



www.cypresswestfcu.org



Car & Card loan special

Purchase a new or used vehicle and take a \$1000 minimum Cypress West Visa balance transfer and have your vehicle loan rate reduced 1/4% point.

Purchase a new or used vehicle, open a new Cypress West Visa account with a \$1000 minimum balance transfer and have your loan rate reduced 3/8% point.

New car rate before reduction as low as 5.24% APR;
2005-6 models

Used car rate before reduction as low as 5.74% APR;
2001 or newer

Offer good through December 31, 2005.

Board Expands

At the August Annual Meeting of the credit union, the membership voted to expand the size of the board of directors from five to seven. New members joining the board include Kim Sullivan, CEO and Mike Love who has previously served.

Your Volunteer Board

- Elected by and representing you:
- Cay Aki
 - Wayne Bentley
 - Howard Goldberg
 - Mike Love
 - Kim Sullivan
 - Lynsie Temple
 - Frank Unciano



APR means Annual Percentage Rate

Maximum discount applied to any vehicle loan is 5/8%.

Go ahead, buy that hybrid: take 1/4 point off

Does that Prius or Honda Insight look good? How about a Honda Accord hybrid? Cypress West wants to do it's part to keep this cool planet cool. So, if you purchase one of those, or any other hybrid, we will give you an extra cool 1/4% off your loan rate.

Offer good through December 31, 2005.

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BillPay compliments Check21



What are BillPay and Check21? And what have BillPay and Check21 got to do with each other, you might be asking yourself.

It has been nearly a year since Check21 went into effect. Check21 is the process mandated by the federal legislature to speed up the check payment system in this country. The way that works is that paper checks are turned into electronic transactions and debited or credited to your account electronically.

The rationale is that this is faster, less error-prone, less subject to disruptions in the transportation system, and lower in cost than transporting huge bundles of paper around the country. It also makes checks that you write and those you deposit clear faster.

You may have noticed the effect on your checking account. Sometimes a check will show on your statement that simply says "EFT TRANSACTION 500.00" and the name of the payee.

If you pay your CWFCU Visa account with a check, instead of the payee name, it will say, "CREDIT CARD PAYMENT plus the amount of the payment." These are Check21 clearings. This can be quite convenient.

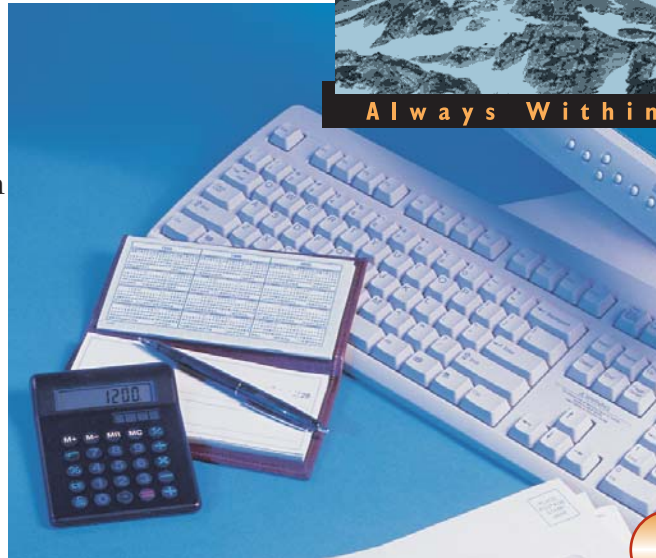
Take this a step far-



ther: What BillPay allows you to do is have the name of every payee appear on your statement. This makes it easier to identify the payment you have made. This is especially helpful if you have written two checks for the same amount.

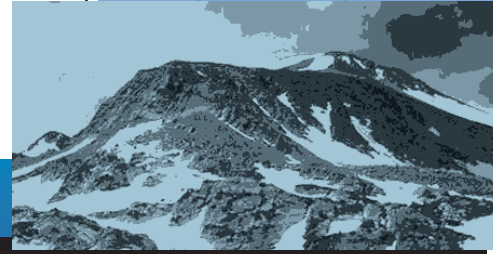
While the numbers will always allow you to distinguish between the two, identifying words makes it easier.

Try BillPay. It is cheap, fast, effective. Call today for an application.



The Summit[®] also rises

The Summit Certificate



Always Within Reach

Interest rates are rising. But should you wait to place money in a CD? Should you take a longer maturity (that you may not want) just to hedge against rising rates? Cypress West has an answer to these questions: The Summit CD. You can increase the rate on

the CD anytime before maturity one time to the market rate for that term. Call 800-544-6944 for more information on how a Summit CD can work for you.

Supervisory Committee

Anthony Smith
Dana Howe
Juan Stewart

eTeller rocks!



Our electronic teller – eTeller – is simple, secure, and easy. Use it to transfer between your accounts, make loan payments, get loan advances, check your balances and see what has cleared, download transactions to Quicken[®].

Transfer between your account and that of your

spouse, child, or parent when they have accounts at Cypress West.

The interface is clean and unobtrusive. It is browser-neutral, meaning that you can use any browser to access this wonderful credit union feature. And it's free! Call the credit union and try it today. 800-544-6944.

CU Holidays

The credit Union will be closed:

Monday, October 10, in observance of *Columbus Day*

Friday, November 11, in observance of *Veterans' Day*

Thursday, November 24 and the day after, in observance of *Thanksgiving*.

Monday, December 26 we close all day in observance of *Christmas*.

Monday, January 2 we will close all day in observance of *New years day*.

Financial mistakes to avoid in a divorce

In a divorce settlement, it's common for both parties to focus on immediate financial concerns. Yet it is the long-term financial consequences of divorce that frequently are more devastating. Here are some of the most frequent mistakes and how to avoid them.

TAKING THE HOUSE. The spouse who will have custody of the children typically wants to keep the family home. While this may be desirable emotionally, it can be financially problematic, caution financial planners.

A home is an illiquid asset that costs money to pay for and maintain. The parent with the children—often the woman—may not have the income resources to take care of both the home and the children, particularly if they give up other financial resources in return for the house. Consequently, it may be better financially to sell the home and split the proceeds.

ASSUMING EQUAL IS EQUAL. The family home is a good example of the mistake divorcing couples often make by “dividing things down the middle.” Frequently the wife takes the house and the husband keeps his pension or retirement accounts. Say both are valued at \$400,000. The home is a cost-burden, while the retirement account is a liquid asset that can continue to grow tax deferred, probably at a faster growth rate than the home.

NOT EXAMINING EARNINGS POTENTIAL. Often, one spouse has minimized a career in order to raise children. The settlement needs to take this into account, perhaps by providing extra money to the homemaking spouse to pay for additional career training or education.

NOT THINKING ABOUT TAXES. Say it's proposed that one spouse keeps a \$150,000 individual retirement account and the other keeps a \$150,000 taxable investment account. Sounds fair. But it's not. The owner of the IRA will have to pay taxes on that money when it's withdrawn, so the two accounts are not truly equal in value.

NOT FOLLOWING THROUGH WITH YOUR ATTORNEY ON THE QDRO. A spouse who will be receiving part of his or her spouse's qualified retirement accounts will need a court order called a “qualified domestic relations order.” (Nonqualified plans such as deferred compensation or stock options do not need a QDRO.)

But mistakes can cause major problems. First, be sure your attorney is aware of all retirement accounts and that the attorney examines what rules each plan has for QDROs, as they vary from plan to plan.

To expedite the QDRO, have your attorney obtain pre-approval from the plans before the settlement is final. The court must sign the order before an account can be divided. Be sure the order is sent to the retirement plan and is approved by the plan early in the divorce process. If not completed before the divorce is final, you'll have to go back to the court later, and you run the possible risk of your ex-spouse cleaning out the account.

NOT INCLUDING SURVIVOR'S BENEFITS IN THE QDRO. If you will be receiving

Welcome ASIG!



We are pleased to welcome to the Cypress West family, Aircraft Service International Group, as our latest select employer group (SEG). ASIG is a fifty year old company in South San Francisco. ASIG is a recognized leader in the commercial aviation services industry, offering a full range of ground handling, fueling, cargo and ancillary services in 65 cities throughout North America, Europe and Asia. Its 200 or so employees in the US are now eligible for membership. We look forward to our partnership with ASIG in providing the best benefits possible and serving ASIG employees.

Welcome aboard, ASIG!

retirement benefits from your former spouse's pension,

be sure the QDRO includes survivor's benefits, if the plan allows them. Otherwise, those benefits could stop if your spouse dies before you do.

Also pay attention to Social Security benefits. For example, if your spouse makes significantly more money than you do and you've been married ten years or more, you will be eligible for Social Security benefits based on your spouse's work history. That may mean higher benefits than if you have to rely on your own work history.

NOT INSURING THE DIVORCED SPOUSE. If you will be

Call, mail, or visit us

Cypress West Federal Credit Union is a member owned, not-for-profit financial cooperative

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Web: cypresswestfcu.org

Voice (local)	650.877.0545
Voice (long distance)	800.544.6944
FAX	650.872.2656
Q400 (Talk with our computer)	800.430.3448
Modem (Dial in to our computer)	650.742.9693
Visa credit lost/stolen	800.325.3678
Visa Debit lost/stolen	800.453.4270
e-mail	info@cypresswestfcu.org

Financial advisors' compensation

Do you know how your financial advisor is compensated? Answer this question before engaging an advisor. There are three basic ways that advisors are compensated.

COMMISSIONS. An advisor will sell you an insurance product, an annuity, a mutual fund, or even a CD and she or he will get a commission on it. With commissions, nothing comes directly out of your pocket. Most advisors will disclose the dollar amount of the commission to you. But you may have to ask. Make sure you find out if the commission is a one-time or continues as long as you own the product. Commissions that continue through the period you pay for the product are called "trails." Many times a trail will be paid to an advisor long after she or he has stopped providing you service. Some advisors say that the commission spreads out the cost of the service over the life of the product thereby making it more affordable. If you know how much the commission is, you can compare it to a comparable non-commission product.

Advisors often make a deal with product wholesalers to sell exclusively from their group of products. This can mean that you do not necessarily get the best or least expensive product. As a result, you may pay a high price for a product or service when an equal product is available elsewhere for less. Conflicts of interest are more common in this type of compensation. If the commission on one product is higher than another, you may only be offered the higher commission product.

FEE-BASED. This means that an advisor charges fees to you directly and gets commissions on certain products sales. For example, an advisor could

get a commission for an insurance product and a fee for managing assets. If using a fee-based advisor, be sure to find out where the service for the commission begins and ends and where the fee service begins and ends so that there is no overlap. As in the commission model, you may no longer be getting service while still paying for the product. Many times this is the case with an insurance policy or an annuity.

"FEE-ONLY." In this model a fee is paid directly to the advisor. The advisor does not receive any commissions or referral fees from third parties. All fees are paid directly by the client to the advisor. There are a couple modes within fee-only.

One is the retainer. A fee is paid to the advisor which may be based on assets or income. Retainers are used more with high net worth clients. In another fee-only method, the advisor is compensated by the hour or the project.

This model is aimed more, but not exclusively, at middle income people. Last, an advisor may charge hourly as well as for separately managing assets. This is also aimed at middle income people and at some higher net worth individuals and families. In the fee-only methods of compensation, there are typically fewer conflicts of interest.

The important thing to remember is that every advisor is compensated in some way. There is no free dinner/seminar/cruise. Always ask how an advisor is compensated, what is the total compensation, what, if any, are her or his conflicts or



Divorce costs

Continued from Page 3

relying on your ex-spouse for child support, retirement benefits, alimony, or other financial benefits such as a commitment to pay for the children's college education, take out a life insurance policy on your spouse to ensure the money will be there. You should own the policy, so you know they are keeping up the payments. And buy the policy before the settlement is final, so you know whether they're insurable.

ONLY USING A LAWYER. Have a **CERTIFIED FINANCIAL PLANNER™** professional

experienced in divorce financial issues work alongside your attorney. A planner can objectively examine long-range issues such as budgeting, appreciation and tax ramifications of proposed settlement assets, and long-term costs associated with settlement proposals. By working with your attorney, a financial planner can help ensure the divorce settlement is financially fair to you.

This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by James A Frazin, CFP®, AIF®, a local member of the FPA.

potential conflicts of interest. A financial advisor should always be able to disclose actual and potential conflicts of interest before you write a check.

The process of getting this information is called "due diligence." It is a part of being a savvy consumer. There are several other areas in which you should inquire of an advisor before signing up. Discussions of them will appear in forthcoming articles.

This column is written by Jim Frazin, a Certified Financial Planning® professional and Accredited Investment Fiduciary™. Jim is a fee-only advisor in San Francisco, CA, who charges on an hourly basis. He also manages assets for a fee.

Cypress West Debit/ATM

Card: No

\$urcharges on deposits or withdrawals – watch for the Co-op logo. Find ATMs at

www.co-opnetwork.org

