

THE PCU DIVIDEND

NEWSLETTER OF THE PROGRESSIVE CREDIT UNION

Volume XII No. 1

APRIL 2003

Progressive Credit Union

ANNUAL REPORT 2002

A Message from the President

On behalf of the Board of Directors, I want to thank all of the members for your continued support of Progressive Credit Union during 2002. In the face of a devastating recession, we have tried to be a stabilizing force in your economic lives. Once again, if you had your regular savings and IRAs in a high paying, insured Certificate of Deposit at Progressive Credit Union, you outperformed both the Dow Jones Industrial

Average (-26.8%) and the NASDAQ (-31.5%). This year we celebrate **85 consecutive years of uninterrupted dividends!**

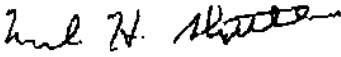
As we look back on the year 2002, some of our major accomplishments include:

- the implementation of a new data processing system (WESCO)
- comprehensive website www.progressivecu.org
- Internet access
- home banking
- audio response (telephone banking)
- payment of higher than market rate dividends to our members
- continued loan processing and loan modifications at the lowest rates possible
- member deposits reaching the highest level ever
- member loans reaching the highest level ever
- assets reaching the highest level ever
- capital reaching the highest level ever

Our member service and loan departments are always available to assist your needs. Now, you can call, fax, or e-mail us with your questions, requests and comments. The credit union is here to serve you, please take advantage of everything we have to offer.

Finally, I would like to take this opportunity to thank our Treasurer, Robert A. Familant for the fine job he did in the year 2002. The rest of the credit union staff deserves our thanks as well for their dedicated service. In fact, the entire staff received "Employee of the Year" acknowledgments.

We look forward to seeing you at our 85th Annual Meeting to be held at the Southgate Hotel on Sunday, April 27, 2003 at 12:30 PM.

Sincerely,

Mark Shottland
President

Don't forget!

Progressive Credit Union

85th Annual Meeting

**Sunday,
April 27, 2003
12:30 P.M.**

**Southgate Tower
371 Seventh Avenue
New York, New York**

Parking available
Sharon Garage
148 West 31 St.
New York, NY 10001

NOTICE

OF YOUR FINANCIAL PRIVACY RIGHTS

We, our, and **us,** when used in this notice, mean Progressive Credit Union.

This is our privacy notice for our members. When we use the words “you” and “your” we mean the following types of members:

- All of our consumer members who have a continuing relationship with us, such as:
 - Deposit account
 - Loan account
 - Self-directed Individual Retirement Account where we act as custodian or trustee.

We will tell you the sources for nonpublic personal information we collect on our members. We will tell you what measure we take to secure that information.

We will also tell you what information we share with other entities. We will explain what your rights are, and how you can exercise them. If you share your account relationship with someone else, for example, where you are a co-borrower or joint holder of a share draft account, we suggest that you share this information with each other to ensure that each of you are aware of our policy and your options.

We first define some terms:

Nonpublic personal information means information about you that we collect in connection with providing a financial product or service to you. Nonpublic personal information does not include information that is available from public sources, such as telephone directories or government records.

An **affiliate** is a company we own or control.

An **nonaffiliated third party** is a company that is not an affiliate of ours.

Opt out means a choice you can make to prevent certain sharing of information. We will explain how you can exercise this choice.

The Information That We Collect

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us
- Information about your transactions with nonaffiliated third parties
- Information from a consumer reporting agency.

The Confidentiality, Security, and Integrity of Your Nonpublic Personal Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Nonpublic Personal Information and Nonaffiliated Third Parties

We may disclose nonpublic personal information to nonaffiliated third parties. Here are the kinds of nonpublic personal information we disclose to nonaffiliated third parties:

- Nonpublic personal information we receive from you on an application or other forms, such as:
 - Name
 - Address

You may opt out of the disclosure of the information listed above.

Exceptions:

We do not share this information about members who reside in Alabama, Alaska, Idaho, North Dakota, or Vermont. Members who reside in these states do not need to opt out.

We do not share any information derived from deposit (share) relationships with us about members who reside in Massachusetts, Mississippi, or New Jersey. If you only have a deposit relationship with us and you reside in one of these states, you do not need to opt out. If you have a loan or other nondeposit member relationship, and you do not want us to share this information about you, you should send us the opt out form.

The only information we share about our members from Tennessee is name and address. If you live in Tennessee and you do not want us to disclose your name and address as mentioned, you should send us the opt out form.

Types of Nonaffiliated Third Parties:

We may disclose nonpublic personal information about you to the following types of nonaffiliated third parties:

- Financial service providers, such as:
 - Insurance agents
 - Others, such as non-profit organizations.

Reasons for Disclosing:

Here is why we may disclose nonpublic personal information about you to nonaffiliated third parties:

- To provide our members with information about additional products and services

Future Nonaffiliated Third Party Disclosure:

We also reserve the right to disclose the following additional nonpublic personal information about you to nonaffiliated third parties in the future:

- Nonpublic personal information we receive from you on an application or other forms, such as:
 - Income

You may opt out of the disclosure of the information listed above.

We may disclose this nonpublic personal information with the nonaffiliated third parties listed under the heading Types of Nonaffiliated Third Parties.

Nonpublic Personal Information and Other Parties

We do not disclose your nonpublic personal information to anyone, except as permitted by law or as disclosed in this disclosure.

Nonpublic Personal Information and Former Members

We do not disclose nonpublic personal information about former members, except as permitted by law.

Your Right to Block the Disclosure of Your Nonpublic Personal Information

Nonaffiliated Third Parties.

If you do not want us to share your nonpublic personal information with nonaffiliated third parties, you

can block the release of certain nonpublic personal information. This is known as your right to “opt out”

Your decision to block the disclosure of your nonpublic personal information will apply to all products and services you receive from us.

If you have one or more joint accounts, an opt out instruction given by one participant of such an account will affect all of the accounts of the person who opts out and all information from those accounts about others who participate in those accounts.

If you wish to opt out of disclosures, you may do so by checking the appropriate box on the Opt Out Notice that you received with this notice and returning it to us at this address: **Progressive Credit Union**, 370 7th Avenue, Suite 1400, New York, NY 10001.

You Have the Right to Choose

In this notice, we have explained our policy about the disclosure of certain information.

Nonaffiliated Third Parties. We have explained the kinds of nonpublic personal information we may disclose to nonaffiliated third parties. We have also explained the kinds of nonaffiliated third parties with whom we may disclose the nonpublic personal information. If you prefer that we do not disclose nonpublic personal information to nonaffiliated third parties, you may opt out of these disclosures, that is, you may direct us not to make those disclosures (other than the disclosures permitted by law).

Your decision to block the disclosure of your nonpublic personal information will apply to all products and services you receive from us.

If you have one or more joint accounts, an opt out instruction given by one participant of such an account will affect all of the accounts of the person who opts out and all information from those accounts about others who participate in those accounts.

If you wish to opt out of disclosures, you may do so by checking the appropriate box below and returning it to us at this address:

Progressive Credit Union, 370 7th Avenue, Suite 1400, New York, NY 10001.

- Do not share my nonpublic personal information with nonaffiliated third parties.

SIGNATURE

NAME(S)

SOCIAL SECURITY NUMBER(S)

ACCOUNT NUMBER(S)

STREET ADDRESS

APT #

CITY, STATE, ZIP

PROGRESSIVE CREDIT UNION COMPARATIVE BALANCE SHEETS

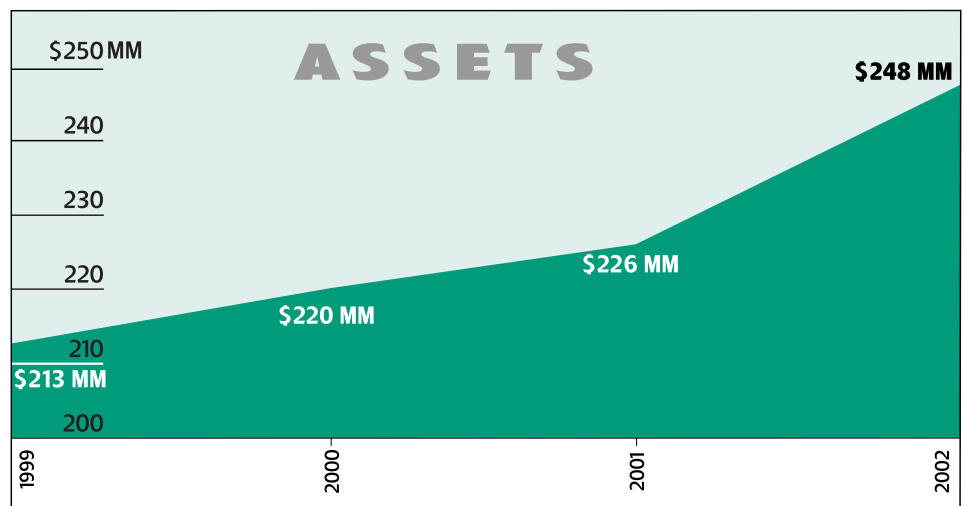
December 31,	2002	2001
ASSETS		
Cash and cash equivalents	\$ 250,968	\$ 353,053
Deposits with other credit unions	1,541,129	3,158,134
Securities, available-for-sale	474,017	75,000
Loans to members, net	242,430,024	219,678,667
Accrued interest receivable	1,128,737	1,168,156
Premises and equipment, net	330,615	338,277
NCUSIF deposit	1,026,337	1,071,989
Foreclosed assets	713,182	—
Other assets	531,682	564,879
Total assets	\$ 248,426,691	\$ 226,408,155
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' accounts	\$ 117,628,719	\$ 116,866,279
Interest payable on members' accounts	2,963	1,152,872
Accounts payable and accrued expenses	995,662	413,394
Other borrowed funds	15,750,000	5,000,000
Other liabilities	1,213,941	852,121
Total liabilities	135,591,285	124,284,666
Commitments and contingencies		
Members' equity	112,835,406	102,123,489
	\$ 248,426,691	\$ 226,408,155

Respectfully Submitted,

This balance sheet certified by B.D.O. Seidman, LLP

Robert A. Familant

Robert A. Familant
Treasurer



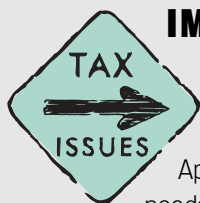
DIVIDEND RATES — Effective April, 2003

	RATE	APY
SHARES — TIERED		
\$0-\$4,999.99	1.00%	1.00%
\$5,000.00-\$49,999.99	2.25%	2.27%
\$50,000.00+	2.50%	2.62%
SHARE DRAFTS		
\$300+	1.00%	1.00%
IRA SHARES		
Traditional	2.75%	2.78%
Roth	2.75%	2.78%
Roth Conv.	2.75%	2.78%
Coverdale	2.75%	2.78%

CERTIFICATE RATES — Effective April 1, 2003

	RATE	APY	DIV.PMT
One year	2.75%	2.78%	Qtrly.
Two years	3.00%	3.03%	Qtrly.
Three years	3.25%	3.30%	Mthly.
Five years	4.00%	4.06%	Qtrly.

All certificates are automatic renewal effective July 1, 2002.



IMPORTANT NEWS ABOUT IRAS

Please note that the deadline for all IRA 2002 contributions is April 15, 2003. Contact R. Julie Cruz at extension 137 for all your IRA needs. Want to know about ROTH and EDUCATIONAL IRAS? Call Julie.



PROGRESSIVE CREDIT UNION

370 Seventh Avenue • Suite 1400
New York, NY 10001-3900

212.695.8900 • www.progressivecu.org

Administrative/Legal Fax: 212.695.0760
Loan Processing Fax: 212.695.0759
Customer Service Fax: 212.695.6377

Board of Directors

Mark H. Shottland, *President*
Robert Katzenoff, *Vice President*
Robert A. Familant, *Treasurer*
Joel A. Slomon, *Secretary*
Aaron Familant, *Director*

Supervisory Committee

Arthur C. Meisel, *Chairman*
Gary S. Parker, CPA
Michael R. Stoler

Auditors

BDO Seidman, LLP
Certified Public Accountants

PCU Office Hours

Monday-Friday: 8:30 am-4:00 pm
Progressive has a 24 hour automated voice mail system for your convenience.

Branch Office

Central Credit Union
107-14 71st Road, Forest Hills, NY 11375
Phone: 718.544.2400 / Fax: 718.544.8615
Hours: Mon.-Fri. 9:30 a.m.-3:30 p.m.

2003 HOLIDAY CLOSINGS

Memorial Day

Monday, May 26th

Independence Day

Friday, July 4th

Labor Day

Monday, September 1st

Columbus Day

Monday, October 13th

Veteran's Day

Tuesday, November 11th

Thanksgiving

Thursday, November 27th

Christmas

Thursday, December 25th

PARKING REMINDER

Two convenient locations for Members:

The special discount parking rate is \$7.00 for 2 hours during PCU office hours 8:30 a.m.-4:00 p.m.

- 1 Central Parking Systems, 300 W. 31 Street (S.W. corner of 31st st. & 8th Ave.)
- 2 Central Parking Systems, 6th Avenue between 29th & 30th Streets.

Progressive Credit Union Staff

Office Phone Number: 212.695.8900

OFFICE OPERATIONS

ROBERT A. FAMILANT, Ext. 110

Treasurer/Chief Executive Officer
rfamilant@progressivecu.org

CHARLES H. ROGERS, Ext. 118

Chief Operating Officer
crogers@progressivecu.org

ROBERTA H. DONNER, Ext. 112

Administrative Assistant
rdonner@progressivecu.org

ANNIE ESPIRITU, Ext. 117

Internal Auditor
aespiritu@progressivecu.org

LOAN DEPARTMENT

LYNN REUSCH, Ext. 105

Vice President, Medallion Taxi Department
lreusch@progressivecu.org

RITA RYAN, Ext. 103

Senior Loan Specialist
rryan@progressivecu.org

KAREN SHILLETTO, Ext. 101

Loan Specialist
kshillette@progressivecu.org

REAL ESTATE & CHATTELS

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Real Estate & Chattels

NORMAN JARRETT, Ext. 106

Mortgage Officer
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COLLECTIONS

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MEMBER SERVICE/ACCOUNTING

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jcruz@progressivecu.org

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drojas@progressivecu.org

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USHA SINGH, Ext. 140

Member Service Representative
usingh@progressivecu.org

SHERYL OUTERBRIDGE, Ext. 130

Teller
souterbridge@progressivecu.org

SHARMAIN E. DIAZ, Receptionist

BOSTON REPRESENTATIVE

LEW SNAPPER

617-835-0370

CHICAGO REPRESENTATIVE

NATVAR GOYAL

312-961-0905