

VERMONT STATE EMPLOYEES



CREDIT UNION

Our Focus is You

Members Advantage Newsletter

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Vermont State Employees Credit Union

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Berlin Office Named After Long-Time Employee



The Vermont State Employees Credit Union dedicated its newest branch office in Berlin to a respected and beloved employee, Malcolm W. Fielder, during its grand opening celebration on May 28, 2003. Fielder retired in December 2002 after 35 years with the VSECU. As operations officer, he was instrumental in the planning and building of the Berlin Branch Office, a state-of-the-art facility. The branch office is located on Paine Turnpike North, just off exit 7 of Interstate 89, convenient to the Berlin Mall, Shaw's Plaza and the Central Vermont Medical Center. Pictured left to right: Steven D. Post, the VSECU's chief executive officer, Malcolm Fielder and the Honorable James Douglas, Governor of the State of Vermont.

Introducing Verified by Visa

How safe do you feel when ordering online? Now VSECU Visa cardholders will be better protected against credit card fraud through a new free service called Verified by Visa. Using password protection, Verified by Visa reduces the chance of fraud by helping to ensure that only you can use your Visa card online, thus guarding against unauthorized purchases.



Enrollment is required before or during an online purchase with a Verified by Visa participating merchant. For your convenience, you may enroll through the VSECU website at www.vsecu.com before you shop. If you do not enroll through the VSECU website, you will be asked to enroll during the purchasing process with a participating merchant. It's easy to enroll. Just follow

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Manager's Message



Steven D. Post, Chief Executive Officer

Remember the days when summer signaled a more leisurely pace? For most of us, however, we find ourselves swamped by Little League games, home repairs and family reunions. Finding a relaxing moment is as challenging as trying to pack a year's worth of golfing dates into a Vermont summer.

Your life is busy all year long, and the VSECU is working to make our products and services time management-friendly. Our new branch office in Berlin offers time-savers such as the drive-through ATM and the Remote Teller System. Since the branch opened in April, one of the most popular features is the automatic coin counter where you can simply pour your collection of spare change into the machine and let it count for you in no time. Your kids will love it, and so will you.

In this issue of *Members' Advantage*, we're offering more tips to help protect you from the threat of e-commerce fraud. Please take the time to read it and learn about some of the things we do, and what you can do, to lessen the threat of this type of criminal activity.

Our Member Service Consultants, mortgage specialists and support staff are eager to help you, so please stop by one of our branch offices, phone us or log on to our website. Our focus is on working with you to make your financial affairs easy, fast and pleasant. After all, there are many other important things to do and people to see. Enjoy the summer!

56th Annual Meeting

On Monday, March 31, 2003, more than 800 members and guests gathered for the 56th Annual Meeting of the Vermont State Employees Credit Union in the auditorium at the Barre Civic Center. Special guest speaker was the governor of Vermont, the Honorable James Douglas, a longtime member of the VSECU. Douglas

praised the contributions credit unions have made to Vermont and said that a successful credit union helps communities of people help themselves.

Following the governor's remarks, Bob Shattuck, president of the Board of Directors, convened the meeting prior to dinner to give ample time to collect and count the election ballots for the Board of Directors. In February 2003, ballots were mailed to all eligible voting members, and nearly 3,000 ballots had been returned by the Annual Meeting deadline. Since most of those in attendance at the Annual Meeting had already returned their ballots, only a handful was collected at the meeting.

This year, four nominated candidates and one candidate by petition ran for the four open positions on the Board. Although a large team of VSECU staff worked nearby to count the ballots, election results were not available until after the meeting was officially

The open Board of Director positions were filled by:

William T. Belongia
M. Jerome Diamond
Monique Hayden
Sarah I. Miler

adjourned. The following members were elected to serve 2003–2006:

William T. Belongia
M. Jerome Diamond
Monique Hayden
Sarah I. Miller

There was also one candidate for the Credit Committee, incumbent Helen Weed, who was returned to office by the membership.

Highlights of the 56th Annual Meeting follow:

- Membership approved the minutes of the 55th Annual Meeting
- Membership discussed and approved the 2002 Annual Report
- Membership approved a motion to authorize the Board of Directors to borrow funds on behalf of the members in accordance with a provision of Vermont statute establishing a borrowing limit equal to 10 percent of the Credit Union's share, deposit and surplus account balances. Shattuck explained that this authority is an important part of the VSECU's asset/liability management plan.
- On behalf of the membership, Shattuck presented a plaque to Deborah Robinson who was retiring from the Board of Directors. He praised Robinson's commitment to the Credit Union and its members.

Join us for the thrills, chills . . . and spills! It's VSECU night at Thunder Road!

Hey, kids,
get a ride in
a real race car!
4:00 – 5:00 pm



Thursday,
August 21

Gates open for general admission
at 5:00 p.m.

Fun for the
entire family!

Nancy Counts Coins at the Berlin Branch Office



Over the months, Nancy has faithfully collected her spare change in a peanut butter jar. **(A)** Now that her jar is full, she is ready to count the coins. Instead of spending tiresome hours sorting, counting and rolling, she brings her coins to the Coin Counter at the VSECU. Nancy pours her coins onto the Coin Counter's conveyor belt, which carries the coins down into the counting chute. **(B)** Nancy can watch her money tally up on the digital readout above the conveyor belt. **(C)** Once the money is counted, a receipt with the total amount prints out. Nancy brings her receipt to the Remote Teller Station only a few feet away where she places it into the capsule and sends it to the teller through a pneumatic tube. **(D)** Nancy has the choice of receiving cash or depositing her money. Since Nancy decides to deposit her money into her Share Savings account, she receives a deposit receipt back from the teller.

Young Savers Need Only to Take Baby Steps

It's never too early to start your children on the road to financial security by teaching them a few sound lessons in money management. Simple, easy lessons at appropriate times work the best and make lasting impressions. Remember that YOU as parent set the example.

1. Give your child an allowance.

This is a great way to teach even your kindergarten-age child budgeting lessons, including how to save and how to spend prudently. There are lots of different ways that parents choose to distribute an allowance and lots of different lessons children can learn, but whatever you do, make sure your child fully understands the purpose of the allowance and how you expect it to be used.

2. Visit the grocery store together.

The lesson to learn is that the things we need to sustain ourselves do cost money and so we need to be conscious of the choices we make. Be sure to show your youngster that you are comparing prices and discuss why.

3. Open a savings account at the Credit Union for your child.

Make sure your child understands that a financial institution is a safe place to "grow" their savings. Try to make it a point to bring your child along when making deposits so that they are able to hand their savings to a teller. The physical act of handing the money over the counter to the teller and seeing the savings build can make a lasting impression.

4. Give your child jobs around the house or yard to earn extra money.

When your child wants to buy a toy or go to a movie with friends, he or she will learn that money does not grow on trees; rather, it must be earned.

5. It's okay to say, "We can't afford it right now."

You don't have to plead poverty, but it's okay to simply tell your child, "It's not in our budget." Learning to face reality and to put the brakes on spending is a good lesson to learn early.



\$avings Bonds

Savings bonds have always made great gifts for new babies, birthdays and other special occasions because they are a great way to save long-term for the future. They are a safe investment issued by the U.S. Treasury and backed by the U.S. government. You do not pay state or local income taxes on the interest earned on your bonds, and you can even defer federal income taxes until you cash in your bonds or when they meet final maturity at 30 years. If used for educational purposes, your bonds may be free of *all* taxes. Consult a tax advisor for details.

The VSECU offers two types of savings bonds . . .

EE and I

The VSECU offers two types of savings bonds for sale to members, the EE and I bonds. Although both the EE and I bonds have some similar features, they differ in how the purchase price is determined, how interest accrues and when they mature. For more information on savings bonds, log on to www.savingsbonds.gov or contact a Member Service Consultant.

Do You Have a Retirement Plan with a Former Employer?

A Message from the MEMBERS Financial Services Program

If you've left behind a 401(k), 403(b), or 457 governmental plan at a former job — or are about to — you generally have four options for what to do with that part of your nest egg.

- Leave your savings with your former employer
- Move your savings to your new employer's plan
- Roll your savings over to a traditional IRA
- Cash out and pay income taxes and possibly an early withdrawal penalty

Before you make any moves, however, contact your plan administrator or a tax advisor for complete information about your options, the rules, and the tax consequences.

One of your options is directly roll over part or all of your eligible distribution from your 401(k), 403(b) plan, or 457 governmental plan to a traditional IRA. Consolidating your retirement savings into a traditional IRA streamlines your paperwork, makes it easier to develop and maintain your investment plan, and simplifies your required minimum distribution calculations when you reach age 70-1/2. IRAs may also offer you a broader selection of investment options than your current or new employer plan.

A traditional IRA may also offer you and your beneficiaries more flexible and tax-favored distribution options. Furthermore, if you're eligible, rolling over your employer plan to a traditional IRA gives you the option of converting part or all of your savings to a Roth IRA. Importantly, you'll owe taxes at your regular income tax rate on the amount you convert.

For more information about IRA rollovers, please contact Brian Bishop, the MEMBERS Financial Services Representative serving the members of the Vermont State Employees Credit Union, at 802/800 371-5162, ext. 5173.

This article is not intended as legal or tax advice. State laws vary. Please consult a tax professional. Representatives are registered through, and securities sold through, CUNA Brokerage Services, Inc. (CBSI), member NASD/SIPC, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. Insurance sold through licensed CUNA Mutual Life Insurance Company Representatives, and in New York, licensed insurance representatives of other companies. Nondeposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the credit union.

How Money-Savvy is Your Grad?

Whether your child is going on to college or directly to work, you'll likely dispense some words of wisdom about spending and credit. As all parents know, parental advice is sometimes just not enough, so here is some reinforcement from third party "experts" to help out. Check out these websites:

- \$ "Life after high school — don't make money mistakes because now an F means empty pockets" at <http://www.bankrate.com/brm/news/sav/20000809.asp>
- \$ "Today's lesson: plastic — 10 steps for students who want to handle credit wisely" at <http://www.bankrate.com/brm/news/cc/19990621a.asp>
- \$ "What to look for in student bank accounts" at <http://www.bankrate.com/brm/news/bank/19990813b.asp>
- \$ "When are you old enough for a loan?" at http://googolplex.cuna.org/cnote/story.html?doc_id=189&sub_id=775
- \$ "Kids, Cash, Plastic and You" at http://www.personalcredit.about.com/cs/familyfinances/index_2.htm
- \$ "College Bound" at <http://www.creditunionsrock.com/college.php>
- \$ "Get a Job" at <http://www.creditunionsrock.com/getjob.php>



Vacation is Prime Time for Identity Thieves . . .

Summer vacation is prime time for identity thieves. Take a look at the list of preventive measures below to see how you can better protect yourself:

Before you go on vacation:

- ◆ Shred all documents, including statements, receipts, canceled checks and credit card applications that bear your account numbers and/or your social security number.
- ◆ Ask the Post Office to hold your mail. This is preferable to having a friend collect it as it may sit in your mailbox for some time—waiting for a thief to collect it instead.
- ◆ Do not print your social security number on your checks.
- ◆ Photocopy the contents of your wallet, including both sides of your credit cards, driver's license, etc. Store the photocopies in a safe place, so you will have a quick and easy reference for account numbers and emergency phone numbers to call and cancel cards.
- ◆ Sign up for the VSECU's Express Banking services so that you can monitor your accounts via the Internet for any unauthorized purchases.

While you are on vacation:

- ◆ Do not carry your social security card, or any other documents that may contain personal information, unless absolutely necessary.
- ◆ Have a backup plan to obtain money. Bring a second credit card or ATM/Check card and store it somewhere away from your wallet. You might also consider a supply of American Express Travelers Cheques (available at the VSECU).
- ◆ If your wallet is stolen . . . File a police report immediately in the jurisdiction where your wallet was stolen for two reasons: (1) the police can begin an investigation and (2) you can prove to creditors you were diligent in reporting the crime. Plus, call the three national credit reporting organizations immediately to place a fraud alert on your name and social security number. They are Equifax, 1-800-525-6285; Experian, 1-888-EXPERIAN (397-3742); TransUnion, 1-800-680-7289.

Need a Mortgage Loan?

Ask for Ruben . . .

Ruben Ramirez joins the Berlin Branch staff as a mortgage originator. He brings to the VSECU his experience in mortgage and consumer loans with a large financial services provider.



Ruben, who moved to Vermont from Texas five years ago, worked for several years in the funeral home business of his wife's family where he was able to help people dealing with grief and associated stress. Although he finds it rewarding to work with members experiencing the joy of purchasing a new home, he recognizes it can be a stressful time for them as well. Even so, according to Ruben, "the service and commitment approach taken by the VSECU day in and day out undoubtedly will bring good results for the member."

Visa *continued from front page*

the prompts that ask for specific information about your Visa card. The password you choose will be the one you use for all purchases made with Verified by Visa merchants. If you are shopping with merchants not yet participating in Verified by Visa, your Visa card will continue to work as usual.

Once you've enrolled, Verified by Visa works like this:

1. Log on and shop with a participating Verified by Visa merchant.
2. When it's time to pay for your purchases, enter your Visa card account number AND your Verified by Visa password to complete your order.
3. Your order is complete. Your Visa account number remains secure.

For more information, contact a Member Service Consultant at 802/800 371-5162 or e-mail info@vsecu.com.

VSECU Trades Knowledge with Kazakhstan Businessman

The VSECU was privileged to participate in Project Harmony (www.projectharmony.org), an international business exchange program, on May 14-15. Steve Post, the VSECU's chief executive officer, and other staff members hosted Boranbay Khazhimuratovich Sabyrzhanov, a representative from the Astana, Kazakhstan, Business Internship Program. Sabyrzhanov heads the legal department of the Astana Finance Open Joint Stock Company in Astana, Kazakhstan's capital city. Astana Finance is a non-banking financial institution providing



Pictured with Boranbay is Donna Russo, the VSECU Human Resources Officer.

housing and commercial loans. Sabyrzhanov's mission was to learn more about the structure and operation of mid-size financial institutions in Vermont, with a concentration on mortgage lending and related legal issues.

The VSECU staff worked with Sabyrzhanov during his two-day visit to give him a better understanding of credit union principles and practice.

Where in the world is Kazakhstan?

You can find Kazakhstan on the map in Asia, northwest of China and south of Russia. In area, it was the largest Soviet republic until the breakup of the Soviet Union in 1991. Today, an independent Kazakhstan is working to develop a strong and modern economy.

Rate Board

The Board of Directors has declared the following dividends for the 3rd Quarter of 2003.

● Share Rates

Share Accounts	1.00%
Share Draft Accounts	0.50%
IRA Share Accounts	1.00%

● Deposit Rates

Term Share Certificates	
6 mo. Term Share CD	1.35%
1 yr. Term Share CD	1.75%
2 yr. Term Share CD	2.15%
3 yr. Term Share CD	2.50%
4 yr. Term Share CD	2.55%
5 yr. Term Share CD	3.95%
Money Market Share Accounts	
<i>Avg Daily Balance</i>	
\$1,000-\$4,999.99	1.26%
\$5,000-\$9,999.99	1.36%
\$10,000-\$24,999.99	1.41%
\$25,000 and above	1.51%

● Loan Rates

Auto and Secured—New and Used	
24 mo. Term	4.30%
36 mo. Term	4.50%
48 mo. Term	4.70%
60 mo. Term	4.90%
72 mo. Term	5.25%

These rates reflect a loan-to-value ratio of up to 80%. Other terms and rates are available.

● Home Equity Line of Credit

Adjusts Monthly	4.00%
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● Home Equity Loans

5 yr. Term	4.50%
10 yr. Term	4.75%
15 yr. Term	5.50%

● VISA or Mastercard

\$15 annual fee	9.50%
No annual fee	10.90%

All deposit rates are stated as annual percentage yield (APY) and loan rates are stated as annual percentage rate (APR).

All rates disclosed are as of 7/1/03 and are subject to change without notice in accordance with applicable regulations. Other rates & terms may apply and are available.

Please call us for more information about rates and fees:
802/800 371-5162

Equal Opportunity Lender



Holidays

We will be closed in observance of the following holidays:

All Offices

Independence Day Friday, July 4

Labor Day Monday, September 1

Columbus Day Monday, October 13

Waterbury Office Only

Bennington Battle Day Friday,
August 15



Volunteers & Management

Directors

Robert F. Shattuck, *President*
M. Jerome Diamond, *Vice President*
Sarah Miller, *Treasurer*
Margaret Brown, *Secretary*
William T. Belongia
Kimberly B. Cheney
Monique Hayden
Paul Hill, Jr.
Randall Loso
Robert Murphy
Brian Woods

Credit Committee

Nellie Gillander, *Chairperson*
Richard J. Cron
Helen Weed

Supervisory Committee

Normand Desrochers, *Chairperson*
Joseph Healy
Bertha Stygles

Management Staff

Steven D. Post *Chief Executive Officer*
Terry Field *Chief Finance Officer*
Yvonne M. Garand *Business Development Officer*
Charles D. Karparis *Retail Officer*
Steven Koenemann *Chief Information Officer*
Donna Russo *Human Resources Officer*
Lisa Winters *Systems Administration Officer*

New Employees

Please help us in welcoming these new employees to the VSECU family.

Montpelier Office

Shawn Gagne, Tina Coburn,
Marlene Doyon and Kristy Kemp
Member Service Consultants

2002 Kaulene Bancroft

2003 Member Service Consultant

2001 MEMBERS Financial Services

1999 Sherri Brickley

1996 Account Servicing Specialist

Gary Sinnott

1992 Mortgage Originator

1996

1998 Berlin Office

Ruben Ramirez

Mortgage Originator

1992

1996

1986

The VSECU is pleased to hire the following college students for the summer:

*Brandon Otis, Heather Otis,
Megan Pope and Terri Martin*

This newsletter is printed on paper containing post-consumer material



Please Recycle

Berlin Branch Named After Long-Time Employee!

Berlin Four Corners

Berlin Office *Now Open!*

86 Pearl Street

Burlington Office

Merchants Row, Asa Bloomer Building

Rutland Office

State Complex, Osgood Building

Waterbury Office

One Bailey Avenue

Montpelier Office

Montpelier, VT 05601-0067

PO Box 67

One Bailey Avenue

Our Focus is You

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