



United Community Credit Union

Members' Quarterly

www.unitedccu.org

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COMING IN MARCH: OVERDRAFT ADVANCE

If you inadvertently overdraw your checking account United Community Credit Union's new Overdraft Advance Program is here to help. Beginning March 9, 2004 funds for overdrafts first will come from your overdraft protection, but if sufficient funds still aren't available, we may elect to cover your overdrafts up to \$500.00.

We'll save you the embarrassment and inconvenience of a returned check as well as the fee merchants normally charge you for checks returned to them.

Should an overdraft occur, your account will be charged \$30.00 for handling each item paid by the discretionary Overdraft Advance service.

The Overdraft Advance fee will be a lot less than the fees you would have accumulated without this protection. For example, without the service you might pay a \$20.00 returned check fee from the credit union, as well as a \$35.00 returned check fee from the merchant—totaling \$55.00. You may also incur additional late charges on loans, the cost of a replacement cashier's check, and possibly have your check privileges permanently revoked with the merchant.

More detailed information about United Community Credit Union's Overdraft Advance will be sent in February to all of our share draft (checking) members.



REGULATION D REMINDER

As a credit union member, you easily can transfer funds between your various accounts. But there is a limit to how many times you may transfer money during a one month time period—exceeding that limit is not allowed. Regulation D is a federal law that establishes the amount of monetary reserves credit unions must maintain. The rule limits the number of times a member may transfer money between accounts to six times per month. Reg D applies only to transfers made from share accounts.

Certain transfer methods don't count against the six-time limit, including those you make in person, by messenger, by mail, by ATM (automated teller machine), or by a phone call that results in a check being mailed to the member. Overdraft transfers from shares to drafts are included in your limit of six per month. Please make good use of your transfers so you do not cause an unexpected overdraft because you exceed your monthly limit.

Contact us to find out more about our transfer policies. We'll be happy to answer all of your questions about Reg. D.

CEO Message

By Tim Golden

For more than 60 years United Community Credit Union has sought to provide our members with reliable products and exceptional value. Our mission is to build strong, lasting relationships with you. The value begins with our status as a financial cooperative. When you become a member, you own a share in the Credit Union. So unlike banks, which return earnings to stockholders, we return our earnings to you through lower loan rates, higher savings yields and reduced fees.

As a cooperative, we work together to provide the best products and services to you. You, our member-owners, have a voice in how your Credit Union is run. Your Board of Directors is elected by you and comprised of Credit Union members who govern in the best interests of the entire membership. I invite you to attend and participate in United Community Credit Union's 61st Annual Meeting that's scheduled for March 6, 2004. Please find the details on page 4 of this Newsletter.

Your Credit Union has just completed another sensational year. Assets are near \$28 million and membership is now over 5,600. We continue to add new and better service offerings that we hope you use and benefit from. The continued growth and financial soundness of United Community Credit Union is based totally on the continued faith and support of you, our valued members. We want to thank you for your membership and we look forward to many years of providing financial services to you and your family. Best wishes for a happy, healthy and prosperous 2004!

UCCU RATEBOARD

(As of December 10, 2003)

DIVIDEND RATES	APY
Regular Shares	1.00%
Share Drafts (checking)	0.25%
Multi-Purpose Club	1.00%
Christmas Clubs	0.75%
IRAs	2.79%
Hi-Yield	
\$500-\$9,999	1.20%
\$10,000-\$49,999	1.35%
\$50,000 and above	1.50%
Term Certificates	
6 Months	1.50%
12 Months	1.75%
18 Months	1.85%
24 Months	2.00%
36 Months	2.40%
48 Months	2.75%
60 Months	3.50%

LOAN RATES

Secured: includes Cars, Trucks, Campers, RVs, Motorcycles, ATVs, Snowmobiles and Boats.

TERM*	RATE*
24 Months	3.25%
36 Months	3.50%
48 Months	3.75%
60 Months	4.00%
72 Months	4.50%

Add 1.25% for 1997 to 2000 model years
 Add 2.50% for 1996 and older model years
 Add 2.00% for non-titled RV vehicles
 Add 2.00% for vehicles over 100,000 miles

Unsecured:

60 Months	8.00%
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* Rates and terms are determined by an evaluation of your credit.

Other:

Home Equity Line-of-Credit	3.50%
(Over 80% LTV)	4.50%
Home Equity Fixed	
60 Months	4.50%
120 Months	5.25%
180 Months	5.95%
Share Secured	3.00%
Hi-Yield Secured	4.00%
VISA Credit Card	11.90%
Home Mortgages	call for current rates

All Rates are subject to change.

(For current rates, visit our website at www.unitedccu.org)

Roth IRA – Good for Your Savings Plan

Good things come to those who wait—for a tax break. Although you fund a Roth IRA (individual retirement account) with after-tax dollars, the money you take out is completely tax-free as long as it meets certain requirements. And that means a really good thing—you never pay a cent of tax on your earnings.

The Roth IRA is one of the few savings vehicles that gives you this advantage, and it's a big one. Suppose you put the maximum \$3,000 per year into a Roth IRA for 25 years at a 3% return. You would end up with \$112,659—\$37,659 of which would be tax-free earnings! It's the magic of tax-deferred compounding.

You've seen how time plays a key role in maximizing Roth IRA potential. That's exactly what makes the Roth so appealing if you're just starting out with a savings plan, according to Dennis Zuehlke, compliance manager at CUNA Mutual Group in Madison, Wis. "The younger you are, the more your money can grow because of the long horizon ahead before you take it out," Zuehlke says. Zuehlke adds that young savers are likely candidates for the Roth IRA's saver's credit, an extra tax bonus. This nonrefundable tax credit can total up to 50% of the first \$2,000 you put into a Roth IRA each year. To qualify, you must be at least age 18, your income must be less than \$50,000, and you can't be a full-time student or a dependent on someone else's tax return. "Combine the saver's credit with all the other tax savings and it can really make a difference," Zuehlke says.

UCCU offers Traditional, Roth and Coverdell Education IRA options. For more information call us or stop by.

Official Notice of the 61st Annual Meeting of the United Community Credit Union

Saturday, March 6, 2004
at the Canadian Club
Route 14
Barre, Vermont

SCHEDULE

5:30 - 6:30	<i>Social Hour</i>
6:30 - 7:30	<i>Dinner: Baked Stuffed Chicken Breast</i>
7:30 - 8:30	<i>Business Meeting (see below)</i>
8:30 - Close	<i>Entertainment: Music & Dancing</i>

BUSINESS MEETING includes Acceptance of Reports, Election of Officers, Authorization to Borrow up to the legal limits, Proposed By-Law Changes, and any other business. Doorprizes will be presented during the Business Meeting

Tickets: \$9.00

Tickets must be purchased by March 3, 2004, through the Credit Union Office. Stop by 560 S. Barre Road, or call 479-2836, and we can deduct the amount from your share account for the reservation.

No refunds can be extended after February 28.

There are a limited number of tickets, so please reserve early!