

WINTER TOPICS

- ◆ Debit Awards Are Here
- ◆ 5.99% APR on Visa Balance Transfers
- ◆ New Branch Opened in Federal Way
- ◆ IRA: Tax Relief for 2008
- ◆ \$500 Off First Mortgage Closing Costs
- ◆ Hints to Help Protect Your Identity
- ◆ Sound has Money to Lend
- ◆ Sound is Strong in Hard Times
- ◆ Sound's Privacy Policy

ANNOUNCEMENTS

Newsletter Publication Date Change—Due to changes in the mailing frequency of non-transaction savings account statements, the Sound Connections newsletter will now be published at mid-year and year-end.

Annual Meeting—All members are invited to the 2008 Annual Meeting on Tuesday, June 23, 2009, at 4:30 p.m. The meeting will be held on the second floor of the Downtown Tacoma branch.

Scholarship Deadline—Sound Credit Union will award five \$1,000 scholarships to seniors graduating from high school. Scholarship applications can be downloaded and printed from our website at soundcu.com. The application deadline is April 17, 2009.

HOLIDAY CLOSINGS

- New Year's Day – January 1, 2009
- MLK Jr. Day – January 19, 2009
- Presidents' Day – February 16, 2009
- Memorial Day – May 25, 2009
- Independence Day – July 4, 2009

Sound Checking Accounts Now Offer Debit Awards Points

Your Sound checking account just got better. In addition to free Sound image checks for life,¹ and one overdraft refund a year,² now you can receive Debit Awards³ for Visa debit card purchases!

Just use your Sound Visa debit card for purchases and you'll earn Debit Awards that can be used for travel points, gift cards, and cash.

Here's how Debit Awards work:

- ◆ Earn one (1) Awards point for every \$3 you spend using your Sound Visa debit card.
- ◆ Points are redeemable for travel, gift cards, and cash—it's your choice!
- ◆ Increase your Awards redemption power by combining your Sound Visa Platinum credit card and Sound Visa debit card points.

Adding Debit Awards to your Sound checking account is easy and free. All you have to do is ask. Call the Contact Center, stop by a branch, or enroll online at soundcu.com.

¹All checking accounts are eligible for free image checks. Other custom check styles are available for an additional cost. Limit one box of free image checks per order, per checking account.

²Upon request, every checking account is eligible for one overdraft fee reversal per calendar year.

³Upon request, your Sound checking account will be enrolled to receive Debit Awards. Must meet qualifying criteria to participate. A one-time sign up will enroll every valid Sound Visa debit card connected to the membership account. All points accumulate under one membership account and accumulation begins 5-7 days after enrollment. You can monitor and redeem Awards points beginning on the first business day of the month following enrollment. Debit Awards will be automatically removed if there is no debit card activity for more than six (6) months. Offer is subject to change without notice.

Enjoy a New Season of Savings!

Transfer balances to your Sound Visa credit card & get a low 5.99% APR until they're paid in full*

Wrap up your holiday expenses into one easy payment with the help of your Sound Visa credit card. Transfer those high-rate balances to your Sound Visa account and get a low, fixed 5.99% APR* until the balance is paid in full. It's easy to do. Visit the Visa section of our website at soundcu.com and complete the Balance Transfer Form or stop by any branch. We'll take care of the rest. And you'll simplify your budget and save a bundle in the process. Offer ends March 31, 2009.

*APR is Annual Percentage Rate. Balances can be transferred up to your established limit. Promotional balance transfers cannot be applied to any current Sound Credit Union loan or Visa account. Payments will be applied to lower-rate, promotional balance first.

Protect Yourself From Identity Theft

It's important to always be on guard against identity theft. Thieves are constantly looking for ways to steal data, and it's easiest for them when you are not paying attention to the early warning signs. Here are a few things to watch for:

- ◆ Credit card and checking account statements that don't arrive on time.
- ◆ Being denied credit for no reason.
- ◆ Bills for purchases you never made.
- ◆ Collection agencies trying to collect on debts that you didn't incur.
- ◆ Bills from credit accounts you did not open.
- ◆ Unauthorized charges on your telephone or checking account statements.
- ◆ Credit reports showing new, unauthorized accounts.

If you have been a victim of identity theft, take swift action:

- ◆ Place a fraud alert on your credit file by contacting a major credit reporting bureau (TransUnion, Experian, or Equifax). The other bureaus will be notified and will place alerts on their files. Free reports will be sent to you.
- ◆ Alert affected businesses over the phone and in writing.
- ◆ Close tampered accounts or those opened without your consent.
- ◆ File a police report. Ask for a copy of the report too. You may need it for businesses requiring proof of the crime.
- ◆ Report the crime to the Federal Trade Commission.

For help with identity theft issues, contact BALANCE at 888.456.2227 or visit www.balancepro.net. An expert in the field can access and review your credit report, and provide the direction and support you need.

Earn a Competitive Yield With an IRA

It's not too late to open an Individual Retirement Account (IRA) for 2008. You may invest up to \$5,000 or \$6,000 (depending on your age¹) in an IRA and have the contribution count toward the 2008 tax year, as long as you've earned income in 2008. Be sure to invest by the April 15, 2009 tax-filing deadline and let us know that your contribution is for the 2008 tax year.

Sound Credit Union gives you three ways to invest:

1. IRA Savings—just open your account with \$25, make deposits as you're able, or sign up for automatic payroll deduction.

2. IRA Certificates—combines the high yields of a certificate account with the earning advantage of an IRA to save even more.

3. IRA Transfers/Rollovers—once you've established your Sound IRA, transferring existing IRA money from other institutions or rolling over funds from a different retirement plan is as easy as asking.

Ready to start saving for the future? Call the Contact Center or stop by a branch to open your Sound IRA to help accomplish your retirement goals.

¹IRA contribution maximum based on age: Invest up to \$5,000 if you are age 49 or younger in 2008. Invest up to \$6,000 if you are age 50 or older in 2008.

Sound Opens Branch in Federal Way

Sound Credit Union has opened its 11th branch which is located in Federal Way at 31908 21st Ave. S. (just behind Denny's Restaurant on 320th). This is a full-service location including drive-thru banking, drive-up ATM, safe deposit boxes and Saturday hours.



Linda
Gig Harbor Branch

Sound Credit Union Has Money to Lend

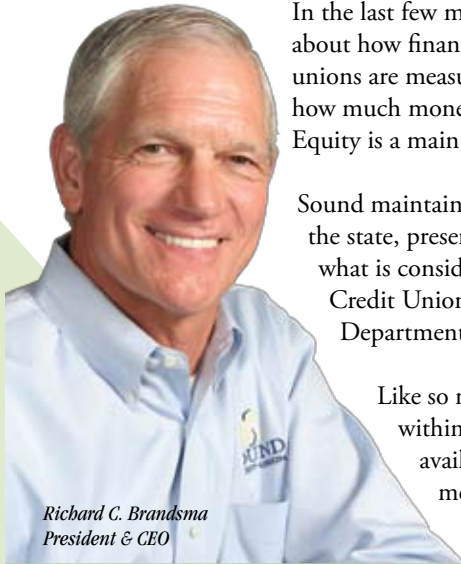
Sound Credit Union has money to lend for the excellent home and car values available today.

We've always been careful to not stretch you beyond your financial means, or take advantage of you with hidden clauses or fees. We work hard to offer a full line of loan products—from auto, to Visa, to home—and they are straightforward so you know what to expect.

At Sound, this is a great time (and place) to borrow money.

Sound Credit Union Shows Strength in Difficult Times

*A Message From Richard C. Brandsma,
Sound Credit Union President & CEO*



*Richard C. Brandsma
President & CEO*

In the last few months, people have had to learn more about how financial institutions operate. One way credit unions are measured is “capital.” Basically that means how much money a credit union puts aside as equity. Equity is a main component of a company’s net worth.

Sound maintains one of the highest rates of capital in the state, presently at 11%. This is 4% higher than what is considered “well capitalized” by the National Credit Union Administration and Washington State Department of Financial Institutions.

Like so many of our members, Sound lives well within its means and keeps plenty of liquidity available to offer exceptional services to our members.

Sound Credit Union Privacy Policy *Protecting Your Personal Information*

Our Privacy Pledge. At Sound Credit Union we respect the privacy of our members. We recognize the importance of maintaining the confidentiality of your personal financial information. This notice describes the privacy policy and practices followed by Sound Credit Union and our affiliate, Sound Financial Group, Inc. This notice explains the types of member information we collect and under what circumstances we may share it.

Member Information We Collect. We collect only relevant information about members in order to establish and maintain your account and services as the law allows or requires us to collect. We may collect personal and financial information about you which is Nonpublic (member information). The member information we collect varies depending on the accounts and services you request and use. We collect information about you from the following sources:

Application Information. We retain personal information we receive from you on any application you provide to us or our affiliate for membership, deposit accounts, EFT services, loans, financial planning, securities brokerage, insurance or other Credit Union services. Application information includes: name, address,

email address, social security number, date of birth, phone number, driver’s license number, employment, financial status, and credit history.

Your Transactions. We retain your transaction information any time you perform a transaction on one of your accounts, including ATM or card transactions, loan advances, transactions through online banking, over the phone or at a branch. Transaction information includes: account number, the date, the amount, and the location of the transaction. Our affiliate may also provide us with reports on your securities and insurance transactions.

Credit Reports. When we evaluate your application for an account or service, we may request a credit report about you from a consumer reporting agency. We retain the personal and credit history information about you and we may use it to evaluate your future account service requests.

Online. We obtain information online when you visit our website, soundcu.com. This includes retaining information you provide to us on an online application, an online banking transaction, or by email.

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Home Buyers! Get \$500 Off First Mortgage Closing Costs*

If you’re looking for a first mortgage, or ready to refinance your current mortgage, Sound has several money-saving options for you!

Loan Options:

- ◆ Fixed Rate
- ◆ Adjustable Rate
- ◆ Owner or Non-Owner Occupied
- ◆ Second or Vacation Homes
- ◆ And more

Save Money:

- ◆ \$500 Off Closing Costs*
- ◆ No Application Fee
- ◆ Lower Interest Rates
- ◆ Lower Origination Fees

Make shopping for your home easy with a fast and free pre-approval. Apply online or call us to set up an appointment with a mortgage loan officer.

**\$500 off closing costs is a limited time offer and is subject to change at any time. FHA/VA loans are excluded. This promotional offer cannot be used toward down payment or with any other discounts. Standard underwriting guidelines apply. Must be a Sound Credit Union member to participate. Membership at Sound requires a savings account with a minimum balance of \$25.*

Let’s Talk Financial Planning

Are you concerned about recent market volatility? Our Financial Advisor, Paul Stevick, is here to talk with you about your current investments and planning for the future.

Call 253.396.6853 or 800.562.8130 to schedule a no cost, no obligation appointment.

Investments offered through CUSO Financial Services, L.P. (CFS) are not NCUA/NCUSIF insured, are not credit union guaranteed and may lose value. Investment representatives are registered through CFS (member FINRA/SIPC).

Sound Credit Union Privacy Policy

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YOUR FINANCIAL PARTNER

SOUNDCU.COM
253.383.2016
800.562.8130
FAX 253.597.7610

Our Sharing of Member Information. In order to provide financial services to you, we share certain information about you with our affiliates and third party service providers. However, we limit any information sharing to the extent necessary to service your account or offer new services to you. If we share your information, it is with the goal of bringing you quality services, more choices, and greater convenience. Information we may have about former members is shared or disclosed only if it is required to enforce or administer an account or as required by law.

Sharing Information with Credit Union Affiliates. Sound Financial Group, Inc. is a wholly-owned affiliate of Sound Credit Union. We may share personal information (name, address, account number and phone number) and account information (type of accounts, account balances, and transaction history) with our affiliates so they can serve you more efficiently. Our affiliates maintain the same privacy standards as the Credit Union.

Sharing Information with Third-Party Service Providers. In order for us to conduct our operations, including servicing your account and processing your transactions, we need to share information with our service providers, including: data processing companies, check, ATM and other payment processing companies, payment networks, loan service providers, insurance companies, collection agencies, credit reporting agencies, securities brokerage and financial planners and service providers with whom we have marketing agreements. These service providers act on our behalf and have agreed in writing to keep the member information we provide to them confidential. We share the following categories of information to third-party service providers depending on the specific services provided:

- Personal information (name, SSN, date of birth)
- Account information (type of accounts, account balances, transaction history)
- Transaction information (dates, amounts, locations and type of transaction)

We do not sell member information nor share your account numbers with independent third-party marketers offering their products and services. While we may assist in offering the financial products and services of our affiliates or third-party service providers, we control the member information used to make such offers.

Sharing Information as Legally Required or Permitted. We may share any member information of yours in response to a lawful request issued by a court, government agency, or regulatory authority or as permitted by law in order to administer or enforce your account. We may also share our experience information about you with credit bureaus. Our reporting to credit bureaus is governed by the Fair Credit Reporting Act, which affords you the right to make sure that your credit bureau reports are accurate.

Our Confidentiality and Security Safeguards. We maintain strict policies and security controls to assure that member information in our computer systems and files is protected. Our employees are permitted access to member information that they may need to perform their jobs, to provide service to you, and as necessary to conduct a transaction or respond to your inquiries. All employees are trained to respect member privacy. No one except our employees has access to the Credit Union computer system and records storage. The Credit Union has established internal security controls, including physical, electronic, and procedural safeguards to protect the information you provide us and the information we collect about you. We will continue to review our internal security controls to safeguard your member information as we employ new technology in the future.

Online Privacy Protections. At our website, soundcu.com, you may apply for accounts and services and you may communicate with us via email. To protect the information you provide us online, we use multiple levels of security. The application information we accept online and our online banking service relies on industry standard Secure Sockets Layer (SSL) encryption and multi-factor authentication to secure your transaction information and communication. Email is not considered a secure method of communication. On our website, we only require the last three (3) digits of your account number, last name and email address on the secure (SSL encryption) form that collects your information. When submitted, the form is emailed to the appropriate area of the credit union. When you visit our website, you can access site information, without revealing your personal identity. However, in order to help us identify you for future site visits, we use cookies to track your visit. A cookie is a piece of information that our web server stores on your computer hard drive and retrieves later. The cookie will not request, require, or collect personal identity information and you remain anonymous. Your member information is not accessed by, or stored within, a cookie in any way.

Protecting Children's Information Privacy. Our online financial services are not designed for or directed toward children. We do not knowingly solicit or collect data from children and we do not knowingly market to children online. We recognize that protecting children's identities and online privacy is important and that responsibility rests with us and with parents.

Privacy Policy Inquiries. If you have any questions about our privacy practices, contact us by calling 253.383.2016 or 800.562.8130, sending us an email at info@soundcu.com, or writing to us at: Sound Credit Union, Attn: Privacy Policy Inquiries, P.O. Box 1595, Tacoma, WA 98401.

We reserve the right to amend our Privacy Policy at any time and we will notify you as required by law.

AUBURN
2326 Auburn Way N

DOWNTOWN TACOMA
1331 Broadway Plaza

EAST TACOMA
2806 Portland Ave E

FEDERAL WAY
31908 21st Ave S

GIG HARBOR
4521 Pt Fosdick Dr NW

KEY CENTER
8920 Key Peninsula Hwy N

LAKEWOOD
7717 Bridgeport Way W

OLYMPIA
556 Lilly Rd SE

PARKLAND
9911 Pacific Ave

PUYALLUP
117 14th Ave SE

WESTGATE
1802 N Pearl St

Richard C. Brandsma
President & CEO

Keith Mock
Chairman of the Board

Robyn LaChance
Editor
VP/Marketing

Julie Kangas
Assistant Editor
Senior Marketing Coordinator

SOUND
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