

## A LETTER FROM THE CEO: 2009 WASN'T ALL BAD.

If you heard any news about the financial industry in the past 12 months, chances are it was bad news. This year was difficult for just about everyone, but the news wasn't all bad for Sb1 in 2009.

### 1. Despite the economic downturn, Sb1 continued to grow.

Over the past 32 years Sb1 built up \$44 million in capital and reserves. Every penny of that \$44 million came from net income, (profit) earned year after year. As a Credit Union, we can only build capital through earnings – we can't sell stock or permit private investment. This capital that we managed to save up allowed us to operate as we always have through this "rainy day."

### 2. With a healthy balance sheet, Sb1 is still lending.

While many banks have drastically cut back their lending activity, Sb1 is still growing. We continue to attract deposits which allows us to continue lending to members who are looking to borrow. So whether you're looking to earn more on your savings, invest for your future, or borrow for less, Sb1 can help.

### 3. If you have money in an Sb1 account, it's more secure than ever.

Since the financial crisis hit late last year, we've witnessed several failures of financial institutions. The National Credit Union Association (the Credit Union version of the FDIC) acted to increase the amount of federally

backed insurance available to Credit Union members. The new amount now stands at at least \$250,000 per member. Making Credit Unions one of the safest options available for your money.

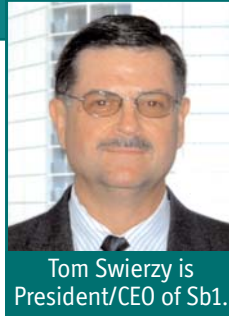
### 4. Sb1 has always been up-front with Credit Card holders.

Credit Card legislation got a lot of press this year, but what didn't get a lot of ink was the fact that most Credit Unions were doing the right thing long before it was required by law.

At Sb1, we don't offer low teaser rates that may look like a better deal than they really are. We probably lose a few cardholders every year by being upfront. But that's okay, because that's how we choose to do business – with honesty.

On behalf of all the employees of Sb1, we thank you for your support throughout 2009 and we look forward to having a strong 2010 together.

Tom Swierzy,  
President/CEO  
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Tom Swierzy is President/CEO of Sb1.



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#### What's text?

Now you can send text messages to Sb1 to get general questions answered. To ask about personal account information please use NetBanker's Communication Center or to view your accounts from your web-enabled phone logon via Mobile Banking at sb1fcu.mobi.

sb1fcu.org  
mail@sb1fcu.org

**SHARED BRANCH LOCATIONS**  
cuservicecenter.net

**SURCHARGE-FREE ATMS**  
allpointnetwork.com  
(VISA Check Card holders only)  
cudollar.org  
atmallianceone.com

**KING OF PRUSSIA OFFICE**  
Press 6601 from Main Phone Menu

**TELEPHONE TELLER**  
Press 2 from Main Phone Menu

**ABA ROUTING  
AND TRANSIT NUMBER**  
236087664



Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government  
**NCUA**  
National Credit Union Administration, a U.S. Government Agency

Jumbo depositors covered by:  
**ESI**  
Errors  
Omissions  
Insurance



# MoneyTalk

WINTER 2010



## Positive changes for Roth IRA conversions in 2010.

With new legislation and changes to current tax laws that will go into effect January 1, 2010, more people will now be able to take advantage of Roth IRAs.

This new law makes a conversion to a Roth IRA available to all investors regardless of their income. It also allows the income taxes that will be due on any converted funds to be spread over two years (2011 and 2012) in order to help offset the taxed amount related to the conversion. It does, however, require you to pay income taxes at your current income tax rate on all money you convert.

### Is a ROTH IRA right for you?

It's important to note that although this option is now available for everyone, it may not be the best option for you based on various personal factors. Consult with a trusted tax professional before deciding which type of IRA might be best for you.

To learn more about the differences between Roth and Traditional IRAs, visit sb1fcu.org/ira, where you can see a comparison that may help you with your decision.

## Plan for the future.

Schedule your complimentary consultation with a Financial Advisor at Sb1, available through CFS\*.

Contact the Sb1 Financial Services Department today to set up a time that works for you by calling 888.564.4900 or by emailing Diane.Badolato@sb1fcu.org.

\*Investments and advisory services offered through CUSO Financial Services, L.P., (CFS), a registered Broker-dealer and SEC Registered Investment Advisor. Investment products: are not NCUA/NCUSIF or federally insured, are not obligations of the credit union, are not guaranteed by the credit union or any affiliated entity, and involve investment risk including the possible loss of principal. Investment Representatives are employees of Sb1 Federal Credit Union and registered through CFS (member FINRA/SIPC).



## Tax Season Reminders

### Receive your tax refund up to 3 weeks earlier!

If you're expecting to receive a refund this year, set up your refund to be delivered via Direct Deposit instead of waiting for a check to arrive by mail. Visit [sb1fcu.org/taxrefund](http://sb1fcu.org/taxrefund) to learn how.

### You'll need two pieces of information to setup your refund for Direct Deposit.

#### 1. Sb1's Routing Number, 236087664

Also known as the ABA number, the routing number also appears at the bottom of your personal checks and serves to direct your refund to the correct institution.

#### 2. Your Account Number

A combination of your member number plus the two-digit account number into which you wish to have your refund deposited. If you would like to have your refund deposited into your savings account, you can simply enter your member number along with 01. For example, if your member number is 987650, you could use 98765001 to set up Direct Deposit to your savings account. If you would like to have your refund deposited to your checking account, use your member number exactly how it appears on the bottom of one of your Sb1 checks.

### Look for important tax forms in the mail this month.

Sb1 will mail 1099-INT forms by January 31, 2010 to all members with accounts earning interest of \$10 or more. These forms provide interest earned on your share accounts for the tax year 2009.

Please be advised that the IRS does not require form 1099-INT if less than \$10 was earned on an account. However, it is still advisable to report all interest earned on your 1040.

### Don't miss out on your tax exemptions!

Other 1098 (mortgage interest statement) and 1099-R (distributions from pensions, annuities, etc.) forms will also be mailed in January. Members are encouraged to verify the accuracy of information immediately. The Credit Union cannot make any corrections to Sb1 related information after February 16, 2010.



## In 2009, members looked to Sb1 first when they needed to borrow.

With our low rates, willingness to lend, and ease of online application and approvals, we have always been the best place to borrow.

### Sb1 offers a full range of loan options to finance just about anything.

If you're looking for a vehicle loan, we've got what you need. Sb1 offers competitive rates on traditional loans for New and Used Automobiles and Trucks, Classic Auto Loans, Motorcycle Loans, and Recreational Vehicles (including Boats and Watercraft), as well as Home Loans and Visa Credit Cards if you're looking for other options.

### Could you use your own private bail out for the holidays?

Consider a competitive rate Sb1 Personal Loan. You could use one to consolidate any higher rate loans into a single easy to make monthly payment, or transfer higher rate credit card



balances to an Sb1 Visa Credit Card. We do not have any balance transfer fees that you are typically charged with most balance transfer offers.

If you need to borrow this year, check out all our competitive loan rates online at [sb1fcu.org](http://sb1fcu.org).

You can even apply today online to get pre-approved and approvals only take minutes.

Sb1 has a tiered loan rate policy which applies different loan rates to borrowers based upon the borrower's credit history. Rates subject to change at any time. Mortgage loans are not available in CA, TX, WV, and PR; Home Equity loans are not available in TX, PR.

## Over 1 in 3 Americans will face a legal issue this year. Sb1 can help.

That is a scary statistic when you consider the high cost of legal fees. But as an Sb1 member, you can rest assured that you have an affordable legal option available for you and your family in the event that any legal issues should arise. It's called **The Family Legal Care Plan**, and it's one of the many benefits of your Sb1 membership.

Since 1977, this Plan has been offering access to a lawyer through their **free consultation** program along with discounted fees.

### Who provides the legal services and where?

The Law Firm of Pearson Nelson, LLP is headed by James W. Pearson & Paul D. Nelson who combine over 60 years of practicing law. For areas of the law that are more specialized or are out of the area, the Member Legal Service Network is also available. It consists of over 30 lawyers practicing in nearly all areas of the law and gives members the benefits of a large law firm with a smaller law firm sensitivity to client needs and costs. Referral attorneys provide the same basic benefits of an initial **free consultation** and **fee discounts of 10% - 15%** in most cases.

### How do I access The Family Legal Care Plan?

Members can speak with an attorney by calling 610.566.2666, 215.735.3969 or 856.428.3242 to schedule an appointment in Media, Philadelphia or any Credit Union office.

For more information, visit [lawwalk.com](http://lawwalk.com) or contact Attorney Jim Pearson at 800.232.1477 and mention you're an Sb1 member.

## Sb1 Federal Credit Union Privacy Policy Notice

Sb1 Federal Credit Union is committed to protecting the privacy of its members. In the course of providing services to you, we collect personal financial information about you. The purpose of this notice is to inform you of our Privacy Policy. If you have any questions after reading this notice, please contact us at 800.806.9465.

### Information we collect about you and disclose to others:

- Information we receive from you on applications and other forms or from others to verify your information on applications and other forms.
- Information about your transactions with us, our affiliates or others.
- Information we receive from a credit-reporting agency.

We do not disclose personal financial information about our members and former members to anyone, except as permitted by law.

## Board Election Notice

Sb1's Annual Meeting will be held on Wednesday, April 14th at 3:45 PM. Routine Annual Meeting business will be conducted in addition to the announcement of elected Board Members. As part of the election process, we are required to post a list of the Board Nominees and their qualifications.

Nominees were selected by a Nominating Committee (appointed by the Board of Directors).

Credit Union members may nominate additional candidates, and for more information on how to do so, visit

**Parties who receive information from us:**  
To provide members competitive products and services, we may disclose all of the information we collect, as described above, to the following third parties:

- Financial service providers with whom we have joint marketing agreements, such as those that provide securities, insurance and mortgage services.
- Non-financial companies, such as consumer reporting agencies.
- Companies that perform marketing or other services on our behalf.

### How we protect your information:

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your information. Again, if you have any questions regarding our Privacy Policy please contact us directly at 800.806.9465.

[sb1fcu.org/nomination](http://sb1fcu.org/nomination). If no nominations by petition are received, the slate of candidates presented by the Nominating Committee will be considered elected.

If additional nominees are made, a mail ballot will be conducted and successful candidates will be announced at the Annual Meeting. The Nominating Committee has presented the following slate for shareholder considerations for three-year terms: Robert King, Lisa Stanwyck and Gloria Wilson.

