organization by paying an honorarium for meetings they attend.

As required by law, the compensation schedule is authorized each year by a vote of the membership at the Annual Meeting in accordance with Section 6-331 Annotated Code of Maryland, Financial Institutions Article. Additionally, it is approved by the Commissioner of Financial Regulation for the State of Maryland based on the institutions' financial performance. This compensation is in exchange for services performed as an official; and it is reported as income to the Internal Revenue Service.

The proposed dollar amount that will be paid to each official is as follows: Board of Directors: \$200 honorarium per meeting attended; \$200 per day for each day that a director attends an educational conference, as required by law, and travel days. Credit and Supervisory Committee Members: \$150 honorarium per meeting attended; \$150 for each day that a committee member attends an educational conference, as required by law, and travel days. The aggregate dollar amount paid to all officials for the 12 months preceding January 2010 was \$250,450.

Assuming that the proposed honorarium schedule stays the same as last year; is approved by the members at the annual meeting, and that the same number of meetings will be held as in the preceding 12 month period, the aggregate dollar amount to be paid to all officials in 2009 is estimated to be the same. The aggregate dollar amount of all officials' expenses, excluding the compensation outlined above, for the 12 months preceding January 2010 was \$158,662.

NOTES OF INTEREST



Save for Your Future with an IRA

Making a deposit to your MECU IRA account could help reduce the amount of taxes you pay and help you save for retirement. MECU offers both traditional and Roth IRA Savings accounts as well as IRA Certificates of Deposit.

IRA Savings and CD accounts are federally insured by the NCUA up to \$250,000, and MECU provides Excess Share Insurance giving you a total of \$325,000 of coverage. There is no fee for establishing or maintaining your IRA or IRA CD at MECU. Open your IRA or make a deposit to your existing IRA before April 15, 2010 to take advantage of the tax savings for 2009.

Cash Bonus Paid

Since 1981, MECU has paid its members a cash bonus in the form of an extraordinary dividend and a loan interest rebate. The MECU Board of Directors put aside over \$4 million in 2008 to provide cash bonuses in 2009. Members received over \$2 million in June; and in October the Extraordinary Dividend was distributed early to help members facing cutbacks. The extraordinary dividend portion of the cash bonus will be paid at the end of December.

The amount each member receives is based on the amount of regular dividends you received and the amount of interest you paid on loans. That makes this a good time to move all your accounts to MECU. The more business you do with MECU the bigger your Cash Bonus.

Thank You Members!

Because of the loyal support of our members, MECU's assets have reached \$1 billion dollars for the first time. Sound management of your money is at the heart of what we do at MECU. While some financial institutions are struggling because they made risky loans, MECU has remained financially stable during the past several years by working with our members to make solid loans that they can afford.

You can see our commitment to you – our members – through the cash bonus we have paid every year since 1981. Thank you for being MECU members.

Watch Out for Scams!

Scam artists keep coming up with new ways to try and get your money. A lot of MECU's members have received letters or emails about two common ones around today – Lotteries and Secret Shoppers. The lottery scam is a letter along with a check, usually for \$2,500 to \$5,000, to cover taxes. But you must call a number before depositing the check. "Failure to do so will result in the payment being stopped..." When the "winner" calls they are told to deposit the check and call back for further instructions. Then the "winner" is told that they must return part of the first check to cover processing expenses. If you do that, you've been scammed. That first check will bounce and you're out the money you sent to the scammer.

In the Secret Shopper scam you receive an email or letter saying you've been hired to work as a part-time secret shopper. You receive a check including your salary and funds that are to be spent within a week while evaluating service. The first assignment is to go to Western Union and send a wire transfer back to the scammer. By the time you learn that the check bounced, you've sent a lot of your money to the scammer.

It's up to you to keep your money safe. If something doesn't seem right, trust your instincts.

Credit Union Scholarship Contest

Are you or a family member headed off to college in 2010? MECU is pleased to announce a college scholarship opportunity that may make it easier for you to meet your tuition costs.

The \$11,000 Credit Union College Scholarship Program for 2010 is underway now! Our college-bound members are eligible to apply for one of ten \$1,000 essay-based scholarships and one \$1,000 video-based scholarship.

Deadline for applications is March 31, 2010. Awards will be made in May 2010.

This year's essay topic is:

How can your credit union membership help you avoid financial pitfalls?

The 2010 video challenge is:

Create a 60-second advertisement promoting credit union membership.

Any member of MECU entering their freshmen through senior year of college may apply. Applications and complete details on the Credit Union College Scholarship Program can be found at:
<http://cufound.org/scholarship.htm>

This scholarship is made possible by the Credit Union Foundation of MD & DC.





Want to see MECU in the community?
Go to www.youtube.com/mecutv

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Corporate Offices

7 East Redwood Street, Baltimore, MD 21202

Elmer Bernhardt Redwood Street Branch

7 East Redwood Street, Baltimore, MD 21202
Mon/Tues/Wed 8:30-4:30; Thu 9:00-4:30; Fri 8:30-5:30

Fayette Remote Teller System

401 East Fayette Street, Baltimore, MD 21202
Mon/Tues/Wed/Fri 8:00-4:00; Thu 9:00-4:00

Herman Williams Jr. Fallstaff Center Branch

6814 Reisterstown Road, Baltimore, MD 21215

John T. O'Mailey Hamilton Center Branch

2337 East Northern Parkway, Baltimore, MD 21214

Charles L. Benton Jr. Westview Center Branch

5910 Baltimore National Pike, Catonsville, MD 21228

Fallstaff/Hamilton/Westview Lobby: Mon-Thu 9-4; Fri 9-5:30; Sat 9-3
Drive thru: Mon/Tues/Wed/Fri 7:30-5:30; Thurs 9-5:30; Sat 9-3

Harry Deitchman PJM Business Center Branch

312 North Martin Luther King Jr. Boulevard, Baltimore, MD 21201
Mon-Wed 7:30-4; Thu 9-4; Fri 7:30-5:30; Sat 9-3

Loch Ridge Center Branch

8507 Loch Raven Boulevard, Baltimore, MD 21286
Lobby and Drive thru: Mon-Fri 12-7; Sat 9-3

Dundalk Branch

7220 Holabird Avenue, Dundalk, MD 21222
Mon-Thu 9-4; Fri 9-5:30; Sat 9-3



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency. Additional coverage provided through Excess Share Insurance Corporation to a combined total of at least \$325,000. Equal Housing Lender — We do business in accordance with Federal Fair Lending laws.



**Re-do at
MECU.
Refinance Now.**



www.mecu.com

