



National Credit Union Administration
REGION V

November 26, 2003

Paul V. Parish, CEO/President
NWA Federal Credit Union
14985 Glazier Avenue
Apple Valley, MN 55124

Dear Mr. Parish:

I have approved your request to expand your field of membership to serve the Air Transportation Industry. For the enclosed amendment to become effective, the following actions are required:

- The board of directors must adopt the amendment at a meeting held in accordance with the bylaws.
- The appropriate persons must sign and date the AMENDMENT TO CHARTER in the proper place.
- File the completed certification form with the credit union's official charter. There is no need to forward a copy to NCUA.

If you have any questions concerning the contents of this letter or the enclosed charter amendment, please direct them to Insurance Analyst Steven Worden in the Division of Insurance in this office.

Sincerely,

A handwritten signature in black ink that reads 'Jane A. Walters'.

Jane A. Walters
Regional Director

DOI/SDW:sdw
FCU # 24351
Enclosure



AMENDMENT TO CHARTER

Northwest Airlines Federal Credit Union
Charter No. 24351

WHEREAS, formal request has been submitted by the officials of this Federal Credit Union that the following amendment to its charter be approved:

Section 5 of the Charter shall be amended to read as follows:

"The field of membership shall be limited to those having the following common bond:

1. Employees of entities engaged in the Air Transportation Industry who work in the United States, meaning:
 - employees of airlines;
 - government employees who work directly in the administration, regulation, or security of airlines, airports, or air transportation; and
 - employees who are located at an airport if they work directly with:
 - air transportation of freight;
 - air courier services;
 - airport and air transportation support and services, for example, janitorial services, airport baggage handling, aircraft cleaning, maintenance and repair services, and runway maintenance services; and
 - on board airline food services.

The Industry does not include employees of retail shops, restaurants, travel agencies, hotels, or car rental companies, even if located at an airport.

2. employees of this credit union;
3. persons retired as pensioners or annuitants from the above employment;
4. spouses of persons who died while within the field of membership of this credit union;

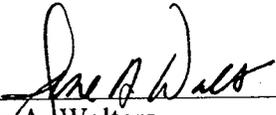


NWA Federal Credit Union
Charter No. 24351
Page 2

5. members of their immediate families and households;
6. organizations of such persons; and
7. corporate or other legal entities in this charter."

AND WHEREAS, the amendment is in the best interests of the members and is not inconsistent with Law,

NOW, THEREFORE, pursuant to the provisions of the Federal Credit Union Act, the foregoing submitted amendment of the charter of the above Federal credit union is hereby approved this 26th day of November 2003, subject to adoption by the board of directors in accordance with the Federal Credit Union Bylaws.



Jane A. Walters
Regional Director

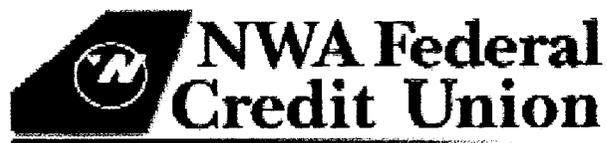
At a meeting held on _____ the above amendment to the charter was adopted by the board of directors in accordance with the Federal Credit Union Bylaws.

Presiding Officer

Secretary

**Trade, Industry and
Profession Charter
for Air Transportation**

Strategic Business Plan



We work for you.

Executive Summary

NWA Federal Credit Union has served the needs of the employees and retirees of Northwest Airlines, its affiliated companies and their family members since 1938. The Credit Union has grown to become a \$1.4 billion financial institution with offices stretching from Atlanta to Honolulu. Just as the Credit Union has changed, our sponsor's business has changed as well. While the future of air travel, in general, is bright, the fortunes of any one particular airline are in question. Northwest Airlines, for example, is actually shrinking in size making it difficult for the Credit Union to continue to grow and develop.

To counter some of the negative issues Northwest is facing, the Credit Union's Board of Directors decided to pursue a change in charter to the Trade, Industry and Profession (TIP) charter first approved by NCUA in March. It is felt that pursuit of this charter type will enable us to leverage our strengths and broaden our field of membership to all those employed in the Air Transportation industry. We would like to apply to serve individuals primarily engaged in, or providing direct support for, the air transportation of people or cargo.

We have closely analyzed the Air Transportation market. In 2002, direct employment in the industry was nearly 1.7 million people nationwide. Our national presence and our well-developed automated channels will enable us to serve this market well. We will offer this expanded field of membership a very broad range of financial products and services and we believe we can compete well with large national banks, regional banks, other credit unions and other financial services providers.

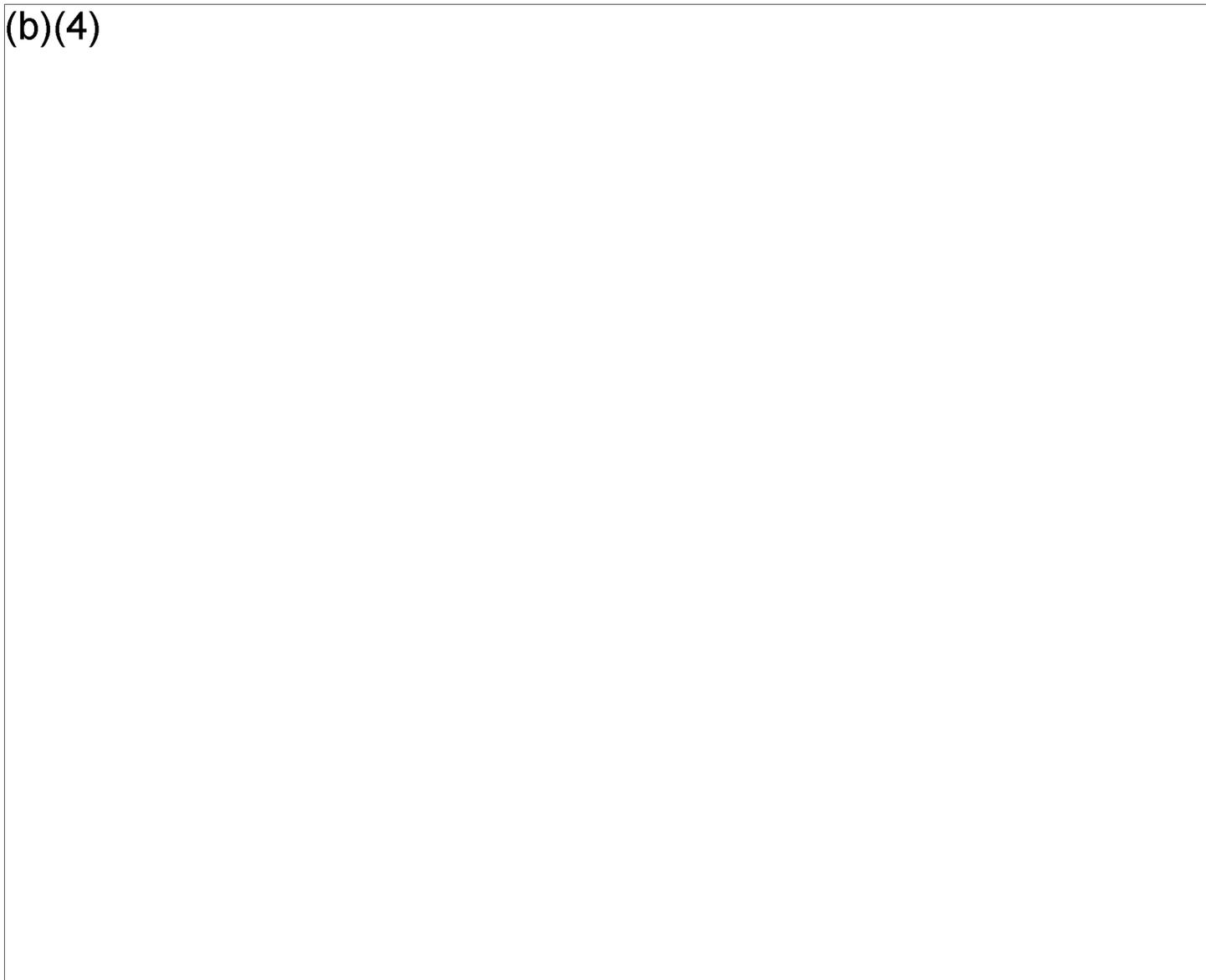
For the past 65 years, we have been closely identified with Northwest Airlines. In that Northwest Airlines will not employ the majority of our new field of membership, we feel it necessary to develop a new brand identity to serve these new members. While we would continue to market under the name NWA Federal Credit Union in our current markets and to Northwest affiliated members, a new name, such as (b)(4) will be used in new markets we will enter. The new name, (b)(4) (b)(4) We will work to build affinity with workers in the industry through our branding and marketing efforts.

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Mission Statement

**PREMIER MEMBER SERVICE
THROUGH
STRENGTH, STABILITY, AND INNOVATION**

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Overview

Description of Business

NWA Federal Credit Union is a 65 year old financial institution serving the employees and retirees of Northwest Airlines, its affiliated companies and their families. The Credit Union has a long-term record of success. The Credit Union has 123,000 members and over \$1.4 billion in assets with 16 offices stretching from Atlanta, Georgia to Honolulu, Hawaii. The Credit Union also has 35 ATMs deployed in places as diverse as Anchorage, Alaska; Boston, Massachusetts; and Tampa, Florida.

Our membership is broadly dispersed with members in all 50 states and several foreign countries. The Credit Union offers a broad range of financial products and services. We pride ourselves on providing excellent member service and we make a point of giving our members access to market leading rates.

History of NWA Federal Credit Union

The charter for Northwest Airlines Credit Union was signed on November 11, 1938 by Fred Funder, John D. Vars, Helen Davidson, Carl W. Griffin, Harold M. Barnes, C.A. Cahoon and Stanley S. Cady. At that time, membership was limited to the employees of Northwest Airlines, Inc., in St. Paul, Minnesota. Employees were invited to deposit any sum of money in the Credit Union. The interest rate charged on loans was 1% per month (12% APR) on the unpaid balance, and the share dividend rate was 5% per annum, which was considerably more than what the local banks were paying at the time.

1930-1949

Throughout the 1930s and much of the 1940s the Credit Union grew modestly. The end of World War II, however, brought a period of rapid growth for the Credit Union. Between 1945 and 1949, the Credit Union grew nearly 500% in assets fueled by those returning from the war and growth at Northwest Airlines.

1950s

By 1950, the Credit Union's assets had grown to \$575,275. The Credit Union was located in a small room in the basement of the Northwest Airlines headquarters on University Avenue, in St. Paul. The Credit Union grew as the airline grew. Northwest Airlines was expanding its reach across the United States and to Asia. To fuel this expansion, the airline was hiring at a rapid pace. The Credit Union was there to serve these employees. The Credit Union hired its first full-time paid general manager in 1955. By 1959, assets had grown to \$3.7 million, a 543% increase from a decade earlier.

1960s

Northwest Airlines Employees Credit Union celebrated its 25th Anniversary in 1964. During the 25th Anniversary year, the charter was amended to include the spouse and blood relatives of regularly qualified members. In 1969, we became the first Credit Union in the state to convert to an on-line computer system. Assets in 1969 stood at \$9.6 million.



1970s

The Credit Union added federal deposit insurance (NCUSIF) in 1970, and a Seattle office was opened to serve the increased number of Northwest Airlines employees in Seattle. In 1975, the charter was once again amended, this time to include the "once a member, always a member" provision.

The Credit Union headquarters moved twice during the decade, first to a location in the lower level of the Northwest General Office in 1975 and then to the main floor of the One Appletree Square Building in Bloomington, Minnesota. Plans to purchase a 1.5-acre parcel of land and to erect the original two-story world headquarters building at Four Appletree Square were soon in motion. Ground was broken on August 8, 1978 and the building was completed in March 1979. Assets at the close of 1979 were \$46.5 million.



1980s

The 1980s brought a number of challenges to the Credit Union. The federal government passed the Financial Institution Deregulation Act in 1981. This Act spawned a new era of competition in the financial services industry. In 1986, Northwest Airlines acquired Republic Airlines, bringing in nearly 30,000 employees, doubling the potential membership of the Northwest Airlines Credit Union.

The Credit Union changed its name to NWA Federal Credit Union in 1988 and construction on an addition to the headquarters facility commenced that same year. Full service offices were opened in Detroit and Memphis to serve the employees based in those cities.

By 1989, the Credit Union's assets had reached \$304 million.

1990s

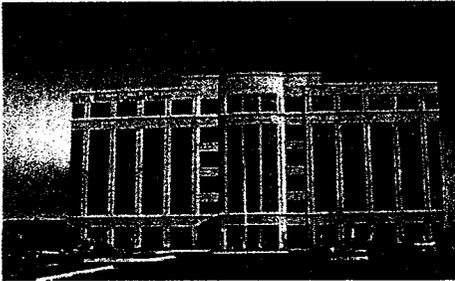
The 1990s brought significant changes in technology and product delivery to the Credit Union. The introduction of the Internet as a business tool stimulated changes in the way we communicate and transact business with our members and also the way we manage our supplier relationships.

Paul V. Parish was hired in January 1992 as President/CEO after the retirement of former CEO Fred Smith.

New offices were opened in Atlanta, at the Detroit Airport, Chisholm, MN and Minot, ND. Vector, Inc., an investment and financial planning service was formed as a subsidiary of NWAFCU.

In October 1999, Credit Union officials as well as officials of Northwest Airlines and Apple Valley broke ground on the Credit Union's new headquarters facility in Apple Valley, Minnesota. Assets at the close of 1999 were \$766 million.

2000-



The new millennium witnessed two major accomplishments for the Credit Union, a new headquarters building and the achievement of \$1 billion in assets. The Credit Union's new headquarters officially opened in December 2000 while the \$1 billion mark was passed in June 2001.

Consumer behavior changed rapidly in the years 2000 and 2001. The dot.com bubble broke and the economy began to feel the impact of unemployment and market uncertainty. Many people lost paper fortunes as stocks tumbled. Consumers began to shift savings from stocks and money markets to "safe harbors" such as insured financial institutions. NWAFCU was a beneficiary of this shift and realized significant deposit growth. Consumer loans continued to grow in early 2000 but began to level off as members felt the effects of a poor economy and layoffs in the airline industry. Real estate lending boomed as interest rates began creeping downward and consumers purchased or refinanced homes. The investment portfolio of NWAFCU grew rapidly as deposits continued to pour into member accounts and loan demand remained flat.

In September of 2001 terrorists attacked the United States in both New York and Washington, D.C.. The impact of the attacks on an already weak economy, combined with government shutdowns of airports and greatly enhanced security measures, and a major decline in business air travel dealt a major blow to all US air carriers. Northwest Airlines reduced employment by nearly 25% between the months just prior to the attacks and the middle of 2002. The continued uncertainty in the economy and the airline industry had interesting effects on NWAFCU. Deposits continued to grow rapidly. Consumer loans were flat at late 1990s levels. Real estate lending boomed as interest rates sank to their lowest levels in 30 years. NWAFCU maintained a flexible balance sheet and re-pricing structure. The year 2002 saw other improvements as the CU opened another office in Eagan Minnesota, retooled its web site, and offered a replacement response system to members.

The year 2003 is the 65th anniversary of NWA Federal Credit Union. Continued difficulty in the airline industry coupled with relationship issues with our primary sponsor, Northwest Airlines, have caused us to review the alternatives available for continued growth. We believe that the TIP charter offers us the best opportunity to grow our Credit Union while leveraging the infrastructure that we've developed.

While many things have changed in the past 65 years one thing that hasn't changed is our commitment to our member/owners. For the past 65 years we've established a tradition of unsurpassed member service and excellent value in the products and services we provide. We look forward to continuing this tradition in the years ahead.

SIC Code Information (see <http://www.bls.gov/oco/cg/cgsic.htm>)

Standard Industrial Classification (SIC) codes define what is covered by each industry. These codes are from the 1987 edition of the *Standard Industrial Classification Manual*, a publication of the Federal Office of Management and Budget that defines and names industries and establishes a structure for relating industries to one another. All statistics on industries produced by the Federal Government are collected in accordance with the SIC. The SIC Manual is available in the reference section of many libraries. The SIC Manual may also be consulted on the Internet at <http://www.osha.gov/oshstats/sicser.html>.

The vast majority of potential new members will work for companies that fall into SIC major group 45 which is defined as companies involved in transportation by air. Employment by a company in group 45 is the first key indication of probable membership eligibility.

SIC Major Group 45 Defined-

Major Group 45: *Transportation By Air*

Major Group Structure

This major group includes establishments engaged in furnishing domestic and foreign transportation by air and also those operating airports and flying fields and furnishing terminal services.

- 4512 Air Transportation, Scheduled- Establishments primarily engaged in furnishing air transportation over regular routes and on regular schedules.
- 4513 Air Courier Services- Establishments primarily engaged in furnishing air delivery of individually addressed letters, parcels, and packages (generally under 100 pounds). While these establishments deliver letters, parcels, and packages by air, the initial pick-up and the final delivery are often made by other modes of transportation, such as by truck, bicycle, or motorcycle.
- 4522 Air Transportation, Nonscheduled -Establishments primarily engaged in furnishing nonscheduled air transportation. Also included in this industry are establishments primarily engaged in furnishing airplane sightseeing services, air taxi services and helicopter passenger transportation services to, from, or between local airports, whether or not scheduled.
- 4581 Airports, Flying Fields, And Airport Terminal Services-Establishments primarily engaged in operating and maintaining airports and flying fields; in servicing, repairing (except on a factory basis), maintaining, and storing aircraft; and in furnishing coordinated handling services for airfreight or passengers at airports. This industry also includes private establishments primarily engaged in air traffic control operations.

Specific Eligibility

Only people primarily engaged in, or providing direct support for, the *air transportation* of people or cargo are eligible. For example, people employed by a courier services company engaged in the activity of gathering packages/cargo for air transportation or unloading and distributing such packages are employed primarily, or in direct support functions for air transportation. Conversely, some people employed by a SIC 45 employer may be primarily engaged in activities that only involve point-to-point ground transportation and are not in direct support of air transportation of people or cargo. These people are not eligible for membership in the Credit Union.

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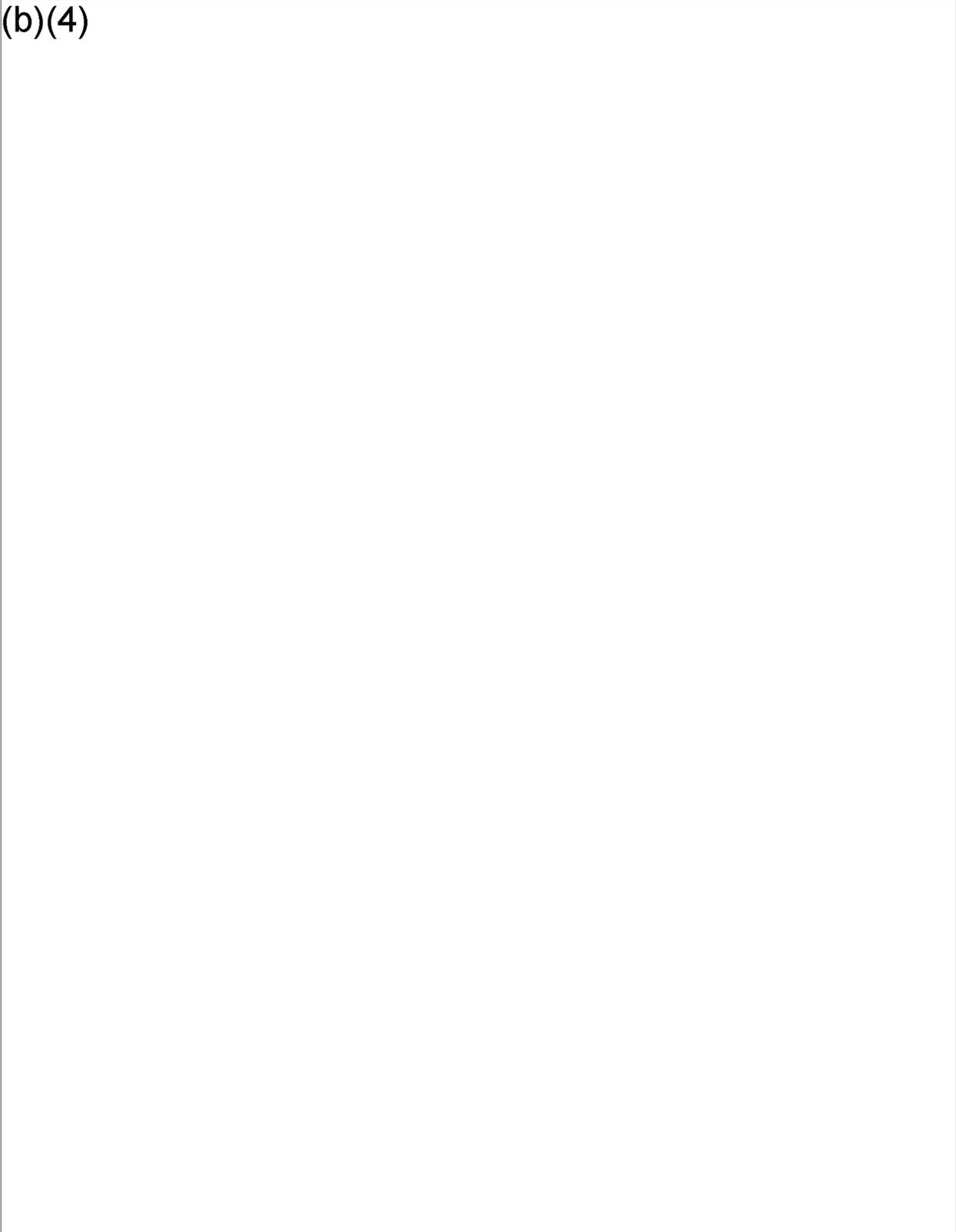
NOTE: The FCU is aware of and prepared to conform to the "at an airport" limitation. This is noted under Tab 2 in the faxed document.

Organizational Philosophy

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Products/Services

NWA Federal Credit Union offers a full array of financial products and services to its membership. We anticipate offering this same diverse set of products to our new and expanded field of membership. Products and services currently offered include (in alphabetical order):

Auto Loans – Loans are offered at very competitive rates for both new and used cars, light trucks, SUVs and recreational vehicles.

Automated Teller Machines (ATMs) – The Credit Union operates its own network of 35 ATMs in locations convenient for our membership. We also participate in the Co-op ATM network which offers over 12,000 surcharge free ATMs nationwide.

Automatic Transfers – Members can set up automatic transfers between accounts.

AutoPerks – A free auto buying service for our membership. Members can call and request a certain make and model of car. AutoPerks locates the car and completes all price negotiations.

ATM Cards – For our members not wanting a debit card, we offer an ATM only card which members can use to access cash at our ATM locations.

Benefit Accounts – These accounts can be set up for members in need.

Business Checking – Members with small businesses can set up checking accounts with the Credit Union.

Cashier Checks – Cashier's checks can be issued by all branches or can be obtained by telephone.

Certificates - Share or IRA (Jumbo), Personal Growth (PGC), Step up – Standard certificate products offered at very attractive interest rates.

Checking Accounts – We currently offer one kind of checking account. The account is free to the member and interest is paid on the balance.

CU OnLine – Our online banking product is extremely popular with over 40% of our membership using it on a regular basis.

CU PAL – Our telephone banking system is very popular with our members, particularly those who travel for their job.

Direct Deposit/Direct Payment (ACH) – Standard ACH receipt services are offered.

First Mortgage Loans – Mortgage loans are offered to our members in all 50 states.

Holiday Club Accounts – These accounts are popular with our members saving for their holiday shopping.

Home Equity Loans – Both fixed and variable rate Home Equity loans are offered.

Home Improvement Loans – A higher rate alternative to Home Equity loans for those with little or no equity in their homes.

IRAs – Education, Roth, Traditional – Standard IRA products.

Line of Credit Loans – An unsecured signature loan used primarily for overdraft protection.

Money Market Accounts – Standard Money Market accounts.

Money Orders – Can be purchased by members.

Money Manager Accounts –Can be used by members when saving for a particular goal.

Notary Services – Offered free of charge to members.

NWA FCU Financial Services, LLC – Our CUSO offers financial planning , investment advice and tax services

Payroll Deduction – Members can designate portions of their paycheck for other uses.

Personal (Signature) Loans – Standard loan product

Safe Deposit Boxes (select offices) – Offered to members in a variety of sizes and priced at market rates.

Savings Bonds – Standard U.S. Savings Bonds

Share Savings Accounts – Each member is required to open a \$5 share account.

Student Loans – A variety of student loan products are offered.

Travelers Checks – A popular product given the composition of our membership.

Visa Check Cards – Debit cards offered as a convenience to our members.

Visa Classic Credit Cards – Our basic card offering. Has lower limits and a higher rate than our other card products.

Visa Gold Credit Cards – A minimum line of \$5,000 with a rate of 10.9%.

Visa Platinum Credit Cards – A popular product with a minimum credit line of \$10,000 and a rate of 8.9%.

Wire Transfers – Standard wire transfer offering.

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Operations Review

Key Personnel

Paul V. Parish – President and CEO

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Timothy A. Keegan – Executive Vice President and Chief Financial Officer

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Mark Everson – Executive Vice President and Chief Operations Officer

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John J. Wagner – Vice President – Marketing and Training

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David Mason – Vice President – Information Systems

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Paul L. Dinger – Vice President - General Counsel and Chief Administrative Officer

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Organization Structure

NWA Federal Credit Union is organized in a traditional manner with five Vice Presidents reporting directly to the President and Chief Executive Officer. Complete Organizational Charts for each department in the Credit Union are included in Appendix A.

Product/Service Delivery

We pride ourselves on the many ways members can access our services. Included are:

Branches – We have 16 branches with locations stretching from Atlanta to Honolulu. Branches are typically located at or near airports to provide maximum convenience to our membership. Our branch locations include:

Los Angeles, California
San Francisco, California
Atlanta, Georgia
Honolulu, Hawaii
Detroit, Michigan (2 locations)
Apple Valley, Minnesota
Bloomington, Minnesota
Chisholm, Minnesota
Eagan, Minnesota
Minneapolis, Minnesota (4 locations)
Minot, North Dakota
Memphis, Tennessee
Seatac, Washington

Automated Teller Machines (ATMs) – We currently have 35 Credit Union-owned ATMs. In addition, we participate in the Co-op ATM network which gives our members surcharge-free access to over 12,000 ATMs throughout the United States.

Credit Union-owned ATMs include:

Anchorage, Alaska
Los Angeles, California (2 ATMs)
San Francisco, California
Tampa, Florida
Atlanta, Georgia
Honolulu, Hawaii
Baltimore, Maryland
Boston, Massachusetts
Detroit, Michigan (5 ATMs)
Livonia, Michigan
Apple Valley, Minnesota
Bloomington, Minnesota (5 ATMs)
Chisholm, Minnesota
Duluth, Minnesota
Eagan, Minnesota (4 ATMs)
Minneapolis/St. Paul International Airport (4 ATMs)
Minot, North Dakota
Memphis, Tennessee
Seattle, Washington (2 ATMs)

Online Banking – NWA Federal Credit Union has a well-developed web site including online banking and bill payment services. Over 40% of our membership uses this channel on a regular basis, which is far in excess of the industry average. Given the composition of our membership, the popularity of this channel is understandable. Many of our members fly for their job. They quite often access our online banking system while traveling.

We anticipate further enhancements to our online banking system and will closely evaluate new technology and software as it becomes available. We believe that providing a robust online channel is critical to our continued success.

Telephone Banking - Banking by phone continues to be popular with our membership. Members can check balances, verify deposits and move money between accounts with our telephone system. We fully expect this channel to maintain its popularity as we expand our field of membership.

Customer Service Support

Members can contact the Credit Union in a variety of ways. Obviously, they can come into one of our offices and speak to a Member Services Representative. Offices are open during typical business hours, Monday through Friday. They can also contact our National Phone Center either by telephone or through the Internet using a chat feature we have included on our web site. Our National Phone Center is operational Monday through Friday from 7:00am Central Time until 7:00pm Central Time. Expansion of these hours of service is possible based upon the growth of our membership.

Facilities/ Present and Future

Currently, NWA Federal Credit Union has 16 offices and 35 ATMs located in various cities throughout the country.

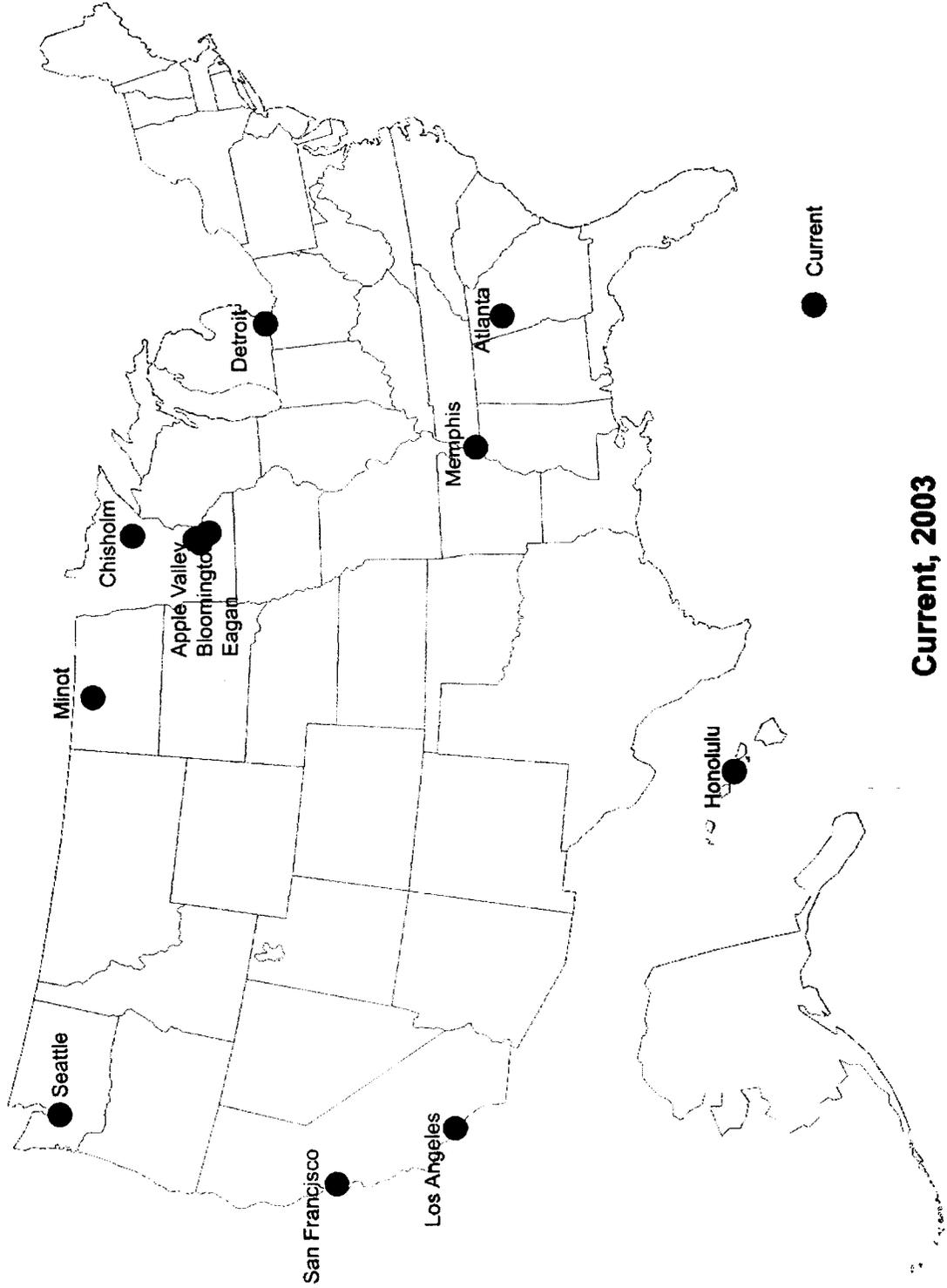
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Current, 2003

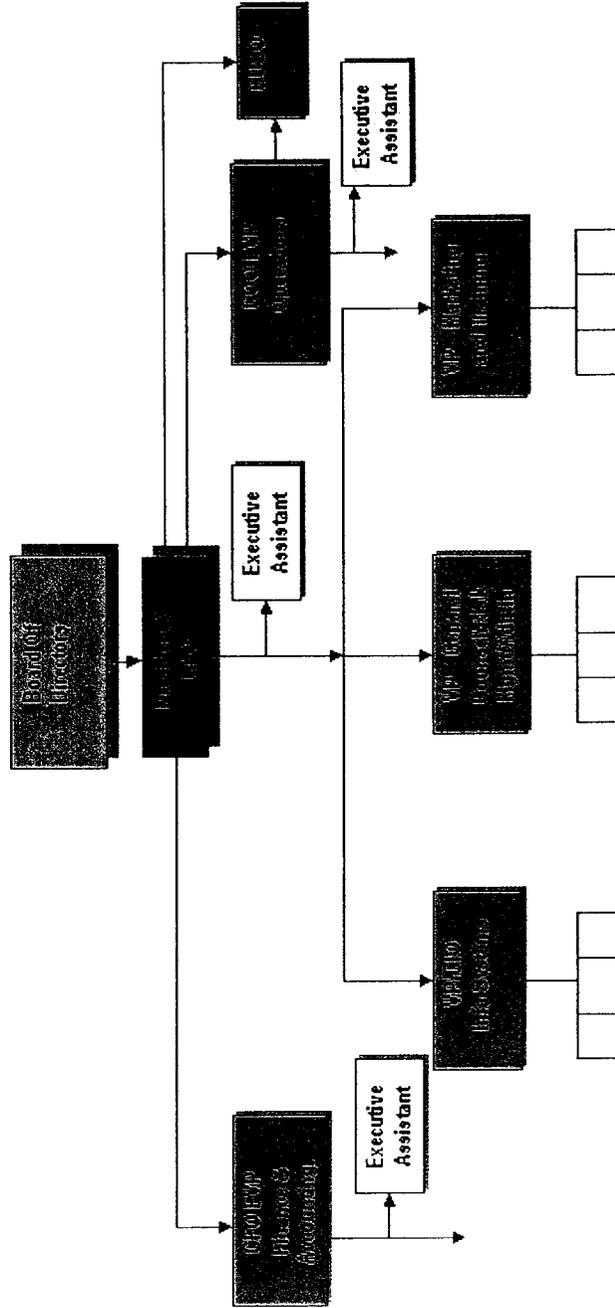
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Appendix A

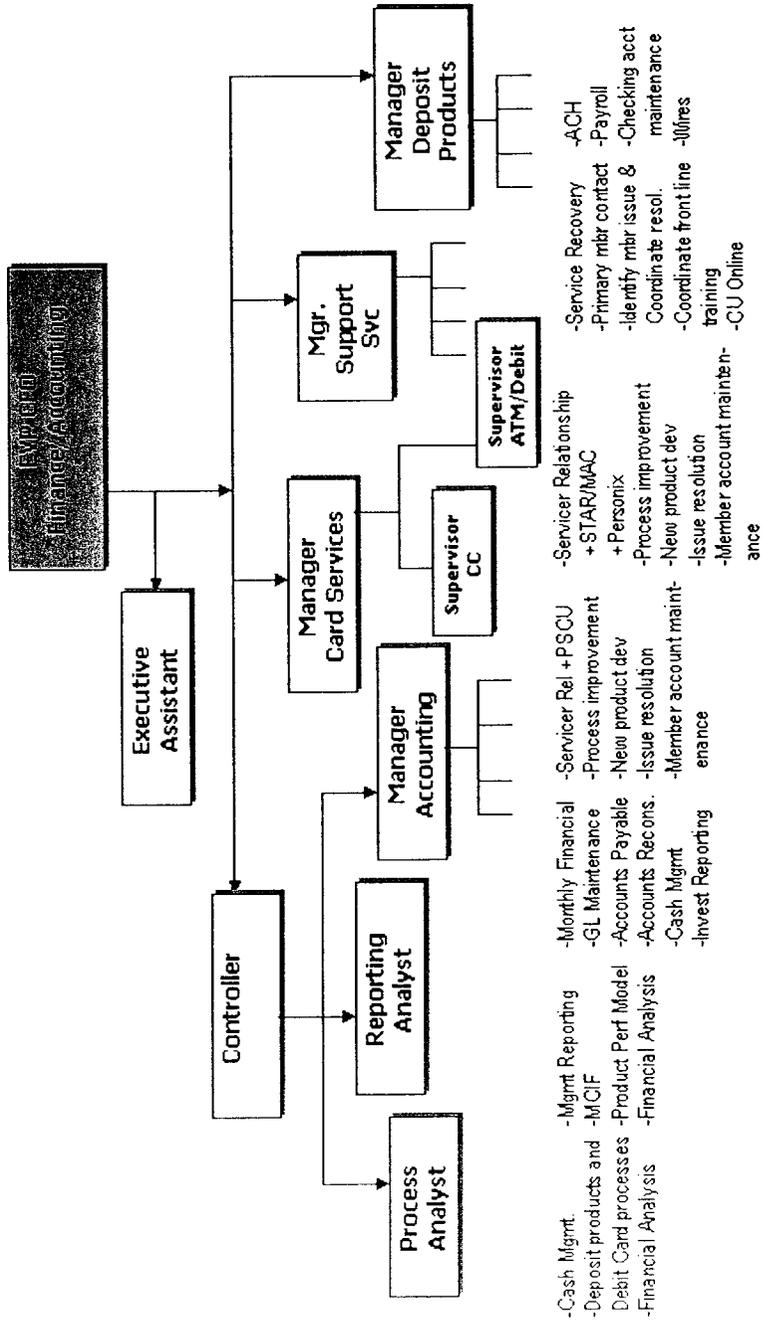


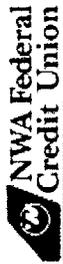
NWA FCU Organizational Chart





NWA FCU Organizational Chart Executive Vice President & Chief Financial Officer



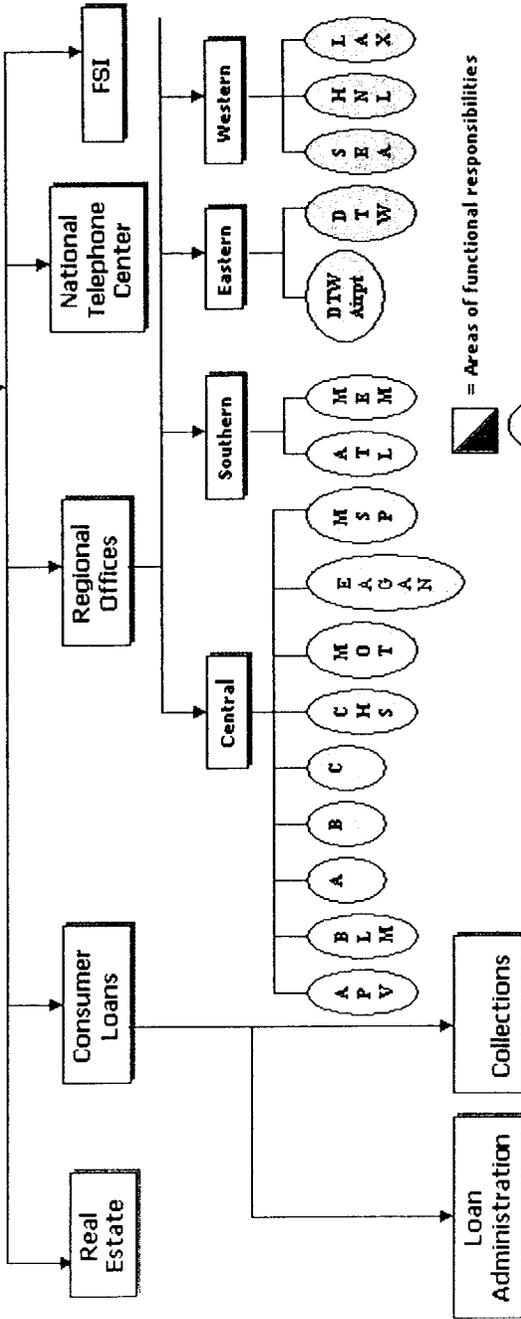


NWA FCU Organizational Chart

Executive Vice President of Operations

Research & Development
Policy writing & review
systems/staff utilization
measures

Executive Assistant



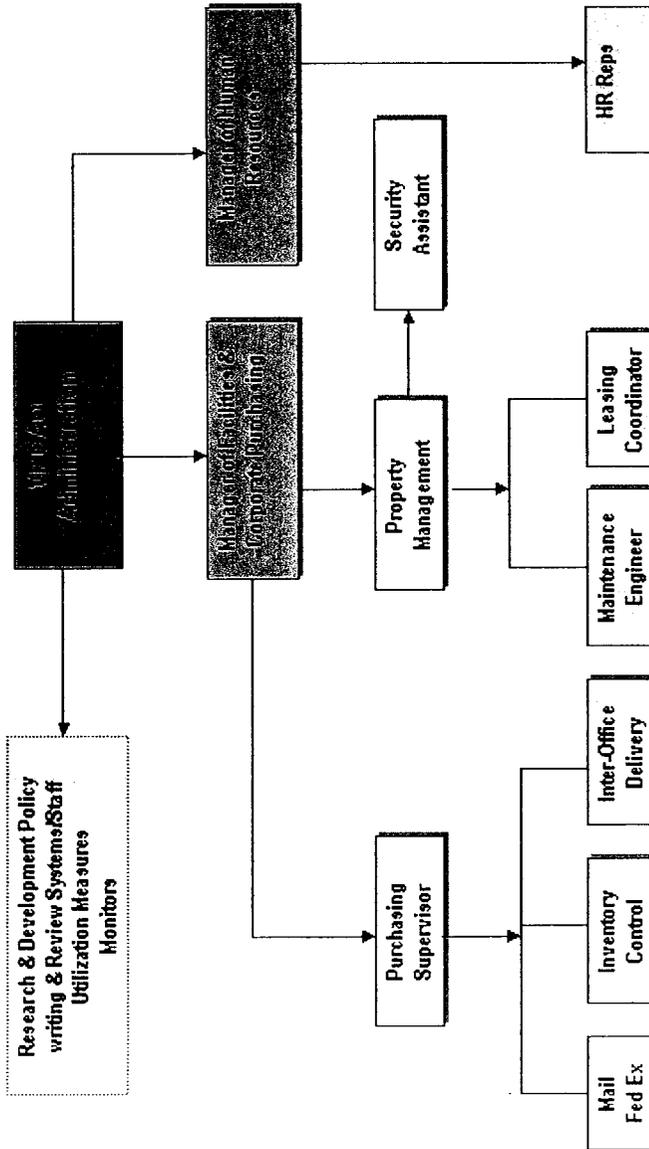
▣ = Areas of functional responsibilities

○ = Branch Offices

COO Org. Chart 12/02



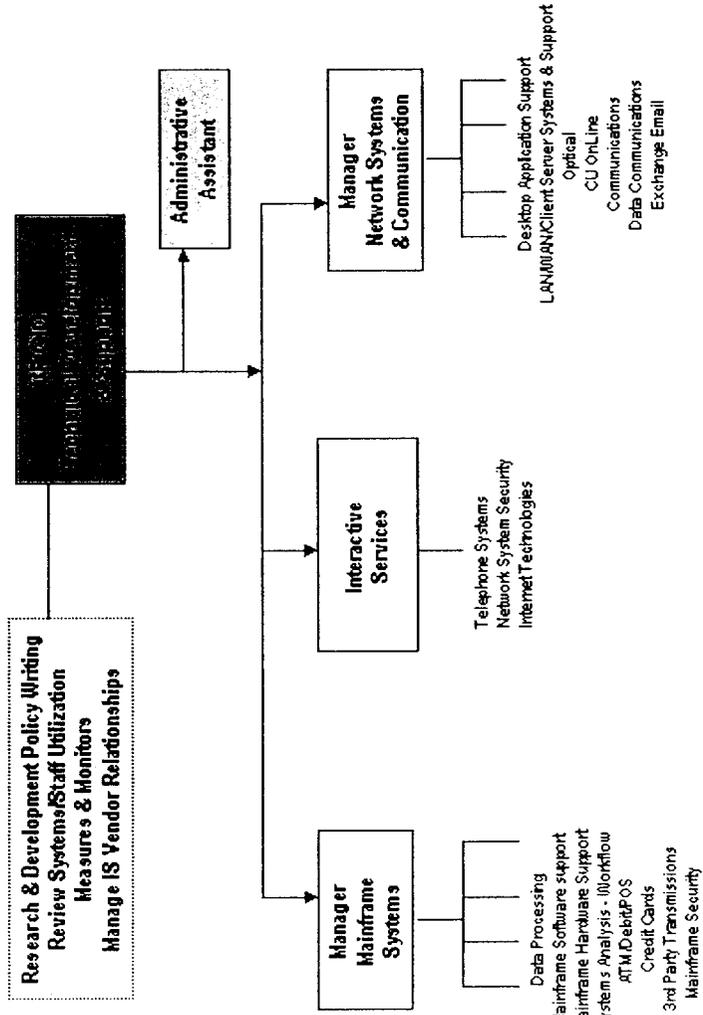
NWA FCU Organizational Chart Vice President & Chief Administration Officer





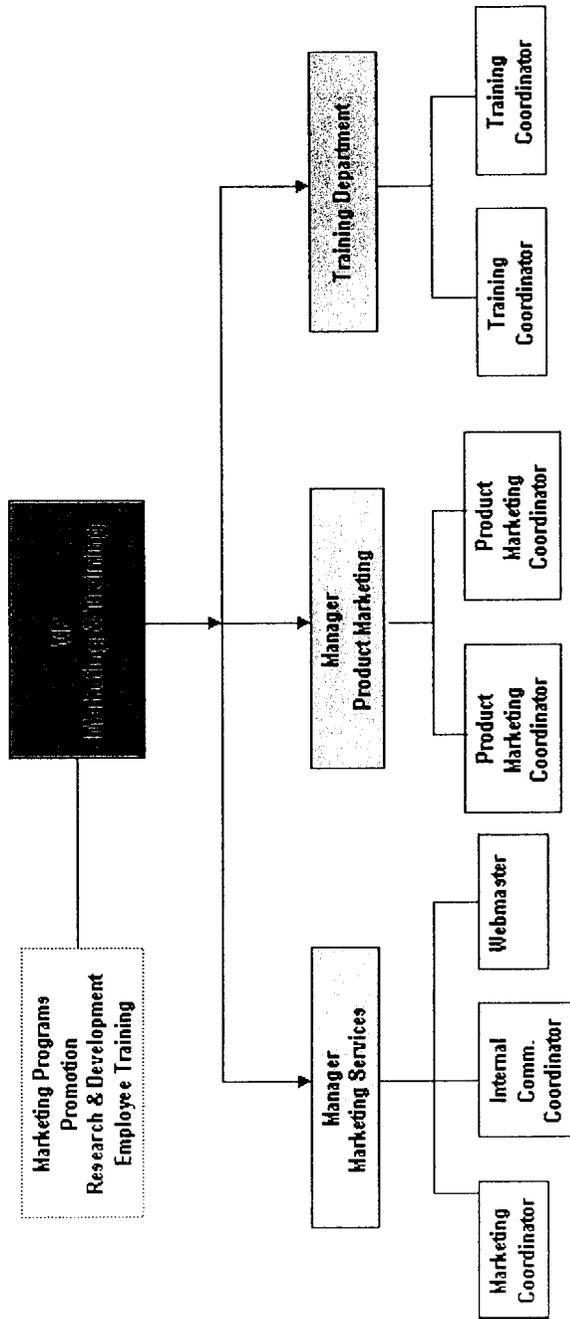
NWA FCU Organizational Chart

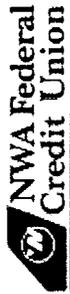
Chief Information Officer



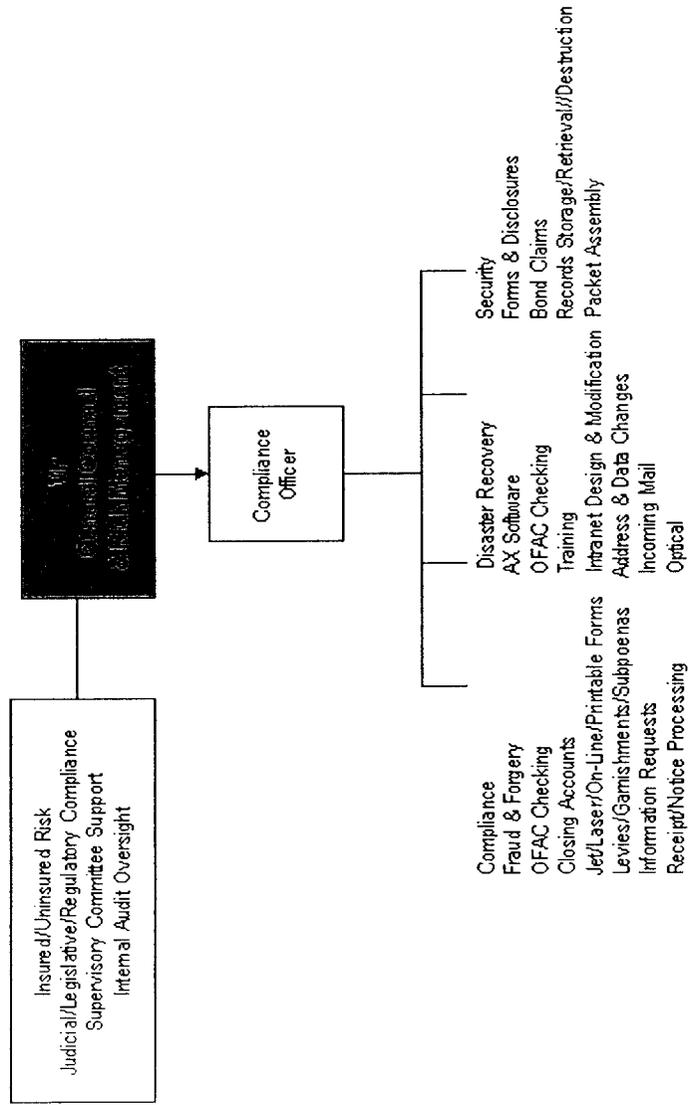


NWA FCU Organizational Chart Vice President Marketing & Training

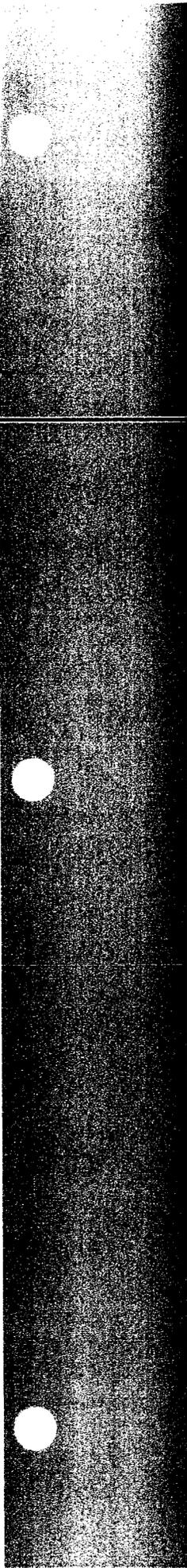




NWA FCU Organizational Chart Vice President – General Counsel / Risk Management



Appendix B



WINGS

FEDERAL CREDIT UNION



AUTO BUYING AND FINANCING

**Fast, low-cost
auto buying
options
exclusively
for members**



WINGS +

FEDERAL CREDIT UNION

Where service soars

ATM AND OFFICE LOCATIONS

**Convenient
locations for easy
account access**



WINGS +

FEDERAL CREDIT UNION

Where service soars

WINGS

CHECK CARD

FEDERAL CREDIT UNION

Where service soars



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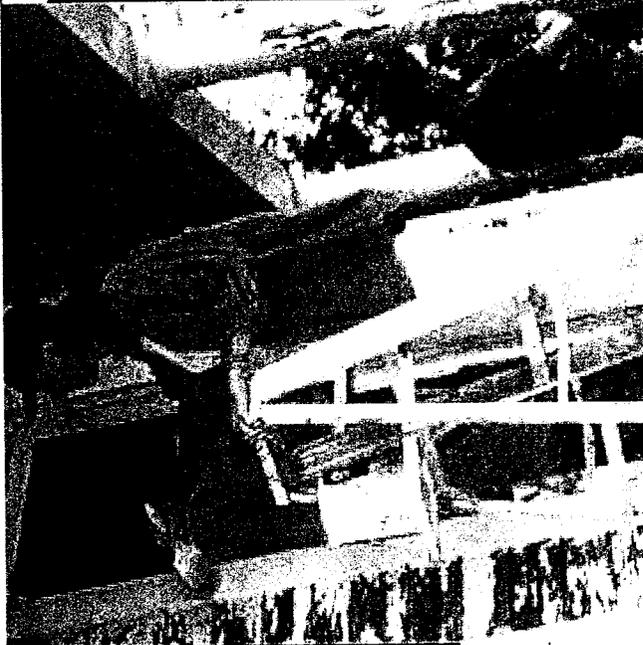
VALID 12/03 V
THRU

Brent Anderson



4.50% APR

**On a variable 80%
loan-to-value
Home Equity Loan**



WINGS +
FEDERAL CREDIT UNION
Where service soars