



# V-News

*"I recommend VSECU because of their lower fees or no fees on their checking accounts." — Edwin, Member for 32 years*

Quarterly Publication for VSECU Members • [www.vsecu.com](http://www.vsecu.com) • Issue #55, Fourth Quarter 2009



## VSECU Earnings Update

### Message from Steve Post, CEO

Over the course of the year, I've been sharing details regarding the impact of the National Credit Union

Administration's (NCUA) Corporate

Stabilization Plan on our 2009 earnings. In review: As a result of investment losses associated with the economic downturn, all credit unions are being required to contribute to the recapitalization of the National Credit Union Share Insurance Fund (NCUSIF), the government-backed insurance fund for credit union deposits. Credit unions voluntarily capitalize the NCUSIF by depositing 1% of their deposits into the fund. In early April, we estimated that our proportionate share of the needed capital was going to be approximately \$4.1 million, which would have to be fully expensed in 2009. This extraordinary, one-time event meant that VSECU would, for the first time ever, record a loss for the year despite having an operationally successful year.

Good news came to us recently when Congress approved a different accounting methodology for this monetary contribution. Rather than making one accounting entry in 2009 and absorbing the full expense in a singular year, credit unions will now take eight years to recapitalize the NCUSIF starting this year. As a result of this change, after accounting for this expense in 2009, we expect to end the year with positive earnings.

Members, young and old, are finding that VSECU is a great place to weather the financial storm — a storm that has certainly caused some hardship, but which may also have led to a valuable reassessment of saving and borrowing habits of the past. Our advantages include that we're locally owned by our members, we're located right here in Vermont, and we offer straightforward, easy to understand financial products and services.

Looking forward, I believe the condition of the world's financial system is still precarious, and our members will likely feel the impact of a weak economy well into 2010. Fortunately, we have built up reserves over the years to protect our cooperative in times such as this. We remain committed to the prudent management of our credit union and to helping our members through any difficult financial times.

## Shop at Home with AutoSMART!

Now you can shop for a new or used car from the comfort of your own home with VSECU's new online service, AutoSMART. AutoSMART provides one-stop shopping where you can browse the inventory of a growing number of local Vermont auto dealers, get dealer quotes, look for current rebate offers, find the value of your current trade-in and much more. Plus, you'll find your favorite online auto buying resources, such as NADAguides.com.

To find AutoSMART, click Auto Loans at [vsecu.com](http://vsecu.com) and start shopping!

## VSECU's Checking: It's Free & Simple!

Why make life more complicated? Ask a Member Service Consultant how to switch to a VSECU checking account!

- No monthly service charges
- No minimum balance required
- Free unlimited checking
- Free online access
- Free e-Statements
- Unlimited debit card transactions at point-of-sale locations
- **PLUS — it earns dividends!**



## Free Fall 2009 Workshops

All workshops are free and open to the public. Register by calling 802/800 371-5162, ext. 5433, or register online at [www.vsecu.com](http://www.vsecu.com)

### GET SMART! Protect Yourself from Fraud, Scams and ID Theft Workshop

*Presenters: Assistant Attorney General Sandi Everitt, Consumer Assistance Program, Vermont Attorney General's Office; and VSECU staff*

Montpelier Main Office, Thurs., Oct. 15, 6:00-8:00 pm

### Your Budget, Your Life Budgeting Workshop

*Presenters: Sharon Robinson & Lynette Kemp, VSECU*

Montpelier Main Office, Mon., Oct. 19, 6:00-8:00 pm

## Tax Breaks You Should Know About

You may be able to take advantage of tax breaks if you've made energy-efficient improvements to your home or purchased a new home for the first time or a new auto. Here is a quick overview of some of the tax breaks available. Learn more from [www.irs.gov](http://www.irs.gov) and consult a tax professional to make certain you are eligible.

- \$ A 30 percent tax break of up to \$1,500 for qualified home improvements, including exterior windows, door or skylights, or heating and cooling systems.
- \$ A 30 percent tax break with no dollar limit for alternative energy equipment like solar water heaters, geothermal heat pumps and small wind turbines.
- \$ A tax credit of up to \$8,000 if you're a first-time homebuyer who purchased your home between April 8, 2008, and Dec. 1, 2009.
- \$ A deduction for state and local sales and excise taxes or other fees you pay when you buy a new car, light truck, motor home or motorcycle between Feb. 17, 2009, and Dec. 31, 2009.
- \$ A tax credit for qualified plug-in electric vehicles and plug-in electric vehicle conversion kits.
- \$ A tax credit of up to \$4,000 for qualifying alternative fuel vehicles purchased or placed into service between January 1, 2005, and December 31, 2010.

## Have Enough Insurance?

*A Message from the MEMBERS Financial Services Program*

We'll check it out for you!

It takes very little time to have an insurance needs analysis done. Call MEMBERS Financial Services and we will estimate your recommended coverage, based on your age, lifestyle and current needs. This service is offered to credit union members at no obligation. For your analysis, call the MEMBERS Financial Services today at 802/800 371-5173.



FINANCIAL SERVICES

Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution. CBSI is under contract with the financial institution, through the financial services program, to make securities available to members. FR06970759INS (0202)

## International Credit Union Day is Thursday, October 15!

Visit a VSECU branch office on Thursday, Oct. 15, as we celebrate International Credit Union Day!

- GET SMART! Learn how to protect yourself from criminals who want to steal your money or your identity
- Educational brochures available in branches and online
- Enter our drawing to win your choice of a home paper shredder or virus protection computer software
- **FREE WORKSHOP:** "GET SMART! Protect Yourself from Fraud, Scams and ID Theft,"  
Montpelier Main Office, Oct. 15, 6:00-8:00 pm

## FREE Shred Saturday

October 17, 9 am to 1 pm

2 Locations:

**Berlin Branch & Williston Branch**

**FREE!** Don't let identity thieves get hold of your sensitive information. Shred up to 10 standard bank boxes of your personal documents.

*Shredding services provided by SecurShred*

## VSECU Rate Board · Fourth Quarter 2009

The Board of Directors has declared the Share Dividend rates below for the 4th Quarter of 2009.

|                      | APY  |
|----------------------|------|
| Share Accounts       | .50% |
| Share Draft Accounts | .25% |
| IRA Share Accounts   | .50% |

Dividends are disclosed as Annual Percentage Yield as of 10/1/2009 and are subject to change without notice in accordance with applicable regulations. Additional rates and terms may apply and be available. Please inquire for specific information.



For up-to-date rates and to inquire about other products and services, call us at 802/800 371-5162, visit our website at [www.vsecu.com](http://www.vsecu.com) or stop by one of our convenient offices.

Federally Insured by NCUA