KENTUCKY TELCO FEDERAL CREDIT UNION

MONEYLINE

APRIL 2012

A QUARTERLY UPDATE FOR KENTUCKY TELCO FEDERAL CREDIT UNION MEMBER-OWNERS

You have dreams...We have money.

What would you do without a mortgage payment?

LIMITED TIME ONLY

Be Mortgage-Free Quicker with

The Seven Year Mortgage

2.75% APR*

7-YEAR FIXED RATE

This offer won't last! Apply today!

Call 502-459-3000 or 800-292-9490 or visit kytelco.com for details.

Current Loan Amount	Interest Rate	Years Remaining	Total Interest Savings**
$80,000	5%	12	$18,509
$80,000	2.75%	7	

*APR=Annual Percentage Rate. Limited time offer. Rate effective 4/1/2012 and can change at any time without notice. All normal closing costs associated with a purchase money or refinance mortgage apply. Payments do not include amounts for taxes and insurance. Maximum loan amount not to exceed 80% of property value. Primary residence only. Lien must be in first position. Additional restrictions may apply. Offer is subject to change and may be withdrawn without notice. Existing Kentucky Telco mortgage loans do not qualify for this offer. **Interest savings comparison based on an $80,000 mortgage financed at 5% APR for 12 years compared to an $80,000 mortgage financed at 2.75% APR for 7 years.

Your dream car, our dream rate.

AS LOW AS

1.89% APR[1]

FINANCE OR REFINANCE

90 DAYS NO PAYMENT

$50 CASH BACK![2]

[1]APR = Annual Percentage Rate. Rate may vary based on your credit profile, vehicle age, vehicle condition, and loan term. Lowest loan rates are for a 2011-2013 auto, and includes a .25% discount for automatic payment, and a .25% discount for 20% equity in the vehicle. [2]Promotion period for $50 cash back incentive and 90 days until your first payment begins April 1, 2012. Cash incentive and 90 days until your first payment is only available to members who finance an auto loan during this promotion period. This offer cannot be combined with any other offer. Existing Kentucky Telco auto loans do not qualify for this offer. Promotion is subject to change without notice.

EQUAL HOUSING LENDER NCUA

A World Beyond Banking

The Countdown Is On:

Switch Now to Direct Deposit for Federal Benefit Payments

If you receive Social Security or other federal benefit payments by paper check, you should know that you are required by the U.S. Department of the Treasury to switch to electronic payments by March 1, 2013. That's only ELEVEN short months from now!

It's fast, easy and free to switch to direct deposit today. You can sign up:

At your local Kentucky Telco Federal Credit Union branch

Online at the Treasury Department's Go Direct® website www.GoDirect.org

By calling the U.S. Treasury Electronic Payment Solution Center at (800) 333-1795

There are many reasons to take action now rather than wait for the deadline. By making the switch, you will help save taxpayers $1 billion over the next 10 years, while also protecting your money from financial crimes, severe weather delays and other unforeseen events.

Why wait? Make the switch today. For details and more information on what you need to have on hand when you switch to direct deposit, visit www.GoDirect.org.

Say YES to Bounce Safe Debit Overdraft Protection!

Make sure your ATM/Debit Card transactions don't get declined...

Bounce Safe Debit Overdraft Protection can allow debit card purchases and ATM authorizations to be approved* even if your account has insufficient funds.

What are the benefits of Bounce Safe Debit Overdraft Protection?

- **Safety Net** – Your Debit card purchases can be approved* when you have insufficient funds.
- **Convenience** – Make a purchase or withdraw cash, and deposit or transfer money into your account later.
- **Reputation** – Avoid embarrassment of declined debit purchases.

How much does Bounce Safe Debit Overdraft Protection cost?

- Enrollment is FREE!
- A $29 overdraft protection fee is assessed only when a debit card or ATM purchase is approved* and will prevent the embarrassment or fees associated with a rejected purchase.

How do I sign up for Debit Overdraft Protection?

- Call (502) 459-3000 / (800) 292-9490
- Email membersvcs@kytelco.com
- Send a message through your e-teller Online Banking account by clicking **Contact** at the top right-hand corner and selecting the **New Message** option
- Visit us at www.kytelco.com to download the Opt-In form and mail or fax to:

  Kentucky Telco Federal Credit Union
  P.O. Box 18303
  Louisville, KY 40261-0303
  Fax: (502) 459-8004

*We authorize and pay overdrafts for checks and other transactions made using your checking accounts and automatic bill payments. Overdrafts may be paid up to a maximum of $750, at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. You must meet overdraft privilege eligibility requirements in order for us to pay overdrafts. Please refer to our Universal Disclosure for Overdraft Policy details. The Universal Disclosure can be found on our website at www.kytelco.com or by visiting any Kentucky Telco branch location.

We've Upgraded to Smart ATMs… That's good news for you.

Our new ATMs will make your automated banking experience even more convenient, 24 hours a day, 7 days a week.

Convenient Self Service

- Envelope-Free Deposits (select locations) – Make cash and check deposits without an envelope at select ATMs.
- Withdraw Funds – Get the cash you need, whenever you need it.
- Transfer Funds - Move funds between checking accounts and savings accounts that are linked to your debit card.
- Check Balances – View your account balances before you make a withdrawal or purchase.

Customizable

- Fast Cash – Set standard ATM withdrawal amounts.
- Receipt Options – Set whether or not you will receive a receipt when you make transactions.
- Preferred Language – Choose between English or Spanish.
- PIN Change – Change your Personal Identification Number (PIN) at any time, as often as you like.

Save time with our new Smart ATMs

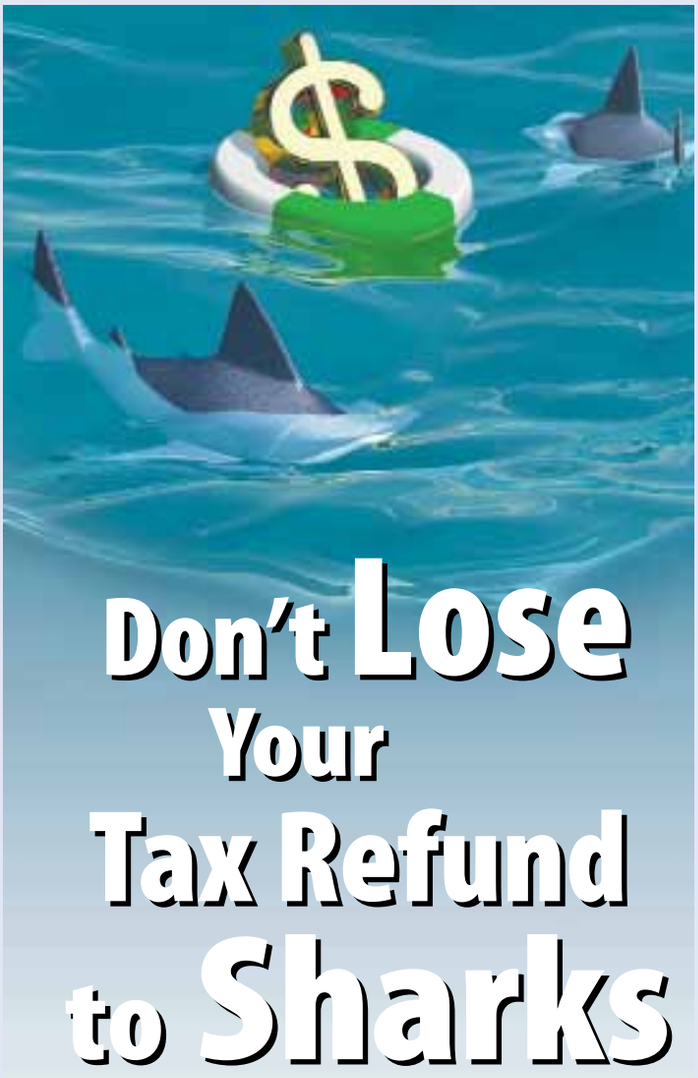
For more information about our new ATMs, please visit a branch near you.

For a complete listing of ATMs, including ATMs that accept deposits, please turn to the back page of this newsletter or go to www.kytelco.com.

e-news

Changes to the Moneyline Newsletter Coming Soon!

Beginning in July, the Moneyline will only be a quarterly newsletter. All members with a valid email address will start receiving e-news, our new electronic newsletter. We will continue to include the quarterly newsletter in all mailed statements. To be sure you are up-to-date on the latest news and promotions at your credit union, sign up for e-news at www.kytelco.com.



Don't Lose Your Tax Refund to Sharks

Beware! Predatory Lenders are hunting for your money

It's a treat to get a tax refund from the Internal Revenue Service (IRS), but life can turn less rosy if you lose your refund to a fringe lender. A fringe lender is a lender that will take your tax refund as a "down payment" on a loan. It's a loan you may never be able to repay because interest rates can range from 40% to more than 700%. Many fringe lenders are located in check-cashing outlets and casinos. They offer refund anticipation loans- if you don't have your refund check yet from the IRS, they will lend you the money now in exchange for your refund check once it arrives. While the fringe lender is waiting for your refund check, you will be charged an excessive interest rate.

If you are in need of a loan, call us first to see if we can help. Contact a loan officer at (502) 459-3000 or toll-free at (800) 292-9490, or apply online at www.kytelco.com.

Branch Locations

LOUISVILLE, KY

Main Office
3740 Bardstown Road
(502) 459-3000 / (800) 292-9490
ATM DEPOSIT AVAILABLE

Stonefield Square in Middletown
10486 Shelbyville Road
ATM DEPOSIT AVAILABLE

Okolona
4816 Outer Loop
ATM DEPOSIT AVAILABLE

Dupont Square
4004 Dutchmans Lane
ATM DEPOSIT AVAILABLE

Riverport
7215 Riverport Plaza Drive
ATM DEPOSIT AVAILABLE

University of Louisville
2126 South Floyd Street
ATM ACCESS AVAILABLE

Starks Building Downtown
455 South Fourth Street, Suite 117
ATM ACCESS AVAILABLE

Mazzoli Building
600 Dr. Martin Luther King Jr. Place

Medical Towers South
234 East Gray Street, Suite 170

Westport CU Service Center
2925 Goose Creek Road
ATM ACCESS AVAILABLE

Sears Plaza CU Service Center
4917-B Dixie Highway
ATM ACCESS AVAILABLE

LEXINGTON, KY
2549 Regency Road, Suite 105
ATM ACCESS AVAILABLE

OWENSBORO, KY
933 Tamarack Road
ATM ACCESS AVAILABLE

Telephone Teller - (502) 451-1370 or (800) 221-6279
Online Banking - www.kytelco.com

Holiday Closings

We will be closed on Monday, May 28th in observance of Memorial Day.

KENTUCKY TELCO FEDERAL CREDIT UNION

Loan Rates

Auto Loans	as low as 1.89% APR*
Visa Platinum	as low as 8.90% APR*
Keyline HELOC	as low as 4.00% APR*

Deposit Rates

Prestige Checking	0.50% APY** (up to $10,000)
Personal Reserve	.15% - .40% APY**
6 Month – 60 Month Certificate	.40% -2.00% APY**

*APR=Annual Percentage Rate. Your rate may vary based on your credit performance. Rates subject to credit approval. Vehicle loan rates include discounts and take into consideration vehicle age, vehicle condition, and loan term. Rates effective 4/1/12 and are subject to change without notice.

** APY=Annual Percentage Yield. Personal Reserve rate is tiered based on deposit amount. Other Certificate terms available on request. A $500 minimum is required for all Certificate Accounts. Certificates subject to penalty for early withdrawal. Rates are effective 4/1/12 and are subject to change without notice.

^Prestige Checking requires an active Telco loan or VISA Platinum credit card, an active SmartCash debit card and Direct Advantage (direct deposit of at least $800 a month).

Negative Information Notice: We may report information about your loan and deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

EQUAL HOUSING LENDER NCUA