

DEFENSE CONTRACTS SOUTH FEDERAL CREDIT UNION

QUARTERLY NEWSLETTER

October 1, 2002

PHONE NUMBER: (214) 742-7830 FAX NUMBER: (214) 742-7834 TOLL FREE: 1-800-851-7830 E-MAIL: dcscfu@wt.net

1200 MAIN STREET, SUITE 240 DALLAS, TEXAS 75202 VISIT THE WEB SITE 24 HOURS A DAY: <http://www.dcsfcu.com>

www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com www.dcsfcu.com

DIVIDENDS

Your Board of Directors declared the dividend for the third quarter as follows:

DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD (APY)

BALANCES BETWEEN	RATE	APY
\$25.00 — \$499.99	0.50	0.50
\$500.00 — \$1,999.99	1.50	1.51
OVER \$2,000.00	2.50	2.52

Note: The annual percentage yield is a percentage rate that shows the total amount of dividends, based on the dividend rate and the frequency of compounding for a 365-day period. Dividends are figured on date of deposit to date of withdrawal basis.

Deposit Limit: The limit on deposits remains at \$2000 per account per calendar month.

Get a Low Rate Signature Loan

- ✓ Make home improvements
- ✓ Get new sporting and recreational equipment
- ✓ Purchase major home appliances & electronics
- ✓ Get a jump on Christmas

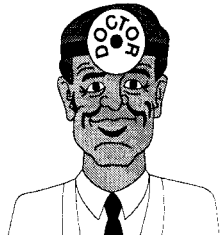
2003 Entertainment Passbooks
Now on Sale - \$20.00
Profits benefit ACE
(Activities Committee for Employees)

Your Savings
Federally Insured to \$100,000
NCUA

National Credit Union Administration,
a U.S. Government Agency

Good Credit is Priceless - It can be the best friend you will ever have. It is as fragile as a promise, once it is lost it only returns with great difficulty. Protect your good credit rating.

Now Is The Time To Buy A New Car

<u>Term</u>	<u>Rate</u>	<u>NEW CAR FEVER?</u>
4 Years	5.65 %	 <p>REMEDY - DCSFCU.COM</p>
5 Years	6.15 %	
6 Years	6.80 %	

Auto Equity Loans Available: Borrow up to the loan value of your vehicle for any purpose. Interest rates on these loans are much lower than credit card or signature loan rates.

Example: Carla has a \$3,000 loan balance remaining on a 2001 Chevrolet Tahoe worth \$20,000 and needs to payoff her high interest credit card balances. Carla could add \$17,000 to the balance of the current loan. The loan would be refinanced at our current 2001 used car rates based on the term of the loan.

Example: Aaron has the clear title to a 1997 Honda Accord with a loan value of \$5000. Aaron could borrow up to \$5000 for home repairs using that car for collateral.

How much is your vehicle worth?

All of the Credit Union's loan rates are on the reverse of this newsletter. Please contact the Credit Union to discuss your specific needs and find out the loan value on your car. Auto equity loans are quick and easy to complete.

CAUTION - BEWARE - WATCH OUT

Beware of Dealers' 0% Financing: Although these offers look very tempting, dealers compensate by charging higher prices for the cars. Read the small print. "Dealer participation may result in a higher negotiated price." It is almost always better to negotiate the lowest possible price including all rebates and finance at DCSFCU's low loan rates. Call the Credit Union to compare. We will analyze your deal, check the invoice price, and help you decide which deal is best for you with no pressure. We can offer this service on weekends with advance notice. This phone call can save you money.

Loan Rates with Payment Factors on Reverse for your Convenience