

TELCOE bulletin

Good service and that family feeling



"Service makes a difference," began Luther Evans in a recent interview. "I knew right away that the employees at Telcoe were different. They really care about you and want to help and protect you. It really is a family feeling at Telcoe."

Luther and Sharon Evans have had plenty of experience with Telcoe service. Since they joined the credit union in 2001, they've financed two vehicles and just recently refinanced their mortgage loan. "We look for convenience and honesty in a financial institution," explained Sharon, "Telcoe has always been there for us and gone that extra mile. When we got the run around at the car dealership, we got the straight story from Telcoe on the auto deal."

The Evans family is always on the go. Luther is a videographer/video editor with Arkansas Children's Hospital in Little

Rock, and Sharon works for UPS as a national accounts representative. When not at work, their youngest son, Kristopher keeps them busy with school and church activities. Their oldest son Lamont is a supervisor at Target. "Lamont is also a member of Telcoe," said Sharon, "and he has recently received an auto loan through the credit union as well."

When it came time to lowering their interest rate on their home loan, the Evans thought of Telcoe first. According to Luther, "We knew the staff at Telcoe would look out for our best interest. The service was friendly and fast. We had our home loan approved in a day. And I mean one day. Now that's good service."

Mortgage rates are still very low. If you, a family member or co-

worker have not refinanced your mortgage to take advantage of the low rates that are available, it's time to pick up the phone and call your credit union. Experience first-hand the great service and family feeling you'll get when you do business with your friends at Telcoe.



NEW Home Equity Line of Credit

With a pre-approved Home Equity Line of Credit (HELOC), you can use the equity in your home to make much needed home improvements, take a dream vacation, pay for higher education and much more - all with a single phone call to advance your HELOC. Once established, you can advance your loan \$1,000 or more up to your pre-approved credit limit - no more applications to fill out or approvals necessary.

Call 501-375-5321 or 800-482-9009 for more information on Telcoe mortgage loans, home equity loans and the new HELOC!

Check these rates and terms:

- 30-year Conventional Mortgage Loan 5.50% APR*
- 15-year Conventional Mortgage Loan 4.75% APR*

- Telcoe can pre-approve your home loan within 24 hours of receiving your application
- First-time home buyers - get into your first home with 3% down plus closing costs (NOTE: In some cases, closing costs can be paid by the seller.)

\$100 OFF

Present this coupon with your mortgage loan application and receive \$100 off towards an appraisal.

Coupon expires Feb. 27, 2004.

* All applicants are subject to credit approval. 1.00% origination fee on all mortgage loan programs. Rates quoted are for loan amounts \$50,000 and above on January 26, 2004. Rates are subject to change at any time. 45-day lock-in.

A newsletter for our membership.

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Telcoe Loans Now More Automated

The Telcoe loan department was recently trained on new software that has automated the loan application process and ultimately provides members with quicker answers to their loan requests. The new lending platform eliminates some of the more time-consuming steps in the loan process.

"When a member calls Telcoe with a loan request, we will interview them by phone while entering their application information on our computer system. Instantly, the member's credit file and credit report will be viewable on the computer screen. Because we'll have all pertinent information available in that

one step, the loan decision can be made quickly and efficiently," explains Michele Mosley, Project Manager.

Experience the ease and convenience of Telcoe auto loans during the upcoming Spring Car Sale!

Members should mark their calendars for two exciting credit union car sale events: February 6-14 and March 18-28. Both sales feature special new and used car loan rates and terms, loan pre-approvals within one hour and great deals from participating dealers. Watch your mailbox for details or visit www.telcoe.com!

Certificate Rate Shopping Made Easy

Each week, Telcoe surveys the Arkansas market to collect information on certificate rates being offered. Using that information, credit union certificate rates are competitively priced and posted at the Telcoe Web site, www.telcoe.com.

In addition to the weekly rate shopping, Telcoe offers hot certificate specials the third Thursday each month. To check the specials just call Telcoe, 501-375-5321 or 1-800-482-9009 the day before or the third Thursday of each month. The special rate and term is offered for a limited time and only to those who call early and lock in the special rate/term when it's available.

Valentine Certificate Special

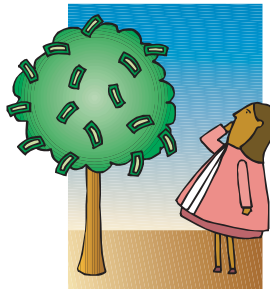
Here's a certificate special to warm your heart and pocketbook!

For a limited time - through Feb. 20, 2004

3.25% APY *

18-month Valentine Certificate

\$10,000 minimum deposit



* APY stands for Annual Percentage Yield. Dividends are paid monthly. There is a penalty for early withdrawal prior to maturity.

New Vision and Mission Statements Adopted

Every three to five years, it is important for organizations to take a close look at the vision and mission statements that are guiding the goals and planning for that particular organization. Telcoe board members and managers held meetings to revise the Telcoe vision and mission last year. The results of those discussions were new statements that better reflect Telcoe today and where Telcoe is going in the future.

The Telcoe Vision Statement

To serve our worldwide membership with quality financial services while being the leader in proven technology, financial service delivery, and product innovation.

The Telcoe Mission Statement

We are committed to fostering life-long financial partnerships with our members/owners to promote attainment of their personal financial goals. Our dedication to financial stability is strong, and our traditions support the core values of honesty, integrity, professionalism and service.

Reminders for Members with IRAs

For 2003, you can make contributions to your IRA until April 15, 2004. Unless you reached age 50 before January 1, 2004, the most that can be contributed to your IRA for 2003 is the smaller of \$3,000 or your taxable compensation for the year.

If you did reach age 50 before January 1, 2004, the IRS has provided a "catch up" provision of an additional \$500 for a total contribution of the smaller of \$3,500 or your taxable compensation for 2003. These contribution limits are the same for Traditional and Roth IRA's, however, if you have BOTH a Traditional and a Roth IRA, the limit applies in total to both IRA's. (You may not contribute \$3,000 to both accounts for a total of \$6,000.)

Telcoe offers both Traditional and Roth IRA's. We also offer Coverdell Savings Accounts, formerly known as Education IRA's, for education expenses. Call Telcoe today for more information on these products.

Manage Your Telcoe MasterCard Account On-Line



Busy lifestyles require as many time-saving financial services as possible. Telcoe's MasterCard Credit Card has many time-saving as well as money-saving features. To experience these features, visit the Telcoe home page at www.telcoe.com and click on the [Your MasterCard Account Information On-line](#) link.

Your MasterCard account and current charges will be available for view, and you can make your payment on-line at your convenience. A great security feature that's available is the ability to set alerts on your MasterCard account. For instance, you can set a transaction alert that will notify you by e-mail if a charge exceeds a certain dollar figure.

Using the on-line MasterCard features offered by Telcoe, you can manage and safeguard your MasterCard account from the comfort of your home or office. This is just another way that Telcoe makes managing your finances safe and convenient.

Other MasterCard Benefits

For Telcoe MasterCard Credit Card holders, there are a host of security, health, travel and entertainment benefits available at no charge. Through the Basic Advantage Program, Telcoe MasterCard holders can enjoy eyewear discounts, pharmacy discounts, travel and auto rental discounts, key return service and credit card registration (call one toll free number to report all lost or stolen credit cards). To find out more about the Basic Advantage Program, visit www.cardenhancements.com or write to FIBA, P.O. Box 31065, Tampa, FL 33631.

NEW! Credit Builder Loan

For members who have had credit problems in the past or who have no credit history at all, Telcoe offers the new Credit Builder Loan. Here's how it works. If you were to borrow \$1,000 as your Credit Builder Loan, Telcoe places the proceeds of your loan (\$1,000) in your Prime Savings Account. Those funds are "frozen" while you make regular, on-time, payroll deducted payments to Telcoe over the course of 24 months. At the end of the 24-months, your credit report would reflect two year's worth of on-time monthly payments - one good credit line! AND you would have \$1,000 plus dividends in your Prime Savings Account to use as you see fit.

To find out more about the Credit Builder Loan, call today - 501-375-5321 or 800-482-9009.

Members Making a Difference

Through the dedication and support of Telcoe members and credit union staff, your credit union is able to make a difference in the lives of those who live and work in our community. Two of the main fundraising events Telcoe participates in each year are the Children's Miracle Network (CMN) and the American Heart Association Heart Walk.

Record Fundraising for the Children's Miracle Network in 2003

The Children's Miracle Network (CMN) has become the dominant organization actively providing better health care to kids through its associated hospitals. In Arkansas, the CMN associated hospital is Arkansas Children's Hospital - one of Telcoe's sponsor organizations! After many exciting fundraising events in 2003, Telcoe members made a \$16,403 donation to CMN. 100% of those funds will be allocated to Arkansas Children's Hospital. CMN Fundraising for 2004 will kick off with Valentine hearts being sold at all Telcoe branches. Help us raise money for CMN in 2004 - buy a Valentine heart! Coming soon...Celebrity Attractions has donated two tickets to the Broadway musical, Miss Saigon. Telcoe will be collecting \$1.00 donations for a chance to win tickets to the opening night performance, May 18th, at Robinson Center Music Hall.

Walkers Needed for the 2004 Heart Walk

The American Heart Walk is a non-competitive event focusing on exercise as an important component of a heart-healthy lifestyle while raising money to support medical research and education programs of the American Heart Association. Members are invited to help Telcoe staff members represent the credit union in the 2004 American Heart Walk on Saturday, April 24, 2004 at the North Shore River Walk in North Little Rock. Registration begins at 8:00 a.m. with the Walk starting at 9:00 a.m. A kick-off luncheon will be held February 26th a 12:00 noon at Philander Smith College. If you are interested in attending the luncheon or participating with the Telcoe Heart Walk Team, please call 501-375-5321 or 800-482-9009 and ask for Michele.

Wanda DeBusk The Spirit of a Volunteer

Telcoe board member Wanda DeBusk is celebrating 30 years of volunteer service with Telcoe Federal Credit Union. The Telcoe membership, board of directors, management and staff would like to extend appreciation to Mrs. DeBusk on her years of service to Telcoe. She is the epitome of the "volunteer spirit," and is an example to all.



Mrs. DeBusk retired from SBC with 33 years of service. After her retirement from SBC, she credits her involvement on the Telcoe board with keeping her connected with people she worked with over the years. As the secretary/treasurer of the Telcoe board, Mrs. DeBusk has been directly involved in the Telcoe Annual Meetings. She has been the annual meeting committee chairperson for many years. And when the lights go on, she conducts the gift and recognitions portion of the meeting in a humorous and loving manner that makes the event a pleasure for all attending.

In addition to her volunteer work with the credit union, she has over 40 years of volunteer service with her church as pianist, and she selflessly gives of her time and talents providing dolls with handmade wardrobes to youngsters and cooking for family and church events.

In her own words, "It has been a privilege and honor to serve the membership of Telcoe." Mrs. DeBusk, we are all privileged to know you. Congratulations on your 30 years as a Telcoe volunteer. Your giving spirit is a model for others.

Member Survey Results

In September of 2003, Telcoe Federal Credit Union conducted a professional membership survey to measure member attitudes, satisfaction and interest in new services. The timing of the mailed survey, in the early fall of 2003, was important. With survey results tabulated and available by October, Telcoe was able to use the information gathered in the survey for both short-term (2004) and long-term (three to five years) planning.

In the survey, 98% of the respondents said that they were satisfied or very satisfied with Telcoe overall. Telcoe was perceived as a full-service financial institution by 90% of those responding. 98% of respondents ranked Telcoe staff as professional and knowledgeable, and 95% of respondents indicated that they read the Telcoe newsletter and other information mailed to the home.

Because of the results of the survey, Telcoe will be looking very closely at present and future branch locations and hours of operation. There will be more information about the convenient services offered, and shortening the loan processing time will be a focus in 2004. Members also indicated in the survey that they needed more information on the on-line services that are available.

Surcharge-Free ATMs - More Available in Arkansas



Telcoe members in search of surcharge-free ATMs in Arkansas will be pleased to know that more financial institutions are on board with the CU24 ATM network (specifically the CU Here program) and now offer surcharge-free ATM transactions to Telcoe members. The ATM's will notify you of a fee that will be charged prior to completing your transaction, but you will notice on the receipt after completing your request that the fee will be zero. To find a surcharge-free ATM in your area, visit the CU24 Web site, www.cu24.com and click on the ATM locator link. Type in your city and state and/or zip code, check the CU Here box and click [Find Terminals](#). A listing of ATM locations will appear.

In Arkansas, Telcoe members will find surcharge-free transactions at ATMs owned by the following financial institutions:

- Telcoe Federal Credit Union
- Arkansas Federal Credit Union
- Baxter Credit Union
- Capital Bank of Little Rock
- Community Bank of Cabot (all locations)
- Cross County Bank of Wynne
- Dillards Department Stores
- First Financial Bank FSB
- First Service Bank in Clinton, Dermott and Greenbrier
- Metropolitan National Bank Little Rock
- One Bank and Trust of Little Rock
- Pine Bluff Cotton Belt Federal Credit Union
- Simmons First National Bank
- Southwest Airlines Federal Credit Union in Little Rock
- TruService Federal Credit Union
- UARK Federal Credit Union
- United Arkansas Federal Credit Union

Check Holds

What they are and why we have them.

Telcoe's policy is to make funds from your cash and check deposits available to you on the same day we receive your deposit. In some cases, we will not make all of the funds you deposit by check available to you on the same day we receive your deposit.

Depending on the type of check you deposit, funds may not be available until the fifth business day after the day of your deposit. Longer delays may apply dependent upon the type of item being deposited. If we are not going to make all the deposited funds available on the same day we receive your deposit, we will notify you at the time of the deposit. If your deposit is not made directly to one of our employees or if we decide to place the funds on hold after you have left the premises, we will mail you the notice the day after we receive your deposit.

If you ever have questions about the availability of your deposits, please ask a Telcoe employee for clarification. Complete details on funds availability are in the brochure "Understanding Your Account" given to all members. Or you can visit www.telcoe.com and view the "Terms and Conditions" link located at the bottom of the home page.

Presented locally by:
ARKANSAS HEART HOSPITAL
An entire hospital dedicated to fighting heart disease

Presented nationally by:
NutriSoy & SUBWAY
eat fresh.

American Heart Association
 Fighting Heart Disease and Stroke

American Heart Association
 909 W. 21st Street
 Little Rock, AR 72201
 Phone: 501-375-9148
 Fax: 501-375-9066

Heart Walk is our Mission in Motion!
"Participate. Raise Funds. Save Lives."

The American Heart Walk is a non-competitive event focusing on exercise as an important component of a heart-healthy lifestyle while raising money to support medical research and educational programs of the American Heart Association.

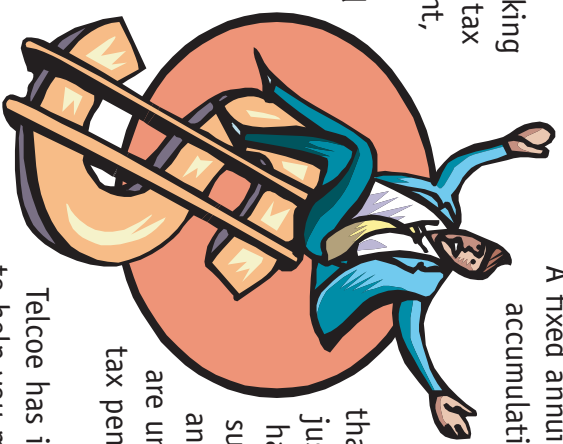
Event Schedule, Location & Contacts:
 Saturday, April 24, 2004
 North Shore River Walk, North Little Rock
 Located under the Main Street Bridge
 8:00 a.m. ♥ Registration/Pre-Walk Ceremony
 9:00 a.m. ♥ Walk Begins
 Phone (501) 375-9148

Sign Up On Our Website!
walk.americanheart.org

AMERICAN HEART WALK

Looking for Security? Consider Investing in a Deferred Fixed Annuity

If you've been bounced around by a tumultuous stock market and are looking for ways to help reduce your current tax liability, set aside funds for retirement, and diversify your portfolio with a product featuring guarantees, a fixed annuity may be just what you're looking for.



A fixed annuity can be an effective retirement accumulation and income distribution vehicle that may be appropriate for your needs. Before purchasing a fixed annuity, it's important to remember that there's more to an annuity than just an attractive interest rate. Some have annual contract fees. All have surrender charges depending on when and how much you withdraw. If you are under 59 1/2, there is a 10% federal tax penalty for withdrawals.

When you purchase a deferred fixed annuity, you make either a lump sum payment, or a series of payments over a number of years to an insurance company that guarantees your principal and provides a guaranteed fixed rate of return for a specified period of time. The earnings accumulate tax deferred, which means you don't pay income taxes until you make withdrawals.

Telcoe has information and products available to help you make a good decision on a fixed annuity. Before making a final choice, check with Telcoe first - 501-375-5321 or 800-482-9009.

BULLETIN BOARD

Holiday Closings

President's Day, Monday, February 16, 2004
 Memorial Day, Monday, May 31, 2004
 Independence Day (Observed), Monday, July 5, 2004

REPOS

'01 Pontiac Grand Am. 2-Dr Coupe. 48,000 miles. Leather interior. AM/FM, cassette/CD, V-6, auto., silver. **\$11,000**

'98 Jeep Cherokee. 4-Dr Sport SUV. 82,000 miles. Power windows/locks, cruise, auto., dark green. **\$6,500**

2000 Daewoo Leganza CDX Sedan. 4-Dr. 25,000 miles. Leather AM/FM/cassette, power windows/locks, cruise, auto., white. **\$10,000**

THIRD QUARTER DIVIDENDS

As of September 30, 2003 APY*

Prime Savings	1.00%
\$5.00 to \$199	1.00%
\$200 to \$20,000	1.78%
\$20,001 & up	2.20%
Club Accounts	1.00%
\$5.00 & up	1.00%
IRA Variable	1.00%
.00 to \$2,499	2.02%
\$2,500 to \$20,000	2.52%
\$20,001 to \$100,000	2.78%
\$100,001 & up	2.78%

*All rates quoted Annual Percentage Yield. Dividend rates are declared for the previous quarter. Earnings are paid on the first day of the month and are compounded quarterly. Rates and terms for savings and loans are subject to change without notice.

Telcoe FCU Information

Telcoe Federal Credit Union

P.O. Box 34200

Little Rock, AR 72203

Local: 501-375-5321

Toll Free: 1-800-482-9009

Fax: 501-375-6233 or 376-1709

Report Check Card Lost/Stolen:
1-800-325-3678

E-Mail: telcoe@telcoe.com

Web Site: www.telcoe.com

24-Hour Telephone Teller Automated Balance & Account Transactions
 Little Rock: 501-375-2648
 Toll Free: 1-800-368-2648

BRANCH LOCATIONS

TFCU Little Rock

820 Louisiana St.

Little Rock, AR 72201

M-F 8:30 a.m. to 5:00 p.m.

Local: 501-375-5321

TFCU Russellville

2504 West Main Street, Suite L

Russellville, AR 72801

M-F 8:30 a.m. to 5:00 p.m.

Local: 479-967-8018

TFCU Fayetteville

3075 Market St.

Fayetteville, AR 72703

M-F 8:30 a.m. to 5:00 p.m.

Closed for Lunch 1:30-2:30 daily

Local: 479-582-5557

Fax: 479-582-9409



Telcoe Stats

as of December 31, 2003

Assets:	\$142,245,412
Loans:	\$58,038,865
Savings:	\$111,082,631
Members:	18,768



Presorted Standard
 U.S. Postage Paid
 Little Rock, AR
 Permit No. 2437