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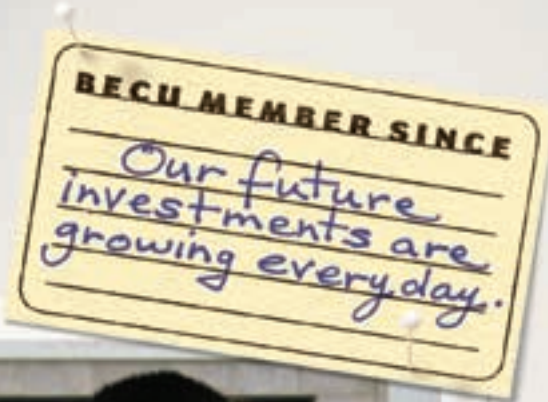
NEWS, INSIGHT AND INFORMATION FOR BECU MEMBERS

April 2009

Volume 13 Number 4

*more than
just money*[®]

BECU



Strategies for Today's Economy

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Credit Union Youth Week

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Submitted by:
Brandy L., Seattle

Free Paper-Shredding Event

DESTROY YOUR PERSONAL documents safely at the BECU free paper-shredding event.


WHEN:

10am – 1pm, Saturday, April 18, 2009

WHERE:

- >> Tukwila Financial Center
- >> Everett Financial Center
- >> Federal Way-Pavilions Neighborhood Financial Center

WHAT'S THE COST?

It's free! You may bring up to three grocery bags or two banker boxes full of paper. 

WASHINGTON BUSINESS WEEK TEEN SUMMER BUSINESS CAMPS

Visit www.wbw.org to learn more about these great summer camps, held on college campuses.

BECU members receive a \$50 discount. Register by June 5.

NEW NEIGHBORHOOD FINANCIAL CENTER COMING SOON

Renton Landing

1002 Park Ave. N., Renton

Opening Early May 2009

All NFC locations are fully staffed with friendly consultants to help you Monday through Friday, 9am to 6pm, and Saturday 9am to 1pm.

BECU DIRECTORY

HOURS

FINANCIAL CENTERS

Lobby	M-F	8:30am-6:00pm
Drive-up	M-F	6:30am-6:30pm

NEIGHBORHOOD FINANCIAL CENTERS (NFCs)

M-F	9:00am-6:00pm
Sat	9:00am-1:00pm

CONTACT CENTER

M-F	7:00am-7:00pm
Sat	9:00am-1:00pm

LOCATIONS

For a list of BECU Financial Centers, Neighborhood Financial Centers, ATMs, Shared Branches and CO-OP ATM locations, visit www.becu.org/locations.

BECU GENERAL INFORMATION

206-439-5700 800-233-2328

HEARING IMPAIRED (TDD/TTY)

206-439-5737 800-799-4858

BECU NEWSLETTER STAFF

Angela Grabner	agrabner@becu.org
Gena Wessman	gwessman@becu.org
Michaelene Robinson	michaelene.robinson@becu.org

BRINGING YOU MORE

Two new features available to you:

eStatements: Reduce Clutter at Home and in the Environment

We offer free eStatements for your BECU Visa account and your regular BECU accounts (checking, savings and loans). It's a safe and convenient way for you to view, save and print your statements right from your secure Online Banking.

Benefits of eStatements:

- >> Receive statements faster than regular mail
- >> Access an 18-month history of your statements, beginning from the first month you enroll
- >> Reduce amount of private information in your postal mailbox susceptible to theft
- >> Help reduce clutter in the environment

Coming Soon: Improved Telephone Banking

We are actively working to enhance your experience when you call BECU. We will pilot an upgraded phone system in late spring and fully launch the new system mid-summer 2009.

New features and improvements include:

- >> Convenient access to current deposit and loan rates
- >> Easy-to-use **intuitive speech recognition**: simply speak your account information, questions and commands to be directed to the information you need
- >> Simple **account verification**: enter your information once and you'll have access to all of your BECU accounts. AND you can verify your account using any one of your account numbers or even your debit card
- >> **Improved navigation** uses the information you supply in the Telephone Banking system to help direct you to the appropriate area if you still need to speak with a representative

Stay tuned for more information on our improved telephone system in the coming months.

Questions?

We encourage everyone to take advantage of the products and services we have to offer. For more details, visit www.becu.org or call us at **206-439-5700** or **800-233-2328**.

Strategies for Today's Economy

Working Out an Agreement with Your Lender

WE UNDERSTAND THE state of the economy is on everyone's mind. This can be a troubling time for many facing unemployment, falling home values, and declining investment portfolios. We want to help answer any questions you may have and be your resource for solutions during these times of financial uncertainty.

GET AHEAD OF FINANCIAL DIFFICULTY

It's important to get ahead of the problem as soon as possible if you foresee difficult financial times that may prevent you from making loan payments. The best time to contact BECU and any other lender you may have is before your payment is past due. Lenders are in a better position to work with you if they know your situation ahead of time.

Before you contact your lenders, determine what you think you can afford to do and what you won't be able to do. Try to figure out a solution that you can live with and will satisfy your lender.

DETERMINE WHAT YOU CAN AFFORD TO PAY BY ASKING YOURSELF:

- >>** *How much take-home income can you count on?*
- >>** *What are your current fixed payments? Example: housing, car loans, etc.*
- >>** *What are your current flexible expenses? Example: food, clothing, fun, etc.*
- >>** *Will you have additional income in the future?*

WORKING OUT AN AGREEMENT

If you contact BECU or other lenders over the phone, take notes. Write down the name of the person you spoke to, the

date and time you talked to them, and what was agreed upon. Follow up with a letter and keep a copy for yourself. This will help confirm and clarify what was agreed upon and you'll have a personal record of the agreement.

If your loan is with BECU, we will evaluate your request for a workout based on several factors. They include, but are not limited to:


- >>** *Your willingness to work with the Credit Union (how promptly you respond to requests, return phone calls and proactively keep us aware of what's going on with your loan payments)*
- >>** *Your capability to pay the monthly amount owed or another negotiated value*
- >>** *The circumstances that caused you to fall behind on your loans, and whether they are short-term or long-term in nature*

REMEMBER TO BE PATIENT

Understandably, lenders and companies who service loans are dealing with an incredible volume of calls. Keep in mind that it may take some time to reach a representative—another good reason to contact your lender as early as possible.

QUESTIONS?

We encourage you to take advantage of the many resources we have to help you during economic difficulty. We offer free financial seminars and webcasts on a variety of topics—for a complete list, visit www.becu.org/seminars.

If you need more information, call us at 206-439-5700 or 800-233-2328 or stop by any conveniently located Neighborhood Financial Center. 

www.becu.org/seminars 

RESPONDING TO A YEAR OF CHANGE

In 2008, we saw strong growth in our membership and assets – we are now more than 580,000 members strong with \$8.7 billion in assets. We expect to see continuous growth in our membership as many in the Puget Sound region seek a financial institution that puts its members' long-term financial well-being ahead of short-term profit making.

NEW & ENHANCED PRODUCTS & SERVICES

In spite of concerns in the financial services industry, in 2008 BECU achieved strong financial growth and continued expansion of products and services for membership. Here are a few items we saw come to life: seven new Neighborhood Financial Centers; new partnering relationships with area colleges – University of Washington, Seattle University and Everett Community College; and the conversion of ATMs to image-enabled Snapshot ATMs.

PROVIDING RELIEF

BECU has felt the effects of the current economic times through the lives of our members. We are committed to being there for our members and helping to provide assistance when times are difficult. In 2008, we implemented the Mortgage Relief Program. Thus far, we have made 47 mortgage relief loans for a total of \$16 million. Our efforts paved the way for a national credit union mortgage relief program introduced by the National Credit Union Administration (NCUA).

We also responded to member needs during the Boeing strike and South Sound flooding of 2008. Our Income Interruption Loan Program provided nearly 7,000 loan deferrals and over 1,200 relief loans for \$4.6 million dollars.

In the true cooperative spirit, in 2008 BECU provided funds, in-kind donations and volunteer time to vital community organizations with a focus on education, financial education, homeownership and the credit union movement. Most notably, we provided a grant to the Urban League of Metropolitan Seattle for distressed homeowners, operational support and capital for Express Credit Union – a low income credit union, over \$100,000 in local school grants, over 40 college scholarships through the BECU Foundation, and free financial education seminars.

HELPING TO PROVIDE A BETTER ENVIRONMENT

In 2008, BECU continued our commitment to operate in more eco-friendly ways. We researched and implemented ways to be more efficient environmentally in many areas, from paper and printing options to the light bulbs that we use. We encouraged our members to join us in our green initiatives and take advantage of the free green-friendly services we offer: Online Banking, eStatements, Bill Payment, Direct Deposit, and our paperless mortgage signing and delivery process.

It is through a motivated staff and sound governance by our Board of Directors that BECU has succeeded in meeting the growing needs of our members during these challenging economic times. In the coming year, our members can trust that we will remain a strong, safe and solid solution for your financial and community service needs.

Thank you for your continued loyalty and support of BECU.

Jim Wadhvani, Chairperson of the Board

BECU AND SUBSIDIARIES CONSOLIDATED		(in thousands)
SUMMARY STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31		
	2008	2007
Interest Income	\$483,266	\$456,407
Dividend and Interest Expense	241,739	254,883
Net Interest Income	241,527	201,524
Provision for Loan Losses	141,442	44,644
Net Interest Income after Provision for Loan Losses	100,085	156,880
Service Fees and Non-Interest Income	110,787	98,079
Non-Interest Expense		
Compensation and Benefits	74,648	65,030
Product Servicing	39,274	40,500
Occupancy & Equipment	38,862	33,551
General and Administrative	32,755	32,199
Other Operating Expense	18,133	13,764
	203,672	185,044
Net Income	7,200	69,915
Other Comprehensive Income (Loss)		
Unrealized gains on securities available for sale	9,858	7,447
Additional Pension Liability	(21,709)	-
Comprehensive Income (Loss)	\$(4,651)	\$77,362

BECU AND SUBSIDIARIES CONSOLIDATED		(in thousands)
SUMMARY STATEMENTS OF MEMBERS' EQUITY		
	Members' Equity	
Balance at January 1, 2007	\$590,779	
Net Income for 2007	69,915	
Accumulated Other Comprehensive Income (Loss)	-	
Unrealized losses on securities available for sale	7,447	
Recognition of obligation for benefit plans	(3,574)	
Balance at December 31, 2007	\$664,567	
Net Income for 2008	7,200	
Accumulated Other Comprehensive Income (Loss)	-	
Unrealized gains on securities available for sale	9,858	
Recognition of obligation for benefit plans	(21,709)	
Balance at December 31, 2008	\$659,916	

BECU AND SUBSIDIARIES CONSOLIDATED		(in thousands)
SUMMARY STATEMENTS OF FINANCIAL CONDITION AS OF DECEMBER 31		
	2008	2007
ASSETS		
Cash and Cash Equivalents	\$233,905	\$266,199
Loans Receivable, Net	7,137,004	6,504,362
Investments	941,742	594,009
Collateral for Securities Lending	-	96,335
Interest-Bearing Deposits and FHLB Stock	77,174	446,258
Interest Receivable	50,483	49,120
Premises and Equipment, Net	75,263	66,128
NCUSIF Deposit	57,692	51,844
Other Assets	127,722	49,558
TOTAL	\$8,700,985	\$8,123,813
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Certificates	\$3,212,245	\$2,968,467
Money Market Accounts	2,194,108	2,000,375
Member Savings Deposits	1,602,123	1,429,875
Share Checking Accounts	773,926	699,220
Individual Retirement Accounts, Variable	99,412	99,338
	<u>7,881,814</u>	<u>7,197,275</u>
Dividends and Interest Payable	7,659	5,067
FHLB Advances	-	100,000
Obligation for Securities Lending Collateral	-	96,335
Other Liabilities	151,596	60,569
	<u>159,255</u>	<u>261,971</u>
Members' Equity	667,974	660,774
Accumulated Other Comprehensive Income (Loss):		
Unrealized gains on securities available for sale	17,225	7,367
Recognition of obligation for benefit plans	(25,283)	(3,574)
	<u>659,916</u>	<u>664,567</u>
TOTAL	\$8,700,985	\$8,123,813

A COMPETITIVE BALANCE

BECU has completed another positive financial year. We accomplished this feat in spite of 2008 being a difficult year for many financial institutions with the lending fallout, falling home prices and rising unemployment.

BECU continues to offer sound financial services and remains competitive while maintaining a balance between loan and deposit rates. And our members continue to demonstrate their faith in BECU by coming to us for loans, deposits and everyday financial services.

SOLID GROWTH

Despite the challenges many financial institutions faced in 2008, BECU generated solid growth in membership, assets, loans and deposits. Last year, our membership expanded to over 580,000 with \$8.7 billion in assets. As the market rates declined in 2008, we made modifications that would keep our portfolio stable and allow us to maintain a competitive edge. In spite of adjustments to our deposit rates and underwriting standards, deposits grew by 9.51% and loan growth was 10.68%.

WELL-CAPITALIZED

While BECU did not offer sub-prime loans, we are not immune from the current recession. During the course of 2008, we experienced higher than normal loan delinquencies and charge-offs which resulted in a lower, but positive, net income for the year. Even with these challenges, BECU concluded 2008 with a net worth ratio of 7.68%, well above the minimum "well capitalized" level established by the National Credit Union Administration (NCUA). This is in no small part due to our guiding principle to only provide, promote and be a part of responsible financial services. Ultimately, our goal is to return value to you, our member.

CORPORATE CREDIT UNION STABILIZATION PROGRAM

In January of 2009 the NCUA instituted the Corporate Credit Union Stabilization Program. Corporate credit unions are institutions that provide services for, and are owned by natural person credit unions like BECU. The NCUA plan called for natural person credit unions to help financially stabilize the corporate credit union structure. Based on our asset size, we estimate our proportion of support will be assessed at approximately \$50 million in 2009.

As we close the books on 2008 and look ahead to possibly more worldwide economic uncertainty in 2009, BECU members can rest a little easier knowing that we are here to serve both your short-term and long-term financial needs. We are confident in our financial soundness and we are here to support our members' financial needs for a long time to come.

Thank you.

Michael Sweeney, Treasurer



ONLINE WEBCASTS ARE ABBREVIATED VERSIONS OF OUR SEMINARS. THEY ARE AVAILABLE 24 HOURS A DAY AT WWW.BECU.ORG/WEBCASTS

FREE FINANCIAL EDUCATION SEMINARS

Surviving a Layoff	4/9	6-8pm	Federal Way Pavilions NFC	
Surviving in Today's Economy	4/9	6:30-8pm	Auburn NFC	
Home Buying Preparation 101	4/13	6-7:30pm	Tukwila	
Understanding Credit Reports	4/14	6-7:30pm	Tukwila	
Financing Your Home	4/20	6-8pm	Tukwila	
Financing Your Home	4/23	6-8pm	Everett	
Reduce Your Debt, Increase Your Freedom	4/27	6-7:30pm	Tukwila	
Surviving in Today's Economy	4/30	7-8:30pm	Lynnwood Library	

For reservations, more information, and a complete list of seminars, call 206-439-5788 or visit our website.

www.becu.org/seminars

FREE INVESTMENT SERVICES SEMINARS

Put Your Company-Sponsored Retirement Plan to Work for You	4/7	6-8pm	Sumner Library	
Financial Management—Six Steps to Help You Toward Financial Success	4/22	6:30-8pm	Auburn NFC	
Retirement Plan Distributions	4/23	11am-1pm	Everett & Tukwila	
Financial Management—Six Steps to Help You Toward Financial Success	4/30	6-8pm	Tukwila	
Retirement Investment Strategies	5/6	6-8pm	Sumner Library	
Investment Fundamentals	5/7	6-8pm	Everett & Tukwila	
Financial Management—Six Steps to Help You Toward Financial Success	5/19	6-8pm	Sumner Library	
Working Together for Your Financial Success		(Webcast Only)		

For reservations and more information, call 206-439-5720 or visit our website.

www.becu.org/seminars

Securities, Advisory Services and Insurance Products offered through LPL Financial and its affiliates, Member FINRA/SIPC. BECU is not a registered broker/dealer and has a brokerage affiliate arrangement with LPL Financial. Investments are: Not NCUA/NCUSIF Insured • May Lose Value • Not Credit Union Guaranteed • Not Obligations of BECU. Branch Office located at BECU, 12770 Gateway Dr., Tukwila WA 98168.

FREE TRUST COMPANY SEMINARS

How to Avoid Costly IRA Mistakes	4/21	6-7:30pm	Federal Way Pavilions NFC	
Investing for the Future by Looking at the Past	4/22	5:30-7:30pm	Everett	
Investing for the Future by Looking at the Past	4/29	10am-noon	Tukwila	
Plan Ahead Before You're Dead	5/13	5:30-7:30pm	Tukwila	
Tailored Wealth Management		(Webcast Only)		

For reservations and more information, call 206-812-5176 or visit our website.

www.becu.org/seminars




BECU Members & Savertooth at the 2008 Savings Clinic.

Celebrate Youth Week With BECU and the Mariners

TO CELEBRATE NATIONAL Credit Union Youth Week April 19-25, BECU has partnered with the Seattle Mariners to offer a BECU Savings Clinic.

BECU will award 15 lucky winners with the opportunity to attend a BECU savings clinic at a Mariners game this summer. The 15 winners will each receive two View Reserved tickets for the June 23 Mariners v. San Diego Padres game (one ticket for an adult and one ticket for the lucky winner). On game day they will attend a class on savings and financial literacy, receive food and giveaways from BECU and the Mariners, and possibly meet some special guests.

HOW TO ENTER


This enter-to-win contest is open to all BECU student members between 1st and 5th grade for the 2008/2009 school year. To enter, simply mail us the following information: child's name, parent's name and signature, address, phone number, school name and grade level, along with your best tip for saving money. All entries must be postmarked by April 30 and mailed to BECU Community Affairs, PO Box 97050, Seattle, WA 98124. 

IRA News Update

HERE ARE TWO things to keep in mind if you have an IRA or are looking to open one.

>> *The deadline to make 2008 IRA contributions is Wednesday, April 15, 2009.*

>> *Starting May 1, the BECU IRA Service Center at www.becu.org/ira will have a new look, new content and new eSignature capability for documents.*

For more details on IRAs at BECU, visit www.becu.org/ira or call us at 206-439-5700 or 800-233-2328. 

How Do We Rate?

IMPORTANT: Rates may have changed since this newsletter was printed. Visit www.becu.org or call 206-439-5700 or 800-233-2328 for current rates.

DEPOSIT RATES*

	APY
Savings	0.75%
Checking	0.25%
Savings with Member Advantage (\$0-\$500)	6.17%
(\$500.01+)	0.75%
Checking with Member Advantage (\$0-\$500)	6.17%
(\$500.01+)	0.25%
Early Saver (for members under 18) (\$0-\$500)	6.17%
(\$500.01+)	0.75%
Money Market (\$0-\$9,999)	0.25%
(\$10,000-\$49,999)	1.00%
(\$50,000-\$99,999)	1.11%
(\$100,000+)	1.21%
12-month CD (\$500-\$49,999)	1.66%
(\$50,000-\$99,999)	1.76%
(\$100,000+)	1.87%

CD rates reflect non-Bump CDs and are effective 3/18/09. Rates do not change after account opening for the term of the CD. Early withdrawal penalties may apply.

www.becu.org/cds

* Certain restrictions apply. All Deposit rates stated as APY (Annual Percentage Yield), are effective as of 3/18/09, and unless noted above, are subject to change after account opening. Please contact us for current rates. Fees could reduce earnings.

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



AUTO LOAN RATE COMPARISON

FINANCIAL INSTITUTION	APR*
BECU	4.99%
Chase	5.72%
US Bank	5.99%
Key Bank	6.29%
Wells Fargo	6.84%

* All rates based on new auto loan rates, \$20,000 loan with a 60-month term. Bank rates may include origination fees, discounts and promotional rates. Source: Bank Internet websites as of 3/12/09. BECU rate effective as of 4/1/09 and is as low as APR, subject to applicant's credit qualifications and includes .50% automatic payment rate reduction.

LOAN RATES*

Visa	6.90%-18.00%
Line of Credit	8.90%-18.00%
Equity Advantage Variable Rate Line of Credit	3.99%-4.74%**
Home Loans	CHANGE DAILY (check daily— www.becu.org/loans)

CAR & BOAT LOAN RATES*

New Car (2006 models or newer) Up to 60 months	4.99%-18.00%
Used Car (2005 models or older) Up to 60 months	5.49%-18.00%
Boat Fixed Rate	6.74%-18.00%

For a current list of our rates, visit our website.

* **Loan rates are stated as APRs.** Rates are effective as of 4/1/09 and are incorporated into and become a part of the Credit and Security Agreement and Addendum. Rates without automatic payment are 0.50% more, excluding Line of Credit and Visa. APRs and financing will be within the range disclosed above and offered based on your credit worthiness, loan to value and term. All rates are subject to change without notice. **Auto Loan:** Rates for repayment period of up to 60 months (61-72 months .25% to .50% more or 73-84 months 1.00% more than advertising rate above).

****Equity Advantage Account:** Line of Credit rate varies (maximum is 18% APR) unless a fixed rate advance is locked. Property insurance required. There is no BECU Loan Fee for loans secured by property within the State of Washington. You will have to pay a \$300 BECU Loan Fee for loans secured by property outside the State of Washington (AZ, CA, IL, KS, MO, OR or PA). Additional third party costs may apply. Advertised rate is for up to 80% LTV, higher rates for higher LTVs and non-owner occupancy.

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**EQUITY ADVANTAGE
ACCOUNT****

Variable Rate Line of Credit:

3.99% - 4.74% APR

Fixed Rate Advance:

5.74% - 7.74% APR

*more than
just money®*

BSCU

PRSR STD
U.S. POSTAGE
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SEATTLE, WA
PERMIT NO. 74