

Mortgage MATTERS

NORTHWEST FEDERAL CREDIT UNION www.nwfcu.org

NWFCU: ALWAYS A LENDER YOU CAN TRUST

There's no denying it: the housing market is troubled. Lately, it seems, the headlines are laden with stories about foreclosure, declining markets, subprime lending and desperate attempts to turn the situation around.

By contrast, NWFCU remains as stable as ever, and the market fluctuations haven't affected our \$1 billion real estate loan portfolio. We are still granting loans, offering historic low rates, and we still have plenty of money to lend.

Our resistance to this crazy market can be credited to our principles. We never have — nor will we — enter the subprime mortgage market. We don't offer option ARMs, "exotic" mortgages or negatively amortizing loans. We look at our members, not the numbers, and work

diligently to help provide affordable lending options that aren't going to skyrocket out of control down the road.

Our top priority is protecting the interests of our members. We refuse to close on a "bad" loan because the effects of foreclosure would eventually necessitate the need to adjust rates and fees, impacting *all* of our members.

Our loan officers don't work on commission. We work with you to evaluate your entire financial picture, finding the rate and loan type that works best for you. So, talk to us. Whether you're struggling to pay your bills, considering a refinance or trying to choose between different mortgage options, we're here to help.



Our mortgage specialists will even review offers from other lenders, looking for hidden or excessive fees, translating fine print and explaining the terms. If our mortgage isn't a better deal for you, we'll let you know.

Call 703-709-8921 (1-866-709-8921 toll-free) to speak with a mortgage representative Monday–Friday (8:00 a.m.–4:30 p.m.). Visit www.nwfcu.org and click on 'Real Estate Services' to learn more about the types of mortgages and services we offer.

The Reasons Behind Ever-Changing Mortgage Rates

Members have recently expressed concerns over the volatility of mortgage rates. It's true that the past few weeks have been frustrating to both borrowers and lenders as we try to adapt to rapidly changing market conditions and rates.

It is a common misconception that the Federal Reserve sets the mortgage interest rates. When consumers hear that the Federal Reserve has cut short-term rates, they expect long-term mortgage rates to move in the same downward direction. But that doesn't necessarily happen and, in fact, sometimes it actually causes long-term mortgage rates to go up. That's exactly what has happened over the past few weeks.

According to *The Wall Street Journal* (February 27, 2008) mortgage rates have not responded to the Fed's rate cuts because long-term treasury yields have risen recently, most likely due to concerns

about inflation as the prices for oil and other items have increased. The rising rates can also be attributed to the upheaval in the mortgage backed securities market. Further, delinquencies are at record highs across the country. While the sub-prime aspect of the mortgage industry has been largely shut-down, lenders and investors are adopting more stringent underwriting guidelines.

These circumstances have a widespread affect on the entire mortgage industry, not just NWFCU. We anticipate continued rate fluctuations as changes occur in the economy. And while we are not immune from global market conditions, we are committed to offering you the most competitive rates and objective advice that we can during this unprecedented situation.

NOTE: For more information, you may read this article in its entirety at www.nwfcu.org, or call 703-709-8921 (1-866-709-8921 toll-free) to request a copy.

NAME YOUR PRICE ON QUALITY USED CARS

Looking for a pre-owned luxury sedan, sports car or SUV? Chances are you'll find it in the **Vehicles for Sale** section of our website. We often have lease turn-ins available for purchase after our rigorous quality inspection and detailing. To bid on the used vehicle of your choice:

- Visit www.nwfcu.org for a photo and description
- Order a free* CARFAX® history report
- See the vehicle first-hand and take it for a test drive
- Submit your sealed bid.

If you're the winning bidder, we'll contact you to arrange purchase details and financing.

Questions? Call our Auto Resources department at 703-709-8900, ext. 6001.

*Your account will be charged \$8.99 to run the CARFAX report. If the vehicle is financed through NWFCU, \$8.99 will be refunded following loan disbursement.



Make Money When You Buy or Sell a Home

Saving money when you buy or sell a home is wonderful. *Making* money is even better! With CU Realty*, our members-only real estate rebate program, you'll earn a cash rebate of up to 20% of your agent's commission whenever you buy or sell a home.**

Enrolling in CU Realty is free, and once you've registered, you can begin enjoying all of the program's features. Learn the value of your current home, research neighborhood statistics and find your next home from the easy-to-use website and MLS database. Plus, the rebate you receive could be worth thousands of dollars.

Home Sale Price	Rebate to Member
\$250,000	\$1,500
\$350,000	\$2,100
\$400,000	\$2,400
\$500,000	\$3,000
\$600,000	\$3,600

The table here illustrates the average rebate amount based on the sales price.

To enroll, visit www.nwfcu.org and click on 'Real Estate Services,' or for assistance, contact our Mortgage Department at 703-709-8921 (1-866-709-8921 toll-free), Monday-Friday, 8:00 a.m.-4:30 p.m.

*States and/or major metropolitan areas included in the CU Realty program include: AZ, AZ, CA, CO, DC, FL, KS, MD, MI, MN, MO, NM, NV, NY, NC, OH, PA, TX, and VA. New cities, states and real estate agents continuously join the program. Terms and disbursement of rebates vary by state. **Rebates are awarded to buyers and sellers registered in the CU Realty program before they begin their home search or sale, and who use a REALTOR® from the Approved Agent network. Examples of rebates shown here are based on 3% commission rate; your agent's commission rate may differ.



Thinking of Moving?

Don't miss "Finding & Financing a Home in Today's Market" on Saturday, April 26 from 9:00 a.m.-11:00 a.m. at our Enterprise building in Herndon. To register, visit www.nwfcu.org and click on 'News & Events.'

HOME EQUITY: The Smart Way to Finance Just About Anything

If you haven't considered an NWFCU Home Equity Line-of-Credit (HELOC), you could be missing out on a great opportunity. A HELOC* is a variable rate line of credit tied to the available equity in your home. The interest rate you pay is usually tax deductible,** the interest rates are lower than other loans and the credit line can be used to finance practically anything you need.

Consolidate high-rate loans and reduce your monthly payment. Transfer balances from high-rate credit cards. Use your HELOC instead of a retail credit card when you purchase furniture, appliances, home and garden supplies or even your family vacation. And of course, a HELOC is the smart way to pay for any type of home improvement.

With our HELOC, you can draw upon the credit line only when you need it — when your college student's tuition payments are due, for example. If you need one lump sum to fund a major home improvement, we also offer a fixed-rate home equity loan with terms of 5, 7, 10 or 15 years. Both options are affordable, with low or no closing costs, no application fees and no prepayment penalties.

Applying is easy. Visit www.nwfcu.org to complete our online application or speak with a mortgage professional at 703-709-8921 (1-866-709-8921 toll-free). Since you currently have a mortgage with us, the process is streamlined and closing can take place quickly.

*Formerly referred to as HELP Loan.
**Consult your tax advisor.

We've Slashed Our New Auto Loan & Lease Rates!

Rates as low as 3.50% APR* (12-36 mos.)

For details and to apply for your new car loan/lease, visit www.nwfcu.org or call 703-709-8901 (1-866-709-8901 toll-free).

*Annual Percentage Rate (APR) current as of 3/19/08 and subject to change without notice. Rate is based on a 12-36 month term for new car loans/leases and vehicle refinances from another lender for new car purchases within the last 12 months. Credit Union members without Access or Premier Checking, add 0.25% to the listed rate. Other rates and terms available.

MORTGAGE & EQUITY LOAN RATES¹

MORTGAGES

Check with CU

EQUITY

5-Year	Max. Loan Amt.	Fixed Rate	APR
90% LTV	\$100,000	4.875%	5.00%
100% LTV	\$ 50,000	5.375%	5.50%
7-Year			
90% LTV	\$100,000	5.250%	5.37%
100% LTV	\$ 50,000	6.250%	6.36%
10-Year			
90% LTV	\$100,000	6.125%	6.24%
100% LTV	\$ 50,000	7.125%	7.24%
15-Year			
80% LTV	\$350,000	6.375%	6.46%
90% LTV	\$350,000	7.375%	7.46%
HELOC	Max. Loan Amt.	Variable Rate	
80% LTV	\$350,000	4.75% ²	
90% LTV	\$350,000	6.25% ²	
100% LTV	\$350,000	7.25% ²	
Interest-Only HELOC	Max. Loan Amt.	Variable Rate	
90% LTV	\$350,000	6.75% ²	

AUTO LOANS

NEW & USED VEHICLE LOANS³

Up to 100% financing

	Term	APR
New	12 to 36 months	3.50% ^{3,4}
	37 to 72 months	5.50% ³
	73 to 84 months	6.50% ³
Used	Up to 60 months	6.74% ^{3,5}
	61 to 84 months	7.74% ^{3,5}

LEASES³

Up to 100% financing

	Term	APR
New	12 to 36 months	3.50% ^{3,4}
	37 to 60 months	5.50% ³
Used	Up to 36 months	6.74% ^{3,5}

CREDIT CARD RATES

	APR
Visa® Platinum	8.25% ^{1,6}
Travel Rewards Gold MasterCard	
with \$30 annual fee	10.25% ^{1,6}
with no annual fee	12.25% ^{1,6}
FirstCard Visa Platinum	Fixed rate 9.99% ⁷

¹ Rates current as of 4/1/08 and subject to change without notice.
² APR = Annual Percentage Rate. Rate based on the *The Wall Street Journal* Prime Rate listing on the last business day of the month and is subject to change quarterly.
³ Annual Percentage Rate (APR) current as of 3/19/08 and subject to change without notice. Credit Union members without Access or Premier Checking, add 0.25% to the listed rates. \$20,000 minimum loan required for terms 61 to 84 months.
⁴ This rate is only available for new auto purchases and auto loan refinances from another lender where the auto was purchased as new within the past 12 months.
⁵ When refinancing an existing NWFCU auto loan or lease to a lower rate using the same collateral, 0.50% is added to the listed rate for administrative expenses.
⁶ Rate is based on *The Wall Street Journal* Prime Rate listing on the last business day of the month and is subject to change monthly.
⁷ FirstCard Visa Platinum is exclusively for members age 15-22. Check with NWFCU for details.



P.O. Box 1229
Herndon, VA 20172

MORTGAGES
703-709-8921
1-866-709-8921
M-F: 8:00 a.m.-4:30 p.m.

CALL CENTER
703-709-8901
1-866-709-8901
703-709-8919 (TTY)
M-F: 7:00 a.m.-7:00 p.m.
Sat.: 8:00 a.m.-1:00 p.m.

OTHER SERVICES
703-709-8900
1-800-336-3384
Auto Locating: ext. 6001

WEBSITE
www.nwfcu.org
EMAIL
mortgages@nwfcu.org
MOBILE
go.nwfcu.org

In order to assure that the Credit Union in compliance with State and Federal regulations, secondary market guidelines and our regulatory agency, NCUA, your account or mortgage loan may be randomly selected for an independent quality control review. Your cooperation with any required verification or certification is appreciated.



Northwest Federal Credit Union is federally insured to at least \$100,000 and backed by the full faith and credit of the United States Government.

We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

MEMBER APPRECIATION DAY

Features Fun for All Ages

Join us at our Enterprise branch in Herndon, VA on Saturday, April 26 (9:00 a.m.-noon) as we celebrate Member Appreciation Day. The whole family will enjoy carnival games, door prizes, a food court and more! This members-only event is completely FREE!