

State of the Union



A Publication of
NSWC Federal
Credit Union

September 2010

Coming soon...
Turn Everyday
Purchases into Cash

Log in to **shareNET** to pick your
Purchase Rewards

Get Cash Back by Using your **Check Card**



Click- to activate exclusive cash back offers at the types of places you like to shop.
Shop- online or in stores to redeem your offers by paying with your check card.
Enjoy- cash back - deposited right into your account at the end of each month.

Date	Description	Deposit	Withdrawal
07-22-10	POS Purchase - Bedding Emporium Offer: Just Beds: 10% cashback <small>NEW</small>	\$32.56	
07-20-10	POS Purchase - Best Pizza Offer: Best Pizza: 10% cashback	\$5.00	

Saving Real Money Just Got Real Easy.
Log in to **shareNET** at www.nswfcu.org to learn more.

Children's Miracle Network Presents "Jukebox Heroes" featuring The Mahoney Brothers

Join us for an evening of fun and tributes to the 50s, 60s and 70s as the Children's Miracle Network presents "Jukebox Heroes," featuring The Mahoney Brothers.



Saturday, September 18, 2010
Massaponax High School Auditorium
7:00 p.m. - 9:30 p.m.
\$20.00 per ticket
Cash/Checks Only
No Refunds, Reserved Seating



For more information visit www.nswfcu.org or call (540) 898-2324!

Have You Lost Your Overdraft Privileges?

REGULATORY CHANGES REQUIRE THAT YOU OPT-IN FOR OVERDRAFT PRIVILEGE

If we have not heard from you, you may have lost your Overdraft Privilege coverage for ATM and Visa Check Card transactions. A new regulation requires you to contact the Credit Union and opt in to this service.

This does not apply to any overdraft protection plans you currently have in place, such as a link to a savings account or line of credit.

For Checks, Recurring Debit Card (Visa Check Card) and ACH Transactions:
No action is necessary on your part to enroll in Overdraft Privilege for checks, recurring debit and ACH items. You may opt out of this service at any time by contacting our Member Services Department.

For ATM and Debit Card (Visa Check Card) Transactions:
Federal regulations require that you affirmatively opt in for this service. If you would like to participate in our Overdraft Privilege Program with regard to these specific types of transactions, contact our Member Services Department.

You may have already completed the form to continue your Overdraft Privilege at one of our branches or by phone. If so, you have made the important decision to continue this valuable protection for your account.

Please feel free to contact Member Services with any questions at (540) 663-2181 or (540) 373-5127.

Look for FOOD and FUN in our lobbies on
International Credit Union Day!

More details on page 2!

Everything we do,
we do for **you**TM

NSWC FCU Holiday Hours:

Labor Day, Monday, September 6, 2010 - CLOSED
Columbus Day, Monday, October 11, 2010 - CLOSED
Veteran's Day, Thursday, November 11, 2010 - CLOSED
Thanksgiving Day, Thursday, November 25, 2010 - CLOSED
Christmas Day, Friday, December 24, 2010 -
DAHLGREN OFFICE CLOSED
Christmas Day, Saturday, December 25, 2010 - CLOSED

Our ATMs, UNO, and ShareNet are available around the clock.

CONTACT US:
www.nswcfcu.org

Mailing Address
P.O. Box 519, Dahlgren, VA 22448

UNO 1-800-NSWCFCU
(540) 663-2299 or (540) 373-3794

E-mail: cuinfo@nswcfcu.org
Routing Transit #: 251480398

Phone Numbers
(540) 663-2181
(540) 373-5127
Fax: (540) 663-5779
TTY: (540) 663-5922



What College Investment Options Do I Have?

As tax laws change, college investment planning becomes increasingly complex. The most beneficial strategies for creating a college fund are quite similar to other investment tactics. Investment products that are tax deferred, tax exempt, or transferable without tax consequences can be especially advantageous.

This is even more effective if you do your planning early.

One important aspect of an investment is its balance of yield and risk. Determine the amount of risk you can tolerate, given the amount of time you have to recover from any potential losses.

Take the time to familiarize yourself with the financial aid formulas. This will help you determine whether assets and income should be in your name or your child's name. Structuring your investments ahead of time can have a significant effect on the net amount of funds available for your child's education.

There are a number of funding options available for your college investment plan. This list contains a few of the more common.

Share Certificates

Share Certificates offer a reasonable return with a relatively high degree of safety. They are NCUA insured to \$250,000 and offer a fixed rate of return, whereas the principal and yield of investment securities will fluctuate with changes in market conditions.

The interest earned on a Share Certificate is taxed as ordinary income. And Share Certificates are not very liquid. You will pay a significant interest penalty for withdrawing money before it reaches maturity.

Bonds

Many people consider U.S. government bonds to be among the least risky investments available. They are guaranteed by the U.S. government as to the timely payment of principal and interest.

The interest on Series EE bonds is tax-free to low- and middle-income families if the proceeds are used to fund a college education. This benefit phases out for individuals and couples in the upper middle class and above.

Zero-coupon bonds are purchased at a substantial discount and pay their face value upon maturity. The value of these bonds is subject to market fluctuation. Because they do not pay interest until maturity, their prices tend to be more volatile than bonds paying interest regularly. Thus zero-coupon bonds make it possible to buy high-quality bonds for far less money up front. Interest income is subject to taxes annually as ordinary income, even though no income is being paid to the investor.

Stocks and Mutual Funds

Many people who use stocks to fund a college investment program invest in mutual funds.

Mutual funds are professionally managed. They buy and sell securities to meet the specific goals of their fund, weighing risk against security, yield against quality. They can be an effective addition to a college investment plan. Investment return and principal value of these investments will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost.

Mutual funds are sold only by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Making Choices

There are college investment options to fit almost any investor. No matter how modest or how ample your income, careful planning is the best way to "find" the money for college. The key is to start early and remain consistent.

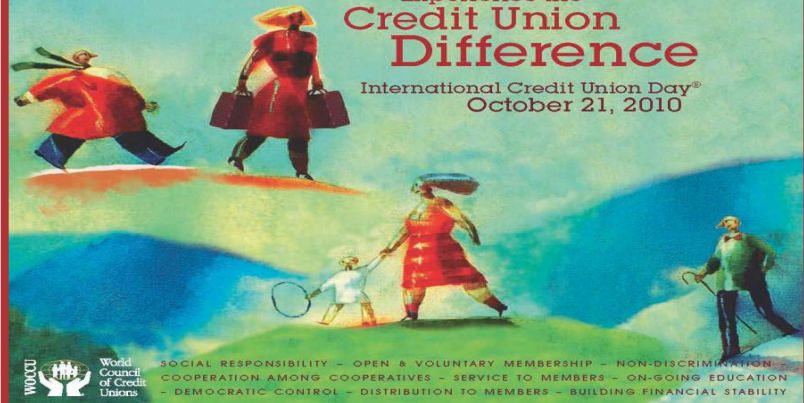
The information in this article is not intended to be tax or legal advice, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek tax or legal advice from an independent professional advisor.

186 MILLION CREDIT UNION MEMBERS WORLDWIDE

LOCAL. TRUSTED. SERVING YOU.™

Experience the
**Credit Union
Difference**

International Credit Union Day®
October 21, 2010



• International Credit Union Day •
• October 21, 2010 •

Please join us in celebration of International Credit Union Day. We will have snacks, fun and chances to win prizes on Thursday, October 21, 2010 at all locations!



Invest in
YOUR RETIREMENT

NSWC
Financial Services

Call (540) 361-2216 for help with
your Retirement Plan!

NSWC Financial Services is not a bank or Credit Union. Not insured by any federal agency. Not guaranteed by any bank of Credit Union. Not FDIC or NCUA insured.



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