



United Community Credit Union

Members' Quarterly

www.unitedccu.org

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MAKE UCCU THE 1ST CHOICE FOR ALL YOUR BANKING NEEDS

Since 1943 UCCU has been providing members with a banking alternative. From its humble beginnings when only savings and small loan products were available, we are now able to offer you a full array of financial products and services to meet the modern needs of every consumer. We are committed to listening closely to what you have to say to ensure that we can best meet your needs. After all, as members you own the Credit Union and your opinion is important to us. You may not have looked at all we have to offer recently, so here is an overview of the products and services available to you:

Deposit Accounts

- **Savings:** In addition to our regular shares that includes up to \$3,000 in Life Savings Insurance at no direct cost to you, we offer clubs accounts for any purpose you'd like – taxes, insurance, vacation, holiday, etc.
- **Hi-Yield:** The more you deposit, the more you earn. With a small minimum of \$500 and no deposit or withdrawal restrictions, you can watch your money grow quickly.
- **IRAs:** Whether it is Traditional, ROTH or Education, this is a great place to park your money for the future at attractive rates and in some cases with tax benefits.
- **Certificates:** Lock in a great rate with terms from 6 to 60 months. A \$2,500 minimum balance requirement (and early withdrawals resulting in penalties) makes CDs the choice for the serious investor.
- **Federally Insured:** All deposits are Federally insured up to \$100,000 by the National Credit Union Administration, a U.S. Government Agency.



Loan Services

- **Consumer Loans:** We will be happy to finance your next car, truck, camper, motor home, motorcycle, ATV, boat, snowmobile or virtually any other vehicle. We offer personal loans for quick cash.
- **Home Equity Loans:** We offer fixed rate terms or variable rate lines-of-credit, and we can loan up to 100% loan-to-value in some cases. Take advantage of the tax benefits and secure a low-rate home equity loan.
- **Mortgages:** We offer mortgage services through our business partner at the Vermont Credit Union League. Check out the current rates on our website.
- **Payment Shaver Loans:** Can't quite afford the payments on the vehicle you want, then you should look into a Payment Shaver loan. Call or check our website for details on the lower payment plans available on these loans.
- **VISA Credit Cards:** no annual fee, generous credit limits, and local convenience makes this everyday low-rate credit card a must have for our members.

CEO MESSAGE

By Timothy W Golden, CCUE

At the mid-point of 2002, UCCU is approaching the \$25 Million asset level and 5,400 members. The lending activity has been very brisk lately with members taking advantage of the historically low interest rates. Our home equity loans have proven to be very popular in recent months. If you are in need of financing for a major event please be sure to drop by or give us a call. You can even apply at our website online.

Low interest rates unfortunately have an adverse affect on our depositors however. We have made every effort to offer market and in some cases above market dividend rates to stay competitive. In June, we added three, four and five year terms to our Certificate of Deposit product to enable members to earn higher rates of return on their investments. Don't forget you are assured of the safety of your insured deposits with us.

We are seeing more and more members take advantage of our Home Financial Services and Bill Payer services. If you have an internet connection you should look closely at these two service offerings. HFS is free and we offer the Bill Payer free for 90 days so you can sample it for yourself under no obligation. After 90 days, you pay only \$4.95 per month for unlimited usage. That's not bad when you consider the cost of a first class postage stamp is now up to 37¢.

Thank you for all your support and we look forward to providing the type of service you deserve as member/owners of your financial institution throughout the rest of 2002.

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Are You A Winner?

If your account number appears below, let us know, and we'll credit your share account \$10.

#592 #4683 #6671
#8546 #10095 #11360

Office Closings

August 2 Closing at 5:00
August 3 Company Picnic
September 2 Labor Day



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1st Choice

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Convenience Services

- **No-Cost Checking:** A cornerstone of our service offerings since 1987, our checking account has no minimum balance requirement, no monthly or per check fees and you earn dividends monthly on your average daily balance. Add overdraft protection and you'll never again have to worry about costly overdraft fees.
- **ATM/Debit Card:** Have access to your checking account at any ATM on our Falcon Network and at thousands more worldwide. You can also use it to make purchases anywhere they accept MasterCard.
- **Tele-Teller-24:** Our telephone audio response system allows you to check all of your account information and perform transactions through a touch-tone phone 24 hours per day.
- **Night Deposit/Drive-up ATM:** Available at our facility 24 hours per day 7 days per week for your convenience.

Web Services (www.unitedccu.org)

- **Home Financial Services (PC Banking):** With the click of a mouse, you can view all your account activity in front of your personal computer. You can make transfers between accounts and make loan payments. If you have a checking account and an internet connection, be sure to sign up for this free service today.
- **Bill Payer:** No more stamps, envelopes, late payments or check costs. Pay all your bills online electronically. Schedule recurring payments automatically in advance. It's safe, convenient and easy to use. There's even a demo for you to try. Sign up and use it for 90 days free, then only \$4.95/month thereafter.
- **Online Loan Applications:** Apply for a loan online at your convenience any time of day.
- **Home and Family Finance/Googooplex:** These two online magazines are updated weekly with new articles that provide valuable content for young and old alike.
- **Members Financial Network:** Check out this link for insurance, stocks, mutual funds and a world of financial information.
- **Chrome Carbook:** Do all your research here before setting out on your next new vehicle purchase. You'll find information on pricing, warranty, rebates, crash tests and much more.
- **Miscellaneous:** reorder checks, view rates, check your VISA Credit Card statement and pay the bill online, read past Newsletters and e-mail us.

Special Services

- Money Orders
- Travelers Checks
- Free Notary Service
- Wire Transfers
- Cuna Mutual and Loyal American Insurance Products

I think after review you'll agree we have put together a full menu of financial products and services competitively priced and designed especially for you, our member-owners. Your management team greatly appreciates your support over the years and we credit you for helping make us the 7th largest Vermont Credit Union. Your central Vermont community spirit not only helps us grow and prosper but also helps your fellow neighbors achieve their financial goals. Thanks for your past support and please consider making UCCU your **PRIMARY FINANCIAL INSTITUTION.**

OFFICE HOURS

| | <u>Lobby</u> | <u>Drive-up</u> |
|-------------------------|--------------|-----------------|
| Monday-Wednesday | 8:30-5:00 | 8:00-5:00 |
| Thursday | 9:00-5:00 | 8:00-5:00 |
| Friday | 9:00-5:30 | 8:00-6:00 |
| Saturday | 9:00-12:00 | 9:00-12:00 |

UCCU RATEBOARD (As of June 11, 2002)

DIVIDEND RATES APY

| | |
|--------------------|-------|
| Regular Shares | 1.51% |
| Share Drafts | 0.50% |
| Multi-Purpose Club | 1.51% |
| IRAs | 3.56% |
| Hi-Yield | |
| \$500-\$9,999 | 1.81% |
| \$10,000-\$49,999 | 2.07% |
| \$50,000 and above | 2.32% |
| Term Certificates | |
| 6 Months | 2.50% |
| 12 Months | 2.75% |
| 18 Months | 3.00% |
| 24 Months | 3.25% |
| 36 Months | 3.75% |
| 48 Months | 4.25% |
| 60 Months | 4.75% |

LOAN RATES

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

| <u>TERM</u> | <u>RATE*</u> |
|-------------|--------------|
| 24 Months | 5.00% |
| 36 Months | 5.25% |
| 48 Months | 5.50% |
| 60 Months | 6.00% |
| 72 Months | 6.50% |

Add 1.00% for Payment Shaver Loans
 Add 1.00% for 1995 to 1998 model years
 Add 1.50% for 1994 and older model years
 Add 2.00% for non-titled vehicles
 Add 2.00% for vehicles over 100,000 miles
 Add 3.00% for equipment loans
 Add 0.50% without Auto-Pay

Unsecured:

| | |
|-----------|--------|
| 36 Months | 12.00% |
|-----------|--------|

* Rates are determined by an evaluation of your credit. Your rate may vary from the rate shown

Other:

| | |
|----------------------------|--------|
| Home Equity Line-of-Credit | 6.00% |
| (Over 80% LTV) | 7.00% |
| Home Equity Fixed | |
| 60 Months | 6.50% |
| 120 Months | 7.50% |
| 180 Months | 8.50% |
| Share Secured | 3.50% |
| Hi-Yield Secured | 4.50% |
| VISA Credit Card | 11.90% |
| Overdraft Line-of-Credit | 16.90% |

All Rates are subject to change.

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

The Ins and Outs of Reverse Mortgages

There's a way to get money from your house that a lot of people don't know about, and many financial institutions don't offer—reverse mortgages. Some financial planners say reverse mortgages can help with retirement planning and reduce estate taxes—others say there are less-expensive options.

Reverse mortgages allow people with limited cash flow and an illiquid asset—a house—to turn the asset into cash.

In a reverse mortgage you take a loan against your house but you don't repay for as long as you live there. You can take the loan proceeds all at once, in regular monthly advances, or at times and in amounts that you choose. You, or your estate, pay the money back—plus interest—when you die, sell your house, or permanently move out of your house.

Since you make no monthly payments, the amount you owe grows larger over time. However, you never can owe more than your house's value at the time the loan is repaid. You don't need a minimum amount of income to qualify for a reverse mortgage—you could have no income and qualify. All borrowers must be at least 62 years old.

Reverse mortgages generally must be "first" mortgages—there can be no other debt against your home. They can have tax consequences, affect eligibility for assistance under federal and state programs, and have an impact on the estate and heirs of the homeowner.

Be sure you understand reverse mortgages and compare them to other options before deciding. To learn more, contact AARP at 800-424-3410 or www.aarp.org.

Beware of Money-Hungry Credit Counselors

Watch out for firms running new credit counseling commercials on TV stations nationwide. The majority of the new firms advertising on TV charge fees and get bonuses from credit card issuers for every name they sign up, according to the *South Florida Sun-Sentinel*, Fort Lauderdale, Fla.

Some are legally structured as nonprofits but funnel large amounts of money to their own executives in the form of pay, bonuses, and real-estate deals.

A good credit-counseling service will be partially supported by grants and charitable donations, and not depend on debtor's fees for any more than 60% to 80% of its income. It will cap fees to a debtor at \$25 a month or less. It also will offer free counseling and may have as many as 50% of its clients in counseling alone—not enrolled in a debt repayment plan.

The Consumer Credit Counseling Service (CCCS) is a nonprofit agency supported by community organizations and overseen by local volunteer directors. It's funded through customer fees, charitable donations, and grants, but mostly through creditor contributions. Most consumers who call a CCCS office don't pay any fees.

To find the nearest CCCS office, call 800-388-2227 or visit www.nfcc.org.

You've Got Mail: Be Careful

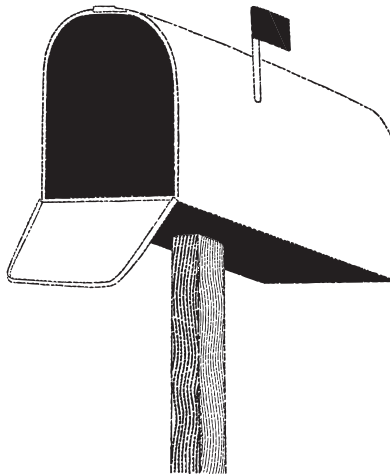
When checking incoming e-mail messages, be careful whom you respond to. The same scams that have been conducted by conventional mail or phone now can be found on the Internet.

CUNA Mutual Group, a financial services provider to credit unions and members, has issued a warning about a fraudulent e-mail that notifies receivers that they're under an IRS (Internal Revenue Service) audit. The message asks the receiver to fill out a questionnaire within 48 hours to avoid penalties and requires sensitive information such as Social Security numbers and financial institution account numbers.

Beware: The IRS doesn't send notification of audits through e-mail, nor does it conduct "e-audits" that are mentioned in the message.

In a similar hoax, Bank of America and the FBI (Federal Bureau of Investigation) report that a scam artist, claiming to be a bank representative, sent an e-mail to thousands of people. The scammer told them that customer information verification was needed for a systems upgrade, attempting to get recipients to divulge their account numbers and other personal data. If you ever have questions about e-mail communication you receive regarding the credit union, contact us at 802-479-2936 or info@unitedccu.org.

E-mail was used in 18% of Internet scams during the first 10 months of 2001—up 12% from the previous year, according to the National Consumers League's National Fraud Information Center.



ITEMS OF INTEREST

For the 11th consecutive year, United Community Credit Union has awarded a pair of scholarships to college bound high school seniors. This year, \$500 scholarships were awarded to:

Megan A. Gregoire is a graduate of Spaulding High School. Megan is planning to attend Castleton State College to study nursing and hopes to someday become a registered nurse.

Jeffrey M. Morton is also a graduate of Spaulding High School. Jeffrey is planning to attend St. Michael's College to major in Broadcast Journalism and Acting.

Congratulations and good luck to both of these fine, young adults and thanks to all of the worthy candidates who submitted applications that made the final decisions very difficult.

UCCU is conducting a formal survey of our membership in the coming weeks. We hope to use your valuable responses to help us learn more about our strengths and weaknesses to better serve you in the future. If you receive a survey we would greatly appreciate it if you would take a few minutes to complete the questionnaire. Thank you in advance for your cooperation and we hope your feedback will ultimately lead the way for better service in the future.

If you come in to our lobby on Friday's you may notice some of our employees wearing polo shirts with the UCCU logo. We have decided to make Friday's a semi-casual day for our employees and hope they will all proudly wear the new corporate shirts.