

STATE OF THE UNION

A Newsletter for Members of The Massachusetts State Employees Credit Union



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Monday through Friday
8:15 am to 4:00 pm

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Main Numbers:

800-700-7733 • 617-723-5555

Quik-N'-Easy Line:

800-881-6820

General Fax Number:

617-227-6696

Loan Department Fax:

617-227-0252

24 Hour Call Center:

866-820-0092



OFFICE CLOSINGS

Independence Day July 4, 2008

Labor Day September 1, 2008

Columbus Day October 13, 2008

Credit Unions Top Satisfaction Survey

Credit unions are meant to serve their members, and they are known for achieving high customer satisfaction. So it comes as no surprise that a recent study shows credit unions outperform both large, national banks and community banks in terms of customer satisfaction with online banking.

A 2007 ForeSee Results/Forbes.com study of online banking gave credit unions a customer satisfaction score of 83, higher than both large banks and community banks. Why are credit union members so satisfied with their

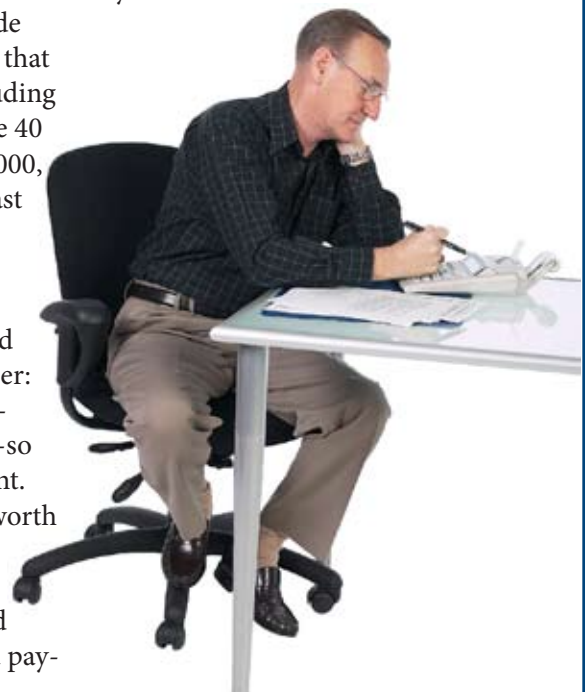
online banking? They are happier with tasks, transactions, and Web site performance, and they feel more comfortable with the privacy of their online banking.

“When it comes to personal attention, high-quality service, and low fees, credit unions continue to knock the socks off other providers in the financial services marketplace,” says CUNA President and CEO Daniel A. Mica. “Credit unions are not-for profit cooperatives, which means member service is their reason for being.”

NET WORTH: ARE YOU ON TARGET?

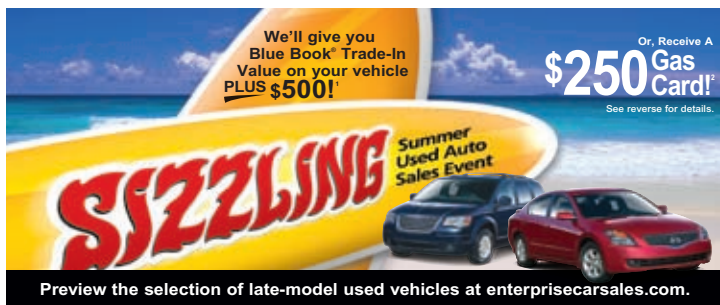
Is your net worth on target for your age and household income level? In the book “The Millionaire Next Door,” authors Stanley and Danko suggest a simple formula: Divide current age by 10 and multiply that by annual pretax income, excluding inheritances. Example: If you’re 40 with an annual income of \$50,000, your net worth should be at least \$200,000 (40 divided by 10 = 4 and \$50,000 x 4 = \$200,000). Although this is a suggested minimum, the more you exceed this figure, the better. Remember: Other factors affect net worth--such as family size and health--so use this figure as a starting point. One way to increase your net worth is to establish and maintain an ongoing savings program. Check our rates for savings and investment services. Starting a pay-

roll deduction to your MSECU Share Account or Money Market Account will get you on your way to increasing your overall net worth.



SUCCESSFUL ENTERPRISE CAR SALE

Our April car sale promotion, in conjunction with Enterprise Car Sales, was very successful. Several members purchased cars at the sale and received valuable gifts in return. About half of the members who purchased vehicles took the Garmin GPS and half took the gas card as a reward. Many comments were received about the “good buys” available on low mileage cars. Look for the flyer included with your statement for news about the special Enterprise car sale opportunity for the month of July.



STIMULATE YOUR SAVINGS ACCOUNT

Have you received your economic stimulus check yet? Why not use that money to establish or add to your “rainy day fund.” Deposit all or part of those funds into your MSECUCU savings account or money market account and watch it grow even bigger. Why not stimulate your savings today?



NEW DATA PROCESSING SYSTEM ON THE WAY

Your Credit Union has just finalized an extensive search and analysis program to identify operational improvements in how we process data. We have entered into an agreement with a new data processing vendor for implementation of new systems and technologies that will improve our overall efficiency and provide many additional capabilities. Exciting new member service options will also be available with this new processing system. You will hear much more about this upcoming conversion in the months ahead. We look forward to full use of this new technology in the first quarter of 2009.

DIGGING FOR GOLD: HOW TO FIND COLLEGE SCHOLARSHIPS

According to 2007 College Board estimates, the annual cost of attending a public four-year college (including tuition and fees, and room and board) is \$13,589 if you're a resident and \$24,044 if you're an out-of-state student. Private four-year schools average about \$32,307 annually.

These numbers may be daunting, but there is money out there to help you pay for school. In fact, there are an estimated one million scholarships available for qualified students, totaling nearly \$3 billion.

If you want to get your hand in that pot of gold, start looking early. Rough odds are one out of 25 for receiving a scholarship of some kind.

Thanks to the Internet, finding money for college is easier than ever. In fact, there are free databases such as fastweb.com, scholarships.com, and collegeboard.com with information about thousands of scholarships. Some even allow you to create a personal profile and generate a search that will find the scholarships you're best qualified for.

If you use online databases, try to use more than one. You will find a lot of overlap, but there may be some scholarships that are unique to each Web site.

Furthermore, if you use the personal profile search option, be as specific as possible. For example, if your choice of major is “marine biology,” put that in the search box, not “biology” or “science.”

And remember, never pay fees to obtain access to a scholarship Web site or database.

If you aren't quite so tech-savvy, the public library has plenty of books that contain scholarship information. But be wary of any scholarship listing that is three or more years old, as award programs change from year to year. You also can ask a school guidance counselor or a financial aid officer at a university you're interested in for referrals.

Many scholarships have deadlines as early as August or September, so don't wait until January of your senior year to start applying.

The typical high-school student should be eligible to apply for 30 to 40 different scholarships. The more scholarships you apply for, the higher your chances are of being awarded money.

PAYDAY BORROWING POKES A HOLE IN YOUR POCKET

Getting a payday loan to solve your cash-flow problem is like poking a hole in the pocket where you carry your cash. Over time, your money is apt to disappear as you “roll over” your debt.

Rollover debt occurs when you can't repay the full amount of a payday loan when it's due. Instead, you're forced to take out another loan for the original amount plus interest and fees.

As a result, the amount owed to payday lenders quickly grows, with the average payday borrower spending \$793 to repay a \$325 loan, according to the Center for Responsible Lending.

Find an alternative

If you're straining to repay a payday loan, contact one of our Member Service Representatives as soon as possible to ask for help.

You may be able to qualify for a small personal loan, at a much lower rate, that can be used to payoff those high rate payday loans.

Examine your options

You can avoid short-term borrowing by examining your spending and your options.

To reduce spending, take a hard look at what's a necessity and then cut out the extras. Next, consider options for generating income. Sell possessions that aren't being used, or work a second job or overtime hours.

To meet immediate needs, look for free services or merchants willing to let you pay over time. For example, if your car has a breakdown, look for a mechanic who will let you pay in two or three monthly installments.

The savings solution

To get out of the payday loan trap for good, establish a savings account. Ask your MSECUC Member Service Representative about savings options, including how to directly deposit part of every paycheck directly into your savings.

Those who take advantage of direct deposit save an average of \$90 more a month than those who don't, according to a study by NACHA, the electronic payments association.

By putting your savings in a MSECUC account, you can resist the temptation to tap the funds when you're short of cash. That way, the money will always be there when a true emergency arises.

Call us today at (800) 700-7733. We're here to help!

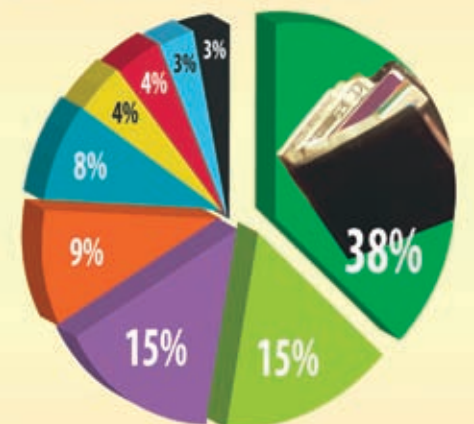


What's the Most Common Way IDs Are Stolen?

It's Still Your Wallet

Nearly 40% of identity theft stems from lost or stolen wallets, checkbooks, or credit cards.

Protect yourself. Rid your billfold of credit cards you don't use, and leave your Social Security card at home unless you need it that day.



Percentages based on surveys of victims who know how their information was obtained. Source: Javelin Strategy and Research as printed in USA Today, Feb. 26, 2007.

STAY INFORMED!

Find out first about upcoming promotions and special events. Receive our newsletter, *State of the Union*, before anyone else. How can you do this? Just supply us with your email address and we will automatically send you the newsletter and other pertinent information when it becomes available. This information can save you money, it's not junk mail! There are several ways to sign up to receive our newsletter by email:

Send you email address to our secure email site at msecu@mastatecu.org and request the newsletter by email.

Go to our website at www.msstatecu.org and click on the signup link under the “Newsletter” icon.

Select “Email Signup Form” from the “Applications” drop down box at the top of the homepage.

Are You Getting ...

DISCOUNTED LOANS ?

PREMIUM YIELDS ?

You are if you're a MasterAccount member!
And IT'S FREE!

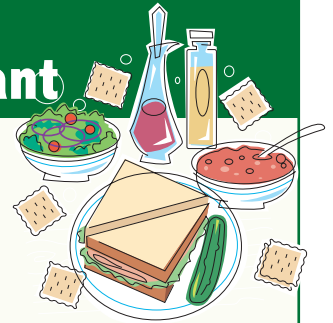
You can also get no-risk "Bump" share certificates!
And much, much more!

*It's easy to switch. Call our Member Service
Department for details.*



Loan rate discounts available for all consumer loans other than consolidation or share secured loans. Request for higher available rate for "No-Risk" Bump Certificates available for terms of two years or more and limited to one change per certificate term. Member must meet all qualifications for all applicable services in order to qualify for MasterAccount status. Offer may be terminated at any time.

Win Lunch at Tecce's Restaurant



Congratulations to
Audra Emmanuel
winner of our last drawing.

Provide the information below and we will make sure that you are kept informed of new services, products and promotions as they become available. You will also be entered into our random drawings throughout the year to win lunch for you and a guest at the famous Tecce's Restaurant in Boston, Massachusetts. Complete the brief entry form and fax it to us at (617) 227-6696. You may also submit the information via email to msecu@mastatecu.org.

Name: _____ Title: _____

Address: _____

Agency: _____ Department: _____

Email Address: _____

Telephone Number: _____

Approximate # employees at your location: _____

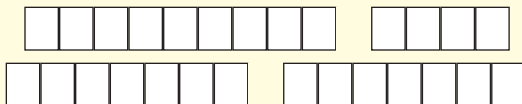
Please provide any comments regarding the Credit Union below:

Please check one:

- I am a member, my account number is _____
- I am not a member, please send membership information

THE STATE OF THE UNION PUZZLE

SURVEYING TOAST ACCUMULATIONS



Name _____

Member No. _____

Daytime Phone _____

E-mail _____

Address _____

City _____ State _____ Zip _____

We'd like to hear your comments and opinions of our newsletter.

Your chance to win a \$100.00 deposit to your savings account just by solving our anagram.

An anagram is a rearrangement of the letters of one word or phrase to form another word or phrase. We'll give you the size of the words in the answer and the solution will relate to a Credit Union topic.

Complete the puzzle, enter the information requested and send your completed puzzle to State of the Union, Massachusetts State Employees Credit Union, One Center Plaza, Boston, Massachusetts 02108. All correct puzzle entries received by **August 15, 2008**, will be included in a random drawing and the winner will receive a \$100.00 deposit to their savings account.

Solution To The Last Puzzle

Congratulations to **Sonia Marks**, the \$100 winner of our last *State of the Union* puzzle drawing.

CLEAR TRADE DEFICIT

