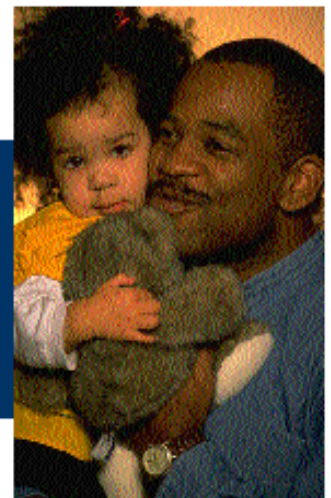




Family Trust
COMMITMENT TO OUR
MEMBERS AND COMMUNITY



April 2000

FAMILY TRUST FEDERAL CREDIT UNION
Rock Hill, South Carolina

CREDIT UNION STATEMENT OF COMMITMENT TO MEMBERS

As a member-owned, not-for-profit financial cooperative, Family Trust Federal Credit Union is committed to serving our members and our community. To fulfill our commitment, we have adopted a Mission Statement, Core Values Statement and Code of Ethics. These statements specifically define our purpose, goals and objectives for service. They also explain how we will serve our members, contribute to our community, and how we will provide our employees with a healthy and desirable work environment.

The Family Trust Mission Statement does not emphasize financial objectives. The emphasis is on providing caring and professional service, and offering products and services that have value for our members. Our 5 Core Values are *honesty & integrity, caring, quality, family feeling and professionalism*. With each one, we have defined specific ways that we will exemplify that value at work, in serving our members and in serving our community. Our Code of Ethics defines how we will not compromise good ethics or professionalism in seeking to achieve our objectives, and we will attempt to be a model for business in our community.

At Family Trust, we use a *management by strategic planning* model. Everything that we plan will be tested by our mission and our core values statements. To be ultimately approved, all plans and projects must be consistent with, and in no way compromise, these statements. The mission and core values statements are included as a part of this *Statement of Commitment*.

We will communicate our service to members in a meaningful way so that members, potential members, legislators, regulators, and the community at large will understand and appreciate the unique role that locally owned, not for profit, financial cooperatives play in their lives.

This Statement of Commitment includes specific examples of the many ways that Family Trust provides service to our members, employees and the community. Our basic goal is to fulfill the timeless credit union philosophies of *"people helping people" and "not for profit, not for charity, but for service"*.

OUR MISSION STATEMENT

We will provide innovative financial products and services based on their value to our members, and we will deliver these products and services in a professional, caring and friendly manner.

In order to fulfill this mission, we have adopted 5 Core Values, which clearly and precisely describe the work environment and culture at Family Trust. It is our desire and intent to live out and exhibit these values daily in the ways that we treat each other and the ways that we treat our members.

OUR CORE VALUES

1. **Caring:** We will demonstrate caring by:

- Being good listeners who are sensitive to the needs of our members and our employees.
- Being innovative in the development of products and services based on their value to members and on member needs.
- By treating all members and employees with respect and dignity.
- Assisting our members by educating them in the areas of consumer information and basic management of personal and family finances.
- Playing an active role in making our community a better place to live.
- Investing in the professional development of our employees and assisting them towards achieving their career goals.

2. **Honesty & Integrity:** We will demonstrate honesty and integrity by:

- Never misleading our members with incomplete, inaccurate or intentionally deceptive information.
- Standing behind our products and our employees when they have made a commitment to a member.
- Complying with a strict "code of ethics and conduct."
- Keeping the commitments that we make to our employees.

2. Quality: We will demonstrate quality by:

- Providing every member with timely, accurate and friendly service.
- Providing our employees with the best possible training, including knowledge of products and service-sales skills.
- Motivating our employees to provide service excellence and then recognizing and rewarding them when they do.
- Responding to member requests, concerns, or complaints in a timely and courteous manner.
- Establishing "quality benchmarks" and a reporting system to measure and track quality service, productivity and efficiency.

3. Family Feeling: We will demonstrate a family feeling by:

- Knowing our members by name and greeting them cheerfully.
- Recognizing our members and employees for their achievements, and sharing their joys and concerns.
- Making sacrifices as necessary to benefit our members or to help a fellow employee.
- Involving our employees, volunteers and our members when appropriate, in credit union activities and community events, such as MOD Walk-America, company picnics, parties, baby showers, etc.
- Generally being supportive and offering encouragement to members and our employees.

4. Professionalism: We will demonstrate professionalism by:

- Maintaining our member records and financial information in the strictest of confidence.
- Ensuring that all employees dress and conduct themselves in an appropriate business manner.
- Providing excellent training and education opportunities, both internal and external, for our employees and volunteer officials.

- Maintaining a very neat and orderly work environment.
- Adhering strictly to our "code of conduct and ethics."

Providing Service to our Members:

Family Trust Federal Credit Union strives to offer services designed to improve the economic and social well being of all members from all socio-economic backgrounds, including our low- and moderate-income members, and return financial value to all those who participate in our member-owned financial cooperative.

Current Services:

- 1. Explorers' Club** - This is a youth club with a package of services designed specifically to encourage savings. Dividend rates increase as the savings balance increases. We make a \$5.00 gift deposit each year on the child's birthday and send them a card. Low minimum deposit requirements are also offered on Explorer Certificates of Deposit. The account allows deposits during the term of the CD, and early withdrawals may be made without penalty if for education reasons.
- 2. Student Checking-** This account is free, with no monthly service charge, no limit on checks, and no minimum balance. The student receives one free order of checks per year, unlimited ATM usage on Family Trust ATMS, and 4 free foreign ATM transactions per month.
- 3. Student loan services** - Students may qualify for a student Visa card, ¼% discount on auto loans, and discount rates on unsecured personal student loans. We offer a low rate Student Aid Line-of-Credit Loan to assist students with the routine costs of books, lab fees, tuition, etc.
- 4. Prime Times Club** - This is a special package of services for members age 55 and older. There is no monthly fee and members receive free or discounted services that are valued by seniors. They receive one order of free checks per year, dividends on their checking account, and they earn ¼% bonus dividends on CDs if they are 60 years of age or older.
- 5. Personal Reserve Line-of-Credit** - This is a personal unsecured line-of-credit designed to assist the low and moderate-income members with emergency needs for cash such as taxes, insurance, tires, medical expenses, etc. This product is an excellent low cost alternative to payday loans, check cashing companies, pawnshops, and title loan companies.
- 6. Back to School and Christmas Loans** - We offer specially discounted rates on unsecured loans each season to assist members with back to school expenses and holiday expenses.

7. **Club Savings** - We offer members several flexible options for club savings to assist them with saving for vacations and holidays. These accounts pay dividends and the member may choose an option to receive a check or to make periodic withdrawals.
8. **Risk-based loans** - Our goal is to approve 80 to 90% of all loan applications. Loans are priced to reward the most credit worthy of our members, but also to be able to approve loans to members who have lesser credit. Our loan rates are generally the lowest in our market area.
9. **Risk based Visa Card Options** - We offer a variable rate Visa Gold Card that adjusts quarterly to a rate equal to the Prime Lending Rate. We also offer a Visa Classic Card to members of lesser credit means, and it has a fixed interest rate of only 14.65% APR.
10. **Risk based Home Equity Line-of-Credit** - Our HELOC is priced to reward the member who has more equity in their home. If the member has 50% or more equity, their rate is below Prime. At 51 to 75% equity, the rate is matched to Prime.
11. **Financial Counseling & Financial Planning** - We assist our members with a very comprehensive and professional approach to financial planning. This includes plans for college education, retirement, estate planning and tax management. We also provide members with remedial financial counseling and budgeting.
12. **Life Savings Insurance** - Our members benefit from a group life savings policy that matches their savings up to a maximum coverage of \$2,000.
13. **Limited Underwriting Mortgage Loans** - For members who do not have the funds to cover traditional mortgage closing costs, and/or do not meet the underwriting requirements of the secondary market, we make these loans. The rate is approximately 1 1/2 % higher but the closing costs and underwriting requirements are much less.
14. **Skip payment** - We offer the option to skip a Visa payment during the holiday season, and we offer summer skip payments to assist schoolteachers who do not receive a paycheck in July.

New Services Planned for the Coming Year:

1. Electronic bill payment and Internet Banking
2. Electronic filing of tax returns
3. Lease-like loans as an alternative to leasing.
4. Property and casualty insurance

Member Education

Family Trust Federal Credit Union is committed to member and consumer financial education. In addition, we are committed to educating members and consumers, alike, about credit union uniqueness, philosophy, and values.

Current Programs that Support Member Education and Advocacy:

1. **Newsletter articles** - Each month and quarter we produce a member newsletter. These newsletters promote the general philosophy of credit unions and include consumer education articles.
2. **Special Newsletters** - We quarterly produce a special newsletter for our senior members called *Prime Times*, and it includes informative articles especially for seniors. We quarterly produce a special newsletter for our sponsor groups called *CU Connection*, and it provides helpful information and educational articles for our sponsor contacts and their employees. And we produce a newsletter especially for our school district employees and educators called *The Report Card*. It too provides information and educational articles.
3. **Website** - Our website includes a tremendous amount of information about the value of credit unions, the history and philosophy of credit unions and how to become a member or a sponsoring company. The site includes recent reprints of our member newsletters, reports on current events, and valuable hot links to such sites as NADA car pricing.
4. **Newspaper and Radio** - We regularly share the credit union philosophy through newspaper articles, editorials and interviews with the business editor. We also participate as a guest on local radio talk shows or do live remote broadcasts.
5. **Bulletin Board Notices** - We keep members informed of events such as annual meetings, contests, elections, promotions, etc. by using sponsor bulletin boards.
6. **Seminars** - Staff members regularly participate in public forums, seminars, etc., to help inform and educate members and the general public about credit unions and topics of interest. This includes seminars on investments and financial planning, Y2K preparation, and participation in career fairs and business bazaars.
7. **Financial counseling** - We assist members with financial planning for college education, retirement planning, etc., and also with remedial financial counseling and budgeting.
8. **School field trips** - Several of the local elementary schools have participated in field trips to learn more about the credit union. We offer the opportunity for students to "shadow" our employees while on the job. We also frequently speak about credit union career opportunities at local high schools.

9. **Classroom presentations** - We speak in the local schools by making classroom presentations on credit unions as a vital part of the financial community, careers in credit unions and basic credit union structure and philosophy. We have employed several students in the "school-to-work" program.
10. **Employee orientation** - We place emphasis on the credit union difference and the philosophy with every new employee. They learn about the history and philosophy of credit unions and the unique differences from other financial institutions.

New Programs Planned for the Coming Year:

1. Expanded website with more hotlinks to consumer information.
2. Quarterly sponsor luncheons to keep the CU difference in the minds of the sponsor contact coordinators (this was begun first quarter 2000).

Involvement/Governance

Family Trust Federal Credit Union will endeavor to preserve credit union democratic principles, including demographic representation and volunteer participation in credit union activities.

Current Programs that support Involvement/Governance:

1. **Annual membership meeting** - Each year we hold our annual meeting on a Saturday morning, so that the majority of our members are able to attend. The format of the meeting is one of education and information, and includes the election of officials.
2. **Nominations and election of officials** - A three member nominating committee is appointed, and the names and telephone numbers are published for our members. Interested members are encouraged to inquire, about serving in a volunteer position. A profile of each candidate is published in newsletters, lobby displays and sponsor bulletin boards. In recent years we have had near double the number running as we have had seats on the Board to be filled. Over the past 2 years we have had over 40% turnover in the Board of Directors, but 2 of the 3 new directors have served previously on the Supervisory Committee.
2. **Succession planning for volunteers** - Of our 7 present directors, 5 have served previously on the Supervisory Committee. The appointment of volunteers to our Supervisory Committee is usually based on those who have shown interest by running for the Board, but were not elected. This gives these volunteers an opportunity to serve and to learn more about the credit union.

3. **Advisory committees** - We have a Board appointed Advisory Committee for each one of our branches, one for our school district employees and one for our senior members. These committees meet quarterly and provide valuable input about products and services, provide input for strategic planning purposes, make recommendations to the Board of Directors, and serve as a liaison with other members.
4. **Sponsor representative luncheons** - We meet quarterly with representatives from our select employee sponsor groups to discuss credit union issues and to get input regarding products and services.
5. **Focus groups** - We periodically use member focus groups to help in the design of new products and services or the renovation of existing products and services.
6. **Member surveys** - We use member comment cards, direct mail service surveys and general membership surveys to get input and feedback from our members.

New Programs Planned for the Coming Year:

1. More use of focus groups and web site surveys.
2. Possibly begin a youth advisory group
3. Consider election by mail ballot or E-ballot.
4. Use of member "secret shoppers" to evaluate member service.

Diversity

Family Trust Federal Credit Union recognizes the value of demographic diversity in staff as well as in volunteers, and will strive to bring people of diverse backgrounds and experiences into leadership and other roles at the credit union.

Current Programs that Promote Diversity.

1. **Equal employment opportunity & affirmative action** - We have a plan in place and we measure it regularly for compliance. Our goal is to reflect the diversity of our membership and our community.
2. **Board and volunteer representation** - In recent years we have made an effort to get involvement and representation from more of our sponsors. We have made progress by the Board appointing Supervisory and Advisory Committee members from a more diverse and representative group of our membership.
3. **Business partnership with a predominantly black junior college** - We have partnered with Clinton Junior College, providing input and participation. We also offer one student a scholarship in memory of Dr. Martin Luther King each February as a part of Black History Month.

4. **Services for the low income and services** - We offer many services and products that are specifically designed to meet the needs of the underserved and low-income families of our community.

New Programs Planned for the Coming Year:

1. Teaching Spanish to a group of employees so that we can better serve the growing Hispanic members of our community.
2. Considering the addition of low-income communities in the western part of York County as part of our field-of-membership.

Commitment to the Credit Union Movement & Other Cooperative Activities:

Family Trust Federal Credit Union will work to build and strengthen our unique credit union movement by providing financial and in-kind resources to others within the credit union community, and by actively advocating the credit union difference at all levels of government and in other appropriate public forums. In addition, we will participate in local, state and national cooperative activities as appropriate, and will strive to build and strengthen relationships with other sectors of the national cooperative movement.

Current Activities that Support the Credit Union Movement:

1. **Leadership roles in the CU Movement** - The credit union President/CEO, directors and other management employees serve on many volunteer boards, committees and volunteer positions. These include the League Board of Directors, the local area Chapter of Credit Unions, and many advisory boards.
2. **Governmental Affairs** - The Presidential/ CEO serves on the State Governmental Affairs Committee and our credit union is active in working with local, state and National legislators. We attend governmental affairs conferences in Washington annually and visit our representatives to discuss credit union related issues.
3. **Capital Club & Deduct-a-Buck** - We have a number of employees and volunteers who are members of The Capital Club, a dues membership club that supports political activism that favors credit unions. We also encourage our members to participate in Deduct-a-Buck, a payroll deduction contribution to the credit union political action fund.
4. **Mentor groups and roundtable groups** - We regularly offer assistance to smaller credit unions, especially when economies-of-scale makes something difficult for them, or if we have expertise in an area where they have a need. Our President/ CEO also participates in a roundtable with other credit union CEOs, where they share ideas, plans, policies and procedures.

And other Cooperative Activities:

1. **School advisory board-** We have employees that serve voluntarily on School Advisory Boards. We also are invited annually to participate in the School District budgeting process.
2. **Invest Financial Inc. Advisory Board** - Our President/ CEO is a volunteer member of an Advisory Board for Invest Financial Inc.
3. **York County Day** - Several of our employees participate annually in York County Day. This event involves business and community leaders spending a day at the state's Capital to represent the county's views and concerns to state lawmakers.

Public Service / Corporate Citizenship

Through direct financial support or other in-kind contributions to worthwhile local organizations, and by participating in public service activities, Family Trust Federal Credit Union strives to be an active partner in our community. We recognize that practicing good Corporate Citizenship supports the Credit Union Philosophy of People Helping People; furthermore, it helps raise the overall level of social and economic well being of those in our community, strengthens ties within the community, and better positions us to reach out and serve - as only credit unions can - those people in greatest need of affordable financial services.

Community/FOM Groups Currently Receiving Financial or Other In-Kind Support and Current Public Service Activities:

1. **School improvement councils** - Credit union employees volunteer to serve on the local councils that work to improve their schools.
2. **School partnerships-** We are business partners with three local schools and a minority junior college. By being a partner, we assist teachers, raise money for supplies for underprivileged children, participate in field days, etc.
3. **Chambers of Commerce** - Several of our management level employees are active on the various Chamber committees, including participation in the annual business bazaar, and serving on the Chamber Board of Directors.
4. **Communities-in-schools** - Our President/ CEO serves as a volunteer member of the Board of Directors for Communities-in-Schools, a special school for at-risk students in York County.
5. **March-of-Dimes** - Family Trust has been a leader in this effort to raise money for the prevention of birth defects in children. Employees have been active volunteers, we have been major event sponsors, and we have been among the top fundraisers for many years.

6. **Relay-for-Life Cancer Drive** - Family Trust has been a leader in this community event to help raise money to find a cure for cancer. Employees have served as volunteer leaders, we have been a sponsor of the event, and we have been one of the largest fundraisers.
7. **United Way Campaign** - We participate annually in this community-wide campaign.
8. **Children's Miracle Network** - In recent years we have begun to participate in this fundraising and support project adopted by the national Credit Union Movement.
9. **Helping Hands** - We have an employee association called "Helping Hands." This group adopts a project each month and provides some form of assistance. Examples of the adopted projects include the Rape Crisis and Prevention Council, The Dorothy Day Soup Kitchen, the Home for Abused Mothers, the Adult Day Care Center, and many others. The goal of this group is to provide assistance to the needs that sometimes are overlooked by others.
10. **Reward & Recognition** - Family Trust has received recognition in South Carolina for 13 consecutive years, by winning a Dora Maxwell Award for community involvement. In 1997 and 1999 we received national recognition from CUNA.