



United Community Credit Union

Members' Quarterly

www.unitedccu.org

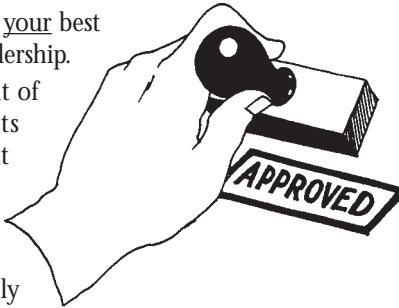
VOL. 4, NUMBER 3 • 560 South Barre Road • PO Box 550 • South Barre, VT 05670 • Tel: 802-479-2836/FAX: 802-476-1063/Tele-Teller-24: 802-476-1062 • SUMMER 2001

Borrowing From UCCU Has Never Been Better

With interest rates currently at historical lows, now is a great time to consider financing that big purchase you've been holding off on, or possibly refinancing an existing loan you already have at another institution.

UCCU has a full array of vehicle financing terms that can meet your budget. We are ready to help you purchase your next car, truck, boat, motorcycle, RV, camper trailer, even a snowmobile. Why look to UCCU over another financial institution? Let's count the ways we can make financing your next purchase with us a smart choice:

1. Local, personal service. We look out for your best interests, not the profit interests of the dealership.
2. Your payment can be set up to come out of your paycheck or deposit accounts automatically. Never again worry about late payments.
3. We offer Payment Shaver Loans that reduce your monthly payment so you can more easily afford the vehicle you really want. You can sell, trade, buy, refinance or walk away from your vehicle at the end of the loan.
4. We offer payment protection insurance plans for ease of mind.
5. We offer extended maintenance warranties at prices lower than you normally find at point-of-purchase.
6. We are here to service your loan after the loan closing so that if you have problems or repayment difficulties we are in a position to work with you and preserve your credit standing in the process.
7. We offer rates starting as low as 5.75% for two years up to 7.25 % for five years to qualified borrowers! Our complete list of rates can be found on page 4 of this Newsletter.



UCCU is also a great place to look for a Home Equity Loan and as of recently, Home Mortgage Loans as well. As of June 1st, we are offering a 6.50% variable rate on open-end, line-of-credit equity loans. You can take advances up to your authorized credit limit and do so as often as you want. No additional costs are incurred.

You can also get a fixed rate equity loan at 7.95% for 60 months, 8.95% for 120 months and 9.95% for 180 months. Your payments will be level throughout the life of the loan making it easy to budget into the future.

We can also finance up to 100% of your property value with some additional restrictions to enable you to maximize your borrowing potential. Also, the interest you pay on a home equity loan is usually tax deductible which further reduces the effective borrowing costs. Use a home equity loan for major expenditures such as home improvements, education, medical expenses, bill consolidation, even vehicle purchases or vacations. Like all loans at UCCU, we can set you up with flexible terms, payment protection insurance, automatic payments and local personal service.

CEO MESSAGE

By Timothy W Golden, CCUE

It's amazing to think that 2001 is already more than half over. Through the half year mark UCCU has continued to grow rapidly with assets now up over \$21 million and membership over 5,200. We are excited that so many of you look to us to assist you in achieving your financial goals. We are grateful for your support as it enables all of our members to pool their funds cooperatively so that others may borrow at rates and terms more favorable than they otherwise might find.

Please be sure to use all of the services we offer. We feel confident that the overall quality and value of our services are second to none. I would invite you if you haven't already done so to check out all of the great resources available on our web page at www.unitedccu.org. Our Home Financial Services online banking product has been extremely popular and we also offer an electronic bill payer service that you can try FREE for 90 days. There's information on rates, ATM locations, vehicle pricing, consumer publications and much more. Check out the Member's Financial Network site for a wide selection of financial products and tools.

We also offer great deals on loans, free checking, everyday low rate VISA credit cards and a whole host of investment options to help you meet your savings goals.

We look forward to a great second half of 2001 and I hope we will be able to exceed your expectations in helping you achieve your financial objectives now and long into the future.

Are You A Winner?

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

#543 #4276 #6077
#7720 #9074 #10268

Office Closings

Friday, August 17 Close 5:00
Saturday, August 18 Closed
Monday, September 3 Labor Day



Members' Quarterly
is published each quarter by the
United Community Credit Union

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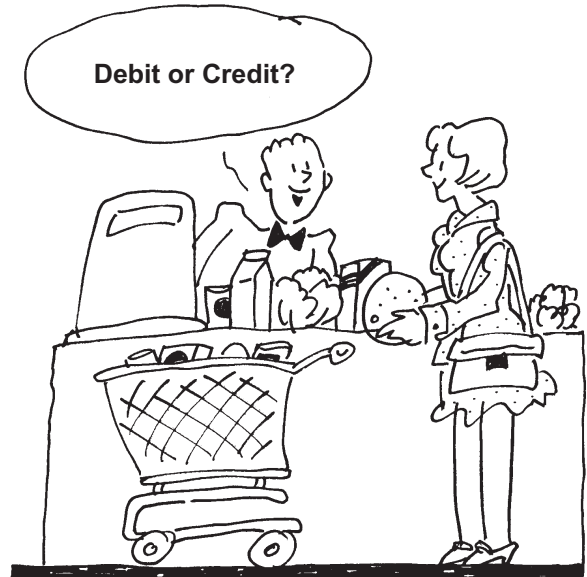
Debit or Credit— What to Choose and When

We've all done it. We're out shopping, ready to use our MasterCard debit card, and the sales clerk asks "debit or credit?" We really don't know what the difference is. It is a debit card, so we say "debit," right? **Wrong.**

Ever wonder why you're asked that question? The merchant is simply asking you how you would like the transaction to be processed. No matter how you respond – "debit" or "credit" – the purchase will deduct from your CHECKING account. In other words, if you say "credit," the purchase will not get billed to a credit card.

By choosing "debit" and entering a PIN (personal identification number), your transaction is treated as an ATM transaction. Instead, when you're making retail purchases with your debit/ATM card, choose "credit." You'll bypass any potential fees – and the funds still come out of your share draft/checking account. Here is a little known fact: When you choose "credit" and sign for the purchase it actually helps us and other members because MasterCard transactions are more efficient and less costly than ATM transactions. Another good reason: Credit transactions require a signature, which helps against fraud.

So save your PIN for ATM use and say "credit" when you're at the mall, gas station, or grocery store. For more information about debit cards contact us at 479-2836. We'll explain the differences between debit and credit cards and how debit cards can best work for you.



Welcome Back

We are happy to announce the return of Kimberly Sumner to our staff. Kim comes to us from the Northfield Savings Bank after having previously worked for us part-time from September of 1999 until May of last year.

Kim will work primarily on our teller line as a Member Service Representative. We are happy to have a familiar friend back with us and look forward to having her on board with us once again.

Office Hours:

Monday-Wednesday 8:00 - 5:00
Thursday 9:00 - 5:00
Friday 9:00 - 6:00
Saturday 9:00 - 12:00
(Lobby and drive-thru only)

UCCU VISA

Great Value, Everyday!

You've probably noticed there's a battle raging. It's the battle for consumers' wallets and for survival in the credit card market. That's why some 7,000 credit card issuers are deluging you and other consumers with their latest, greatest, gotta-have, must-see credit card offerings.

What's a shopper to do?

Fall back on the basics—What's it going to cost you to use the card? A lot depends on how you use the card.

If you carry over a balance, a card with a low annual percentage rate (APR) is what you're after. UCCU offers a great everyday 11.90% rate that you can count on.

If you always pay your balance in full, a convenience user, interest rate isn't an issue so choosing a card with no annual fee makes sense. Although many issuers charge annual fees, UCCU has never done so.

Check out fees—With all the attention surrounding interest rates, especially short-term teaser rates, it seems many card issuers have switched tactics to rely more heavily on fees as their moneymaker. According to the U.S. Public Interest

Research Group, government data show credit card fee income is one of banks' fastest-growing sources of income.

In particular, late fees on bank credit cards are soaring, with the most exorbitant topping out at \$35. To add insult to injury, some issuers are charging a penalty interest rate on top of a late fee. A relatively new cash cow, the penalty rate hikes

a card's interest rate—permanently—above 20% once the cardholder misses a payment due date. Ouch!

And watch for shortened grace periods: Some have shrunk from 25 days to 20, leaving cardholders with an even narrower window of opportunity for mailing payments on time.

Although we suggest you make use of credit cards with extreme caution, we feel our VISA product provides a nice balance for both convenience users and those who prefer to revolve their balances and make monthly payments. In our opinion, most consumers should only carry one or two credit cards. Most bankruptcies are a direct result of credit card misuse. Carrying multiple credit cards can often tempt consumers to spend beyond their means.

For the straight scoop about our VISA credit card program, contact us today. And stop paying more for credit than you have to.



Scholarship Award Winners Announced

For the 10th 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:

Rebecca Millington is a graduate of Spaulding High School. Rebecca is planning to attend college for a pre-medicine program and major in chemistry. She hopes to go to medical school after college to pursue a physician assistant career.

Nicholas Santiago is a graduate of Northfield High School. Nicholas has been accepted at Johnson State College and wants to study physical education and/or physical therapy.

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.

'Blocking' Can Tie Up Your Accounts

Everyone's nightmare: You're at a restaurant with a business client or a date and your debit card is declined. No one wants it to happen to them, but it can – even if you have enough money in your account to cover the bill.

It's called "blocking" and it's perfectly legal. It works similarly to the way credit card blocking works. For example, if you check into a hotel or rent a car, the clerk usually contacts the company that issued your card to give an estimated total. A hold then is placed on your card for an amount that is sometimes greater than the actual purchase amount. This hold can block your use of the money for up to three days on a debit card and possibly 10 to 15 days on a credit card.

For debit card users, blocking happens most often at gas pumps, but can occur whenever you use your card before knowing how much you'll be spending.

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CURRENT RATES As Of June 15, 2001

DIVIDEND RATES

	<u>APY</u>
Regular Shares	2.79%
Share Drafts	1.26%
Multi-Purpose Club	2.79%
Christmas Club	3.00%
IRAs	5.38%
Hi-Yield	
\$500-\$9,999	3.56%
\$10,000-\$49,999	4.07%
\$50,000 and above	4.59%
Term Certificates	
6 Months	4.25%
12 Months	4.40%
18 Months	4.55%
24 Months	4.70%

LOAN RATES

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

<u>Term</u>	<u>Rate*</u>
24 Months	5.75%
36 Months	6.25%
48 Months	6.75%
60 Months	7.25%
72 Months	7.75%
96 Months	9.75%
120 Months	10.75%
180 Months	11.75%

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%
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***Actual rate for secured and unsecured based on you creditworthiness**

Other:

Home Equity Line-of-Credit	6.50%
(Over 80% LTV)	7.50%
Home Equity Fixed	
60 Months	7.95%
120 Months	8.95%
180 Months	9.95%
Overdraft Line-of-Credit	16.90%
VISA Credit Card	11.90%
Share Secured	4.75%
Hi-Yield Secured	5.75%

All Rates Are Subject To Change

Blocking

Continued from page 3

According to the Federal Trade Commission (FTC), merchants use blocking to make sure you don't exceed your account balance before leaving a gas station or checking out of a hotel, leaving the merchant unpaid.

Some tips to avoid blocking are:

- Use credit cards, not debit cards, for hotel bills and car rentals.
- When you're traveling, stop at stations of major gasoline brands instead of older, rural, or off-brand stations. Newer, better-known gasoline stations process debit/credit cards faster because of updated technology.
- Try to maintain a high enough balance in your checking account to overcome possible blocking issues.

Attention UCCU Visa Cardholders:

UCCU has a new web address for our VISA credit cardholders to access important information about their account. You can access this site at **www.mycinfo.com**. Here you can view and print the following information about your account:

Payment Summary

- Minimum payment due
- Payment due date
- Amount of last payment
- Date of last payment

Account Summary

- Current account balance
- Available Credit
- Credit limit
- Transactions since last statement

Take advantage of this convenient service on our web site and feel free to browse through all of the other many resources that we make available to you. Be sure to save our site address www.unitedccu.org in your favorites for easy access.