

Great Rates. Personal Service.

e•connection

February 2010



Chevron Federal Credit Union

Rate Watch CFCU's 30-year Mortgage Rates vs. Competition

Chevron Federal Credit Union (CFCU) offers substantially lower rates on fixed-rate 30-year than our competitors. See how we compare:

30-YEAR FIXED-RATE MORTGAGE RATE COMPARISON¹

| INSTITUTION | RATE ² | POINTS | APR ³ |
|------------------------------|-------------------|--------|------------------|
| Chevron Federal Credit Union | 4.875% | 0 | 4.875% |
| Bank of America | 5.125% | 0 | 5.158% |
| Wells Fargo Bank | 5.250% | 0 | 5.284% |

*Great Rates.
Personal Service.*

We always come through for our members by consistently offering competitive rates! For more information, please stop by your local CFCU branch or call us at 510-627-5000 or toll-free 800-232-8101.

¹ Rates are for comparison purposes only. Your actual rate, points, and/or fees may be different.

² Rates as of 1/26/10 and are subject to change without notice. Comparison based on fixed-rate, 30-year, owner-occupied purchase in California. Sample payment with a rate of 4.875 on a \$100,000 purchase with \$20,000 down is \$ \$423.37 (not including taxes and insurance.)

³ APR = Annual Percentage Rate.

Discounts on Tax Preparation Software and Services

Most people have trouble paying high tax preparation fees in addition to money owed to the government. To help our members save money, Chevron Federal Credit Union (CFCU) has partnered with TurboTax®, Jackson Hewitt® Tax Service, and H&R Block® to provide tax preparation discounts. Look at what's available:

TurboTax®

TurboTax is an uncomplicated and affordable way to prepare and efile your tax returns. The following are just a few of the benefits of using TurboTax® Federal Free Edition to prepare your federal tax return:

- Prepare, Print, and e-file **FREE** with TurboTax Federal Free Edition.
- Get the maximum refund you deserve.
- Audit Support Center download included.
- Online help and advice is available 24/7.
- Fast refund in as few as eight (8) days when you e-file and use direct deposit.



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Converting From a Traditional IRA to a Roth IRA

Before recent law changes, conversion from a Traditional IRA to a Roth IRA was only available to individuals meeting certain criteria. Beginning in 2010, everyone will have the opportunity to convert to a Roth IRA.

Unlike the Traditional IRA, a Roth IRA allows for qualified tax-free withdrawals, a tax-free inheritance for your heirs, and no requirement to take minimum distributions from the account. Ordinary income taxes are due on the converted amounts. Afterwards, the withdrawals of converted amounts from the Roth IRA are:

- Tax-free and penalty-free at any time if over age 59½.
- If under age 59½, a 10% penalty tax on the converted amount if held for less than five years.

To qualify for a tax- and penalty-free withdrawal of earnings and growth from a converted Roth IRA, one needs to hold the Roth IRA for a minimum of five years and meet one of the following exemptions:

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Discounts on Tax Preparation Software and Services

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TurboTax has other low-cost state and federal tax return programs available for online use. To find the product that's best for you, please visit our website at www.chevronfcu.org, click on "Insurance & Investments" and then "Tax Solutions." Make tough times a little easier. Use TurboTax to get the maximum refund you deserve.

Jackson Hewitt® Tax Service

Preparing your own tax returns can be a complicated and confusing process. So relax and let a local Jackson Hewitt tax professional handle your tax preparation. Work with a trained tax preparer who understands your income tax situation and can address your concerns and answer your questions. **Save \$30.00 off your tax preparation fees.** To get your coupon, please visit our website at www.chevronfcu.org (click on "Insurance & Investments" and then "Tax Solutions") to download and print a copy. Coupons are also available at CFCU branches or by calling our Call Center. This offer expires April 30, 2010.

Whether you prefer to prepare your tax returns online or work with a tax professional, we have a solution for you. **Take advantage of these special TurboTax and Jackson Hewitt member discounts through our website** or call them at 800-613-4406, being sure to identify yourself as a CFCU member.

H&R Block®

H&R Block is also offering special discounts to CFCU members. Please visit our website at www.chevronfcu.org (click on "Insurance & Investments" and then "Tax Solutions") to download your coupon for \$20 off tax preparation services at participating H&R Block offices. Coupons are also available at CFCU branches or by calling our Call Center. This offer expires April 15, 2010.

Special pricing is also available on H&R Block TaxCut® online and software programs. For details, please visit them through the "Tax Solutions" page of our website or call them at 800-786-3429, being sure to identify yourself as a CFCU member.

For more information, please stop by your local CFCU branch or call us at 510-627-5000 or toll-free 800-232-8101.

Converting From a Traditional IRA to a Roth IRA

(cont'd from front)

- Reach the minimum age of 59½
- Take up to \$10,000 for a first-time home purchase
- Disability
- Death

If you are not currently holding assets in a Traditional IRA, you can take advantage of the conversion by maximizing contributions into a new account until **you file your 2009 tax returns.**

Morgan Stanley Smith Barney

If you believe this could be advantageous to you, or would just like to find out more, please contact The Cooper Network at Morgan Stanley Smith Barney at 1-866-546-1453 or e-mail us at coopernetwork@smithbarney.com.

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Member SIPC

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Help Teenagers Get Started on Good Financial Management

The teen years are a great time to learn and practice more complex financial management skills – while still under a watchful adult eye. All too soon, they'll have to make important financial decisions on their own.

Here are some key areas to consider as you teach your teenager how to handle finances:

Banking Skills: CFCU can be a valuable resource throughout life. If your teen isn't yet a member, now's the time to join and be introduced to all that the Credit Union has to offer. For example, we offer a MySavingsSM account for members under the age 21, where they can earn a rate of 6.77% (7.00% APY) on balances under \$1,000.

Budgeting: Budgeting is the cornerstone of financial planning. Challenge your teen to set priorities and goals, and to make a personal budget. For practice in sensible planning and spending, teens can take over the grocery shopping chore or a similar task, at least once a month.

Saving: If your teen earns a small income, encourage the start of a lifelong habit: saving a portion of everything he or she earns.

Taxes: Now's the time to go over that paycheck with them and explain why a portion has been withheld for taxes. Discuss income taxes and deadlines, and if necessary, help your teen file an income tax return.

Credit: Have a frank talk about using credit wisely. You may want to apply for a credit card with a low limit for teens, so he or she can start learning how to handle credit while still under supervision.

Reaching Goals: The goal is to encourage teens to handle finances responsibly and wisely. When they can set goals, work toward them while managing resources, and then attain them, they are better prepared to deal with not just financial management, but all the challenges of adulthood.

For more information on our MySavings account visit www.chevronfcu.org, stop by your local CFCU branch or call us at 510-627-5000 or toll-free 800-232-8101.