

MEMBERS' KNOWLEDGE • PARTNERSHIP • COOPERATION • SUCCESS

advantage

Mortgage Rates Drop! Good News for Homebuyers, Homeowners!

If you're waiting to purchase a home, now is the time to act! The new, lower mortgage interest rates translate into lower monthly payments but also consider that you may be able to afford a house that was beyond your budget a year ago. Of course, lower interest rates not only benefit the homebuyer but the homeowner, too. One of our knowledgeable mortgage originators can help you refinance your current mortgage loan and convert these lower interest rates into savings. Take a look at the following examples to see how you can benefit:

Lower your monthly payment

Jane is 5 years into a 30-year mortgage with monthly payments of \$840.85. Her interest rate on a \$100,000 mortgage is presently 9.50%. She is looking at refinancing down to an interest rate of 7.00% and keeping payback at 25 years.

Although she will have some closing costs as part of refinancing, her new monthly payment will be \$690.52. She will save approximately \$45,099 in interest over the life of the loan by refinancing.

Shorten repayment period

George is 5 years into a 30-year mortgage with monthly payments of \$840.85. His inter-

Date	30-Year Zero Points	15-Year Zero Points
Nov. 29, 2000	7.75% APR*	7.375% APR
Dec. 27, 2000	7.375% APR	6.875% APR
Jan. 18, 2001	7.125% APR	6.625% APR
Feb. 1, 2001	7.00% APR	6.50% APR

*Annual Percentage Rate. Lowest rates cited effective Feb. 1, 2001, and are subject to change without notice.

est rate on a \$100,000 mortgage is presently 9.50%. He is interested in refinancing down to an interest rate of 6.50 % and going with a 15-year mortgage.

Although George will also have some closing costs as part of refinancing, his new monthly payment will be \$851.07. By shortening the length of the mortgage and dropping to a lower interest rate, his monthly payments will increase, but he will save approximately \$99,062 in interest over the life of the loan by refinancing.

Consolidate Debt

Jody and Jake took out a 10-year home equity loan last year at 8.90% to send their daughter to college. Now they have a monthly *continued on page 4*

TelExpress

Banking by Phone Just Got Easier

Now you can toss your TelExpress menu card because we've made accessing your accounts through TelExpress faster and easier. In the past, TelExpress users referred to a menu card listing the 37 different transaction codes. We've replaced the cumbersome menu card with an easy-to-navigate voice prompt system. We've further streamlined the process so that you will need to enter your member number *only once* at the beginning of your TelExpress call instead of before each individual transaction.

Still, we understand some of you prefer the TelExpress you have come to know and appreciate, so we give you the option to bypass the automated voice prompts in favor of the transaction menu. You will want to use option #5 in Step 3 listed below.

Follow these easy steps!

Step 1: Dial 802/800 371-5162.

Choose option #2 for TelExpress.

Step 2: Choose option #1 to enter your VSECU member number and personal security code. Be sure to include two zeroes at the end of your member number (Ex.: _ _ _ _ _ 00)

Step 3: Choose from one of the following five options:

- Option #1: Withdrawals
- Option #2: Transfers (includes credit card payments)
- Option #3: Service Transactions
- Option #4: Inquiries
- Option #5: Enter a transaction code

Step 4: Continue to follow the voice prompts to select your specific transaction

Manager's Message



Steven D. Post
CEO/General Manager

Our new, lower mortgage interest rates make this an ideal time to buy a new home or refinance your current one. In this issue of the *Members' Advantage*, we offer you some examples of how these lower interest rates can reduce your monthly payment and save you interest charges over the length of your loan. We encourage you to make an appointment to discuss your mortgage options with one of our knowledgeable mortgage originators.

We would like to welcome Brian Bishop, our new representative for MEMBERS Financial Services, who joined us earlier in the year.

We think you'll appreciate the expertise and experience he brings to us from his prior years in financial management. We invite you to call and schedule a cost-free consultation with Brian to discuss your personal financial needs.

Our *Members' Advantage* profile gives you a glimpse of the face and personality behind a voice familiar to many of you. Fielding up to 150 calls a day, Cathy Fleurrey, a member of the Call Center staff, answers questions about every product and service the Credit Union offers. We would like to thank Cathy and the rest of our Call Center staff for daily delivering such a high standard of service accurately, quickly and efficiently.

As we enter the Second Quarter, your Board of Directors and Credit Union staff are seeking new ways for your Credit Union to grow and compete in the financial market today and tomorrow. We thank you, our member-owners, for establishing a rock solid foundation on which we can build to meet the challenges of the future.

In This Issue

Rate Board	2
Members Financial Services	2
Quick News.....	3
Holiday Schedule	4

Rate Board

The Board of Directors has declared the following dividends for the 2nd Quarter of 2001.

DIVIDEND RATES

(all rates stated as annual percentage yield)
 Share (savings) Accounts.....4.58%
 Share Draft (checking) Accounts ..2.02%
 IRA Share Accounts4.58%

DEPOSIT RATES

(all rates stated as annual percentage yield)
 6 mo. Term Share CD5.15%
 1 yr. Term Share CD5.30%
 2 yr. Term Share CD5.50%
 1 yr. Term Share CD IRA.....5.30%
 2 yr. Term Share CD IRA.....5.50%

LOAN RATES

(all rates stated as annual percentage rate)
Auto and Secured – New & Used:
 24 mo. term6.25%
 36 mo. term6.50%
 48 mo. term7.00%
 60 mo. term7.75%
 72 mo. term8.25%

These rates are available with our Auto-Pay Plan and reflect a loan to value ratio of up to 80%. Other terms and rates are available.

Other Consumer Loans:

.....please call to inquire
 802/800 371-5162

Home Equity Line of Credit:

Adjusts monthly8.25%
 Adjusts semi-annually.....9.25%

Home Equity Loans:

5 year term7.85%
 10 year term8.50%

VISA or Mastercard:

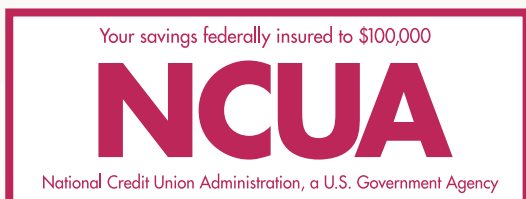
\$15 annual fee10.50%
 no-annual fee11.90%

Mortgage Loans:

.....please call to inquire
 802/800 371-5162

All deposit and loan rates are as of 3-15-01 and are subject to change without notice in accordance with applicable regulations.

Other loan terms and rates are available. Please call us for more information about rates and fees: 802/800 371-5162.



Brian Bishop



A Message from the MEMBERS Financial Services Program

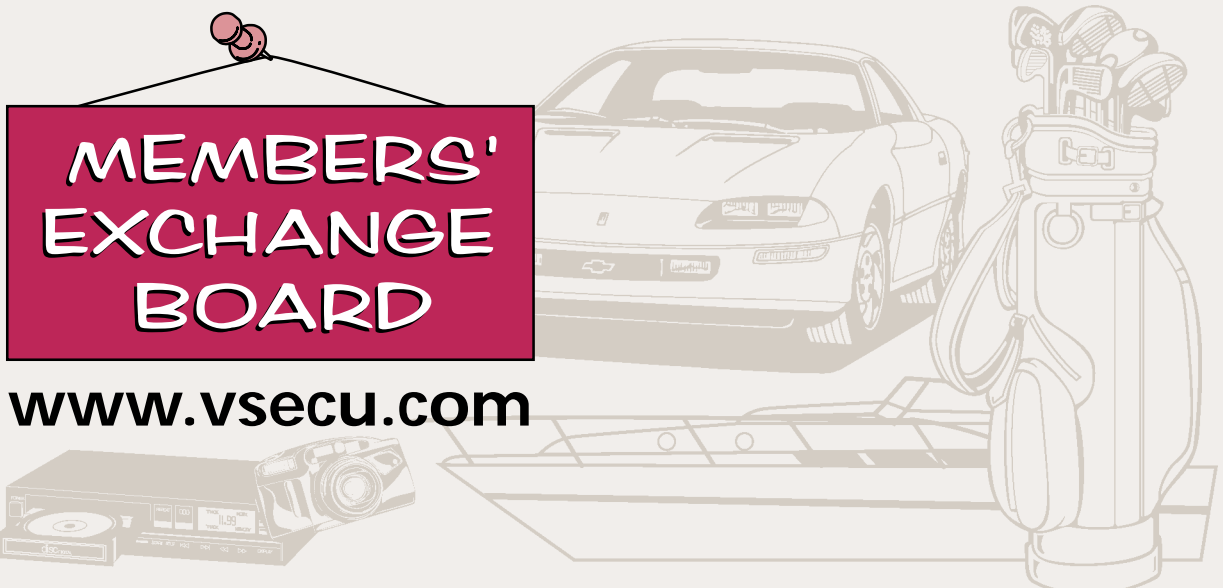
Offered exclusively to credit union members, the MEMBERS Financial Services Program is designed to provide you with one source for your personal financial management needs. The MEMBERS Financial Services representative, Brian Bishop, is standing by to work with you face to face or over the phone to help you reach your financial goals and maximize your financial potential. Your situation is unique and requires special attention and care. The MEMBERS Financial Services Program can show you the respect and provide the financial guidance you need and deserve. The MEMBERS Financial Services Program is located at the Vermont State Employees Credit Union, One Bailey Avenue, Montpelier.

**Your future is worth a 20 minute meeting.
 Call MEMBERS Financial Services now!
 802/800 371-5162, ext. 5173**

Securities sold through CUNA Brokerage Services, Inc., member NASD/SIPC, 5910 Mineral Point Road, Madison WI 53705. Insurance sold through licensed CUNA Mutual Life Insurance Company Representatives, and in New York, licensed insurance representatives of other companies. Similar products may be purchased from an agent or company of your choice. Not federally insured, may lose value, not underwritten or guaranteed by the credit union. FR020108-6625f

Introducing Brian Bishop!

Brian D. Bishop has joined the CUNA Mutual Group/MEMBERS Financial Services as the registered representative of CUNA Brokerage Services. Brian's office is located at the Vermont State Employees Credit Union in Montpelier. Brian comes to CUNA from a full-service brokerage firm with experience in all facets of investing and financial management. His background and training are consistent with CUNA's goals to meet each member's unique financial needs. Brian and his wife Bethany live in East Montpelier with their two children. He is a board member of the Vermont Girl Scout Council, a Rotarian and member of the Christ Episcopal Church in Montpelier. He looks forward to meeting new and existing members of the VSECU.



www.vsecu.com

Looking for a used car or a set of skis? Check out the new Members' Exchange Board on the VSECU website. It's a virtual bulletin board similar to the exchange boards in our VSECU offices.

You'll want to visit us today at www.vsecu.com!

Exchange categories include the following:

- auto and auto accessories
- electronic equipment
- firewood
- lost and found
- miscellaneous
- pets and pet supplies
- real estate, rentals
- snowmobiles, motorcycles and ATVs
- sports equipment

Copies of the 2000 Annual Report available

If you were unable to attend this year's Annual Meeting on March 26 but would like to read the 2000 Annual Report, you will find a copy on the Credit Union website at www.vsecu.com. You may also obtain copies at the VSECU offices or order a copy by calling Marie Carpenter at 802/800 371-5162, ext. 5189.

QUICK NEWS

VSECU ATM relocates to St. Johnsbury

Due to low usage at the ATM at Deb's Redemption in Derby, the VSECU has moved this ATM to St. Johnsbury. It is now located at the Fairbanks Federal Credit Union branch office on Route 5 (across from the St. Jay Diner). Members may make deposits and withdrawals from this ATM.

Introducing Liberty checks!

The next time you order a supply of checks they will be provided by Liberty, a major supplier of financial products to credit unions, instead of Clarke American. Our custom VSECU check design will remain the same, and your Share Draft checking account will not be affected. VSECU custom checks will continue to be supplied in a quantity of 175 per box, but check designs from the catalog are provided in a quantity of 150 per box. We think you will be pleased with the high quality imprinting and additional check designs Liberty offers.

New policy on Internet gambling

As a security and protective measure for our members, the Vermont State Employees Credit Union's Visa and MasterCard credit cards and ATM/Check Card can no longer be used for electronic gambling via the Internet. The VSECU will block attempts to purchase any electronic gambling services of this type. However, members may continue to use their VSECU cards to make purchases at casinos in states where legalized gambling is permitted. This protective measure applies only to Internet purchases.

Direct deposit your IRS refund

When filling out your IRS tax form to direct deposit your refund check into your Share Draft checking account, you may copy the account number on the bottom of your VSECU checks. However, you should drop the eighth (or last) digit before writing it on the IRS form so that the number contains 7 digits only. For instance, if your account is 75123456 or 76123456, you will want to drop the last "6." Although using the full 8 digits will not invalidate the number, it will slow processing time.

Accidental Death and Dismemberment Insurance

Each year you sign up for an Accidental Death and Dismemberment insurance policy through the VSECU, be sure to indicate a beneficiary. The beneficiary on the expired policy will have been voided, so you will need to reinstate your beneficiary or indicate a new beneficiary name for your policy. For further guidance, contact a Member Service Consultant at 802/800 371-5162 or memberconsultant@vsecu.com.

Do we have your "911" mailing address?

If your mailing address has changed due to the new "911" emergency response system, please notify the Credit Union of your change in address in a signed note. This will ensure all correspondence from the Credit Union will arrive in your mailbox in a timely manner.

How's your credit?

Don't wait until you've filled out the loan application to find out there is an error in your credit report. A yearly check-up on your credit report will allow you to correct mistakes or settle disputes so that you can be approved for a loan quickly. The major credit reporting companies are Equifax, www.equifax.com, 800-997-2497; Experian, www.experian.com, 888-397-3742; and Trans Union, www.tuc.com, 800-888-4213. The fee to order a credit report is generally under \$10.00, but under Vermont law, consumers are entitled to one free credit report per year.

Need a personal loan? Consider this alternative.

If you are thinking about a personal loan, consider adding the amount to your vehicle loan if you have equity in the vehicle. This alternative offers a lower interest rate, and you will have only one payment to make instead of two. To find out if this loan option is right for you, contact a Member Service Consultant by calling 802/800 371-5162 or e-mailing memberconsultant@vsecu.com.

Scam alert!

Watch out for the "skimmers"

Here's yet another scam to watch out for when using your ATM or ATM/Check card. According to Card Alert Services, Inc., cardholders in the Chicago area recently fell victim to a "skimming" scam. Skimming is the practice of stealing ATM, ATM/Check and credit card account numbers off the card's magnetic strip by swiping it through a portable skimming device. Typically, this crime is committed at Point of Sale locations, such as restaurants or retail stores. Once the thief has your account number, he or she can go on a spending spree at your expense. In

the Chicago case, small skimming devices were placed on the faces of ATMs. A note attached nearby instructed cardholders to swipe cards through the additional reader for "security purposes" before conducting their transactions. Investigators noted that the thieves had secured the devices with hook and loop tape so that they could be quickly removed.

If you discover you have been the victim of this kind of crime or any unauthorized use of your account numbers, please notify the VSECU as soon as possible, as prompt action will minimize your personal financial loss. For further information on unauthorized transfers and liability, please refer to your Electronic Fund Transfers Initial Disclosure or contact a Member Service Consultant at 802/800 371-5162.

Profile



PHOTO BY DAVID HEATH

Cathy

On a busy Monday or day after a holiday, calls to the VSECU Call Center can be at top volume. Even though tensions may rise, it doesn't bother Cathy who thrives on the high activity level. "Every day, I learn something new and different, and I like that," Cathy says.

Cathy and the nine men and women in the Call Center may take as many as 150 calls a day each, which demands a combination of speed and efficiency mixed with patience and a pleasant, yet professional, manner. According to Cathy, "Being able to organize and prioritize is essential in this job."

Donning their headsets like a uniform, Cathy and her fellow Call Center staff members work as a team to get the job done. "We always back each other up and pick up where someone else left off, if necessary," Cathy says. "If my work load is not so heavy on a particular day, I offer to help someone else in the Call Center or even take work pending for retail staff in the walk-in area." She adds that the group is so close-knit that they socialize outside of work, too, and plan shopping trips and other activities together.

The Call Center challenge is to keep the volume of answered calls high—along with the quality of service. Cathy explains that the Call Center staff understands that they are the primary human points of contact for many members, especially those who live far from a Credit Union office. While a large number of members use the VSECU's automated services, TelExpress and PC Express, many still enjoy speaking with a human being who can offer answers to complex questions, directions and solutions.

Volunteers & Staff

Directors

Robert F. Shattuck, President	(1990)
M. Jerome Diamond, Vice President	(1997)
Sarah Miller, Treasurer	(1994)
Margaret Brown, Secretary	(1994)
William T. Belongia	(2000)
Richard D. Hosking	(1996)
Randall Loso	(1999)
Robert Murphy	(1999)
Deborah Robinson	(2000)
Brian Woods	(1996)

Credit Committee

Nellie Gillander, Chair	(1992)
Richard J. Cron	(1996)
Helen Weed	(1998)

Supervisory Committee

Normand Desrochers, Chair	(1992)
Joseph Healy	(1996)
Bertha Stygles	(1986)

Management Staff

Steven D. Post,	General Manager
Malcolm Fielder,	Operations Officer
Lisa Winters,	Information Systems Officer
Terry Field,	Finance Officer
Yvonne West Perry,	Marketing Officer
Charles D. Karparis,	Retail Officer

Mortgage Rates Drop!

continued from page 1

payment on their home equity loan *plus* a monthly payment at 9.50% on a first mortgage. After a visit to their Credit Union, Jody and Jake discovered they could *combine the two loans into a 15-year mortgage at the lower rate of 6.50% and make only one monthly payment.*

Take advantage of your Credit Union's low mortgage rates

The VSECU combines the lowest mortgage interest rates and lowest closing costs around with quality, knowledgeable service. Amy Haskell, Senior Mortgage Originator, and Kim Magoon, Mortgage Originator, can walk you through the process of purchasing or refinancing a home. While Kim works in the Montpelier office, Amy travels to meet with members in northwestern Vermont, covering a large area from the Canadian border down to Middlebury and over into Waterbury.

For an appointment, you may call Amy at 1-800-545-1061 or Kim at 802/800 371-5162. Applications may also be taken by mail or by phone.

Holidays:

The Montpelier office and Waterbury branch will be closed in observance of the following holidays:

MONTPELIER OFFICE CLOSED:

Memorial Day—Monday, May 28

Independence Day—Wednesday, July 4

WATERBURY OFFICE CLOSED:

Memorial Day—Monday, May 28

Memorial Day (state observation)—
Wednesday, May 30

Independence Day—Wednesday, July 4

New Employees:

We would like to welcome **Christie Burgess** to Information Systems; **Shelly Chauvin Hidook**, **Crystal Charron** and **Kellie Barnett** to Member Services; and **Sheila Walther** to Members Financial Services.

Visit us at the Barre
Rotary Club
2001 Home Show!

April 25 - 27
6:00 - 9:00 p.m.
Barre Civic Center



Please recycle.



VERMONT
STATE EMPLOYEES
CREDIT UNION

MAIN OFFICE:

One Bailey Avenue, P.O. Box 67
Montpelier, VT 05601-0067
Tel: 802-371-5162
Toll free: 800-371-5162

WATERBURY OFFICE:

103 South Main Street
Waterbury, VT 05671-2601
Tel: 802-371-5162
Toll free: 800-371-5162

PRSR STD
U.S. Postage
PAID
Burlington, VT
Permit #21

Mortgage Rates Drop!

See Front Page for Details.

V · S · E · C · U