

Keeping a strong hand amid mixed economic signals



David W. Mooney
President/CEO

When describing 2010, the phrase, “on the one hand, on the other” seems apt. On the one hand, the economy showed signs of recovery. Housing and jobs markets stabilized. Stocks recovered much of the losses of the previous two years. Financial institution earnings rebounded. Fears of a “double dip” faded.

On the other hand, the recovery has been sporadic. Unemployment remains high. Businesses are reluctant to invest and hire, while consumers hold onto their wallets, worried about job security and debt. Home foreclosures set a record and purchase activity is anemic. There were 157 bank failures in 2010 – the most since the savings and loan crisis over 20 years ago.

Meanwhile, at Alliant, persistent low interest rates depressed yields on our assets – loans to members and securities investments – and pushed down dividends. The Federal Funds Rate, the benchmark short-term interest rate, has remained at historic lows for 24 months. High regulatory assessments on banks and credit unions to cover the costs of resolving troubled institutions also weighed on results. (Unlike big banks, credit unions did not receive taxpayer “bailouts.”)

Alliant members continue to receive superior financial value and service, while our credit union maintained top marks for safety and soundness. Our deposit rates were among the highest in the market – more than six times the bank average. Our low cost model remains a substantial advantage, allowing Alliant to offer market-leading member returns despite depressed yields and high regulatory assessments. Borrowing members benefitted from loan rates consistently below the market. And Alliant remains in the top 1% of credit unions nationally in “giveback” to members.¹

The 2011 forecast calls for more of the same. The economy will continue a modest recovery. Lingering high unemployment will temper consumer spending and borrowing, and the Fed will keep interest rates low, weighing on asset yields and interest income. Loan losses will continue to trend down, while regulatory assessments will remain elevated.

Yet, despite the challenging conditions, Alliant has a strong hand. We’re well positioned to serve and prosper. We’re making a number of investments to consolidate our cost leadership and improve member experience. Above all, we can continue to count on you – our members – as the source of Alliant’s success over the years. Thank you for your business.

¹ Source: Raddon Financial Group, a division of Open Solutions, Inc.

Alliant 2011 Board of Directors

Marc Krohn Chairperson	David W. Mooney President & Treasurer	Todd Christy John Geba	Alex Marren Anne Pease
Scott Praven Vice Chairperson	Steve Spiegel Secretary	Shirley Jones Amos Kazzaz	Ed Rogowski



Now open at Willis Tower

On March 14, 2011, Alliant opened a **Service Center in Suite 435 on the fourth floor of the Willis Tower** at 233 S. Wacker Dr. in Chicago. This full service branch is open Mon-Fri, 8am-4:30pm with 24/7 access to an Alliant-owned ATM and night depository, both located in the branch vestibule. *Note:* This is a secured location. Access to the branch, night depository and ATM is limited to United employees who are bagged at Willis Tower.

Concurrently, beginning March 14, 2011, the business hours of the Alliant Service Center at United’s Operations Center (WHQCU) at 1200 Algonquin Rd. in Elk Grove Village, IL, changed to Mon, Wed, Fri, 8am-5pm (closed daily 1pm-2pm). This location will permanently close at the end of business, May 13, 2011. The full service ATM located outside of the cafeteria will remain.

As an alternative, members can visit Alliant Credit Union Mon-Fri, 8:30am-5pm at 11545 W. Touhy Avenue, (at the corner of Touhy Avenue and Wolf Road, adjacent to the United Reservations Center) and enjoy 24/7 account access by:

- Logging in to Alliant Online Banking at www.alliantcreditunion.org
- Calling Self Service Telephone (SST) at **800-482-5328**
- Calling Alliant’s Member Contact Center at **800-328-1935**

office closings
Alliant main offices and Service centers will be closed in observance of the following holidays:
Memorial Day
–Monday, May 30
Independence Day
–Monday, July 4

convenient 24/7/365 account access

- Online banking at www.alliantcreditunion.org
- Self Service Telephone at 800-482-5328
- Member Contact Center at 800-328-1935
- Over 80,000 surcharge-free ATMs

For more information visit:
www.alliantcreditunion.org.

Alliant Member Contact Center
800-328-1935
24/7 personal service
tdd/tty 773-462-2300

Self Service Telephone (SST)
800-482-5328
24/7 automated account access

VISA® Debit Card
Lost/Stolen: 800-328-1935

VISA® Credit Cards
To speak to an Alliant Representative
800-328-1935, x2302
Mon–Fri, 7am–5pm CT
After Hours: 866-444-8529
Lost/Stolen: 866-444-8529

VISA® Gift Card
Purchase: 800-328-1935
Support Center: 866-466-2362

Mortgage Hotline
800-365-7003
Mon–Fri, 6am–7pm CT
Sat, 8am–12pm CT

Auto/Home Insurance
888-380-9287
Mon–Fri, 6am–10pm CT
Sat, 6am–8pm CT

Balance™ Financial Fitness
888-456-2227
Mon–Th, 7am–10pm CT
Fri, 7am–7pm CT
Sat, 10am–7pm CT

Alliant Retirement and Investment Services
800-226-2994 (Representative in Chicago, IL, Denver, CO, Los Angeles, CA and San Mateo, CA)

Deposits/Payments
P.O. Box 60050
City of Industry, CA 91716-0050

Credit Card Payments
P.O. Box 60051
City of Industry, CA 91716

All Other Correspondence including IRA and HSA deposits
P.O. Box 66945
Chicago, IL 60666-0945

financial update

FEBRUARY	2011	2010
Net Assets	\$7,255,497,883	\$6,549,575,085
Total Loans	\$3,352,286,374	\$3,300,818,218
Total Deposits	\$6,452,606,060	\$5,798,836,924
Total Reserves	\$725,352,592	\$679,945,742
Total Primary Members	280,832	254,330

Alliant headquarters
11545 W. Touhy Avenue, Chicago, IL 60666

ALLIANT
credit union

P.O. Box 66945 Chicago, IL 60666-0945
www.alliantcreditunion.org

Alliant rate board

EFFECTIVE APRIL 1, 2011

Deposits	Rate	APY*
(% as high as)		
Savings	1.144	1.15
High Rate Checking	1.094	1.10
Regular Certificates†	2.178	2.20
Jumbo Certificates†	2.276	2.30
Health Savings (HSA)	1.982	2.00

AS OF MARCH 24, 2011

Loan Rates	Rate	APY*
(% as low as)		
New Vehicle††	–	2.95
Used Vehicle††	–	3.50
Student Loan	–	3.75
5/1 ARM	3.375	3.340
7/1 ARM	3.625	3.472

*APY=Annual Percentage Yield, APR=Annual Percentage Rate
† Certificate rates as of March 24, 2011
†† Vehicle rates as of March 24, 2011

IMPORTANT: Rates may have changed since this newsletter was published. Visit www.alliantcreditunion.org or call **800-328-1935** for current rates.

Dividends are subject to change monthly.

Loan approval, APR and downpayment required based on creditworthiness, collateral, payment method and ability to repay. Rates, terms and conditions subject to change. Other requirements apply. See our web site or talk to a Member Services Representative for details.

This newsletter is for members’ personal use only. Reproducing and/or selling the contents of this newsletter without prior written permission from Alliant Credit Union is prohibited. Copyright Alliant. Articles are prepared as an educational service for Alliant members. They should not be relied on as a substitute for individual financial or legal research. Articles in this newsletter are not intended to be used (and may not be relied on) for penalty avoidance.



www.alliantcreditunion.org

connections

the newsletter for Alliant Credit Union members

March 2011

contents

- 1 Understanding your auto financing options
- 2 Saving and savings
Fee checking got you down?
Switch to Alliant’s Free Checking
- 3 Developing guidelines for your retirement plan
- 4 Fighting for free financial aid
Earn a college scholarship!
- 5 Letter from the President
- 6 Now open at Willis Tower

Understanding your auto financing options

When you face a new car purchase, you have some tough decisions to make. Do you take the dealer rebate? Is 0% dealer financing really the best deal? What if you take the rebate and use Alliant’s new car rate, as low as 2.95% APR?¹

Some straightforward analysis will show that the path to greatest savings runs through Alliant. Consider the following scenarios:

Alliant has lowered its Auto Loan Rates!

New vehicle (as low as) **2.95% APR¹**

Used vehicle (as low as) **3.50% APR¹**

Zero-percent dealer financing for 5-years at 0% for well qualified buyers

Purchase price	\$ 30,000
Down payment	< \$ 3,000>
Rebate	\$ 0
Amount financed	\$ 27,000
Monthly payments	\$ 450
Total payments	\$ 27,000

Dealer rebate and Alliant financing for 5-years at 2.95% APR for buyers with 740+ credit score

Purchase price	\$ 30,000
Down payment	< \$ 3,000>
Rebate	< \$ 3,000>
Amount financed	\$ 24,000
Monthly payments	\$ 430.70
Total payments	\$ 25,842

Savings with Alliant is almost \$20 a month...and \$1,158 over the life of the loan.

Note: In order to qualify for the dealer rebate, you may be required to finance with the dealer. That’s not a problem. Simply finance with the dealer, collect your rebate and then refinance your car with Alliant to get the lower rate.²

Know what you want and what you can afford.

Research vehicle and option costs ahead of time – you’ll have a better understanding of what’s realistic and more self-control as you negotiate. Also, have a clear goal for what your total price and monthly expenses ought to be, including payments, fuel, maintenance and insurance. A good place to start your search is www.alliantvehicles.com, where you can research the makes and models you’re interested in, calculate and compare costs and loan payment scenarios.

¹ Alliant vehicle rates current as of 03/24/2011. New vehicle rates as low as 2.95% APR and used vehicle rates as low as 3.50% APR. Loan approval, APR and downpayment required based on payment method, creditworthiness, collateral and ability to repay. Alliant advertised rates include automatic payment option. Rates are 0.4% higher without automatic payment option. Rates terms and conditions are subject to change. APR = Annual Percentage Rate.
² Minimum loan amount to refinance is \$10,000.





Saving and savings

Consumers are more concerned with saving and reducing debt than at any time in recent memory. And while people's purse strings have begun to loosen, it's probably going to be awhile before current thrifty attitudes change.

There's a difference between saving on purchases and socking away money into your savings account. You can reduce spending, but you can also develop habits to save more quickly and catch money before it falls through the cracks.

Spending less

There's been a resurgence of old-school habits when it comes to reducing the amount of money you spend. Think about how these could fit into your daily activities.

Coupons: Clip the coupons from Sunday supplements and mailers for products you normally use.

Price comparison: Use computers, smart phones (with bar code scanners) and the Internet to make comparison shopping easy.

Group buying: Check out new websites like Groupon that allow shoppers to band together for great deals.

Cash budgeting: Give yourself a fixed amount of pocket money every week, limit your day-to-day spending to what you have on hand.

Saving more

Now that you have a few tools to spend less, here are a few tricks to help you save more.

Take-home "shavings": Do you get paid every two weeks? Do you pay your bills on a monthly basis? Take a look at the year ahead and target those months when you receive three paychecks. "Shave" the third and apply it to savings instead.

Become a "change agent": At the end of every day, empty your pockets and purse of all spare change and put it into a jar.

Make your direct deposit work harder: If your paycheck is deposited directly into your checking account, divert a set amount of every deposit into savings.

Savings bonds: Some employers allow employees to buy savings bonds with automated withdrawals of as little as \$25 from their paychecks. If your company doesn't, you can set up your own automated bond-purchase program through EasySaver.gov or SavingsBonds.gov.

Sources: money.cnn.com, smartmoney.com and improvingyourworld.com



Developing guidelines for your retirement plan

Many people underestimate lifestyle costs, medical expenses and inflation.

For many Americans, retirement planning is all about saving and growing as much income as possible by the time they retire. Ask them about their plans once they retire and you'll hear dreams of travel, family or their next career. However, you seldom hear specific guidelines about their retirement income plan.

You can be more proactive by focusing on specific guidelines to build your retirement income plan. This will enable you to turn your many years of savings into a reliable and sustainable paycheck throughout your retirement. Consider these factors:

Diversify your taxes¹

Since tax laws and rates affecting retirement are likely to change during the years ahead, it's prudent to establish multiple retirement income sources with varied tax treatments, including taxable, tax-deferred and tax-free accounts.

Determine a realistic withdrawal rate

One of the key questions you need to ask yourself is "How much can I take from my retirement accounts?" As a general rule, you can withdraw 3% to 5% every year without undue concerns about running out of money.²

Take advantage of new resources

As millions of baby boomers begin to enter retirement, there are more resources than ever to help build your retirement income plan. To better understand and evaluate these resources, contact your financial advisor. Together, you can develop a retirement income strategy that can support all your retirement goals and dreams.

¹ Representatives are not tax advisors. For information regarding your specific tax situations, please contact a tax professional.

² Source: Bureau of Labor Statistics by the U.S. Census Bureau, 2008 Consumer Expenditure Survey. Based on a 30-year retirement.

Presented by
Alliant Retirement
and Investment
Services Advisors
Thomas Brunz,
Shaun Floresca,
Matt McMillon,
Giacomo Parente,
CFP®* and
Terence Powell



Visit www.alliantcreditunion.org or call 800-226-2994 about a no-cost, no-obligation financial planning session.



Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. **Non-deposit investment products and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution.** CBSI is under contract with the financial institution, through the financial services program, to make securities available to members. *CFP®=Certified Financial Planner. The CFP certification is not affiliated with CBSI. FR031108-C11F

Fighting for free financial aid



The financial challenges facing college students are getting tougher. Budget-slashing states have reduced funding to schools, so tuition is up even more than usual.

Here are some steps students and their parents can take to make the cost of college easier to swallow...

Apply for free aid ASAP

Students traditionally have been able to wait until June to have a shot at Free Application for Federal Student Aid (FAFSA) grants, and their parents wouldn't need to apply until after their tax returns were filed. With restricted funds, many states are approving grants in the order that applications are received, so it is critical to submit applications as early as possible.

Be skeptical

When your financial aid package arrives you should first consider which schools cover the most tuition, room and board with their own grants, since those are guaranteed. Even though another financial aid package might look better because of the state aid, remember that state money could fall through. If you compare purely on the basis of college grants, you can make sure that you're selecting the most affordable college, even if state aid is delayed or falls through.

Scholarships

Look around for additional scholarships. A good place to start is with Alliant, which offers five scholarships of \$2,000 each to full-time students with Alliant savings accounts every year.

College isn't around the corner?

If your kids are younger, it's never too soon to set up a college fund or Coverdell Education Savings Account at Alliant.

Source: smartmoney.com

Earn a college scholarship!

This summer, Alliant will award five \$2,000 scholarships through our annual Members Scholarship Program. To qualify, students must be an Alliant member in good standing and be applying to or enrolled in an accredited undergraduate program at a four-year college, university or vocational/technical institution with a minimum of 12 credit hours during the 2011 fall semester. Visit our web site, www.alliantcreditunion.org, for complete details and to obtain an application. Submissions must be received or postmarked by June 24. Winners will be notified by August 1.



The Program is made and conducted by Alliant Credit Union headquartered in Chicago, IL. You must be an Alliant member in good standing with a savings account in your name to apply. Alliant employees, board of directors, scholarship committee and family members of the same household are not eligible. All entries must be received/postmarked by 06/24/2011. Acceptance of scholarship constitutes authorization to use winner's likeness and name without compensation. Odds of winning are dependent upon total number of entries received. Winners are responsible for any tax liability. Program is subject to all federal, state and local laws. Void where prohibited. All terms and conditions of Alliant products apply. Contact Alliant or visit our website, www.alliantcreditunion.org, for full details.