

THE

LOCAL RECORD

WINTER 2012



BANK FEES AND BANK TRANSFER DAY

What began as a Facebook event page launched by one person, quickly turned into a national protest movement urging customers to close their accounts with big banks and put their money with credit unions and community banks, in an effort to avoid fees instated from banking institutions.

Over the past 12 months, banks have begun charging customers for the use of their debit cards, increasing the minimum balances required, charging for checking accounts, and increasing fees if a competitors' ATM is used. Banking institutions introduced the fees due to the Durbin Amendment, which requires that banks charge merchants only 12 cents per debit card transaction instead of 44 cents (the interchange fee). In 2010, banking institutions made \$50 billion from these fees, 80% of which was made at the 10 largest banks in America.

November 5th, 2011, known as Bank Transfer Day, was the deadline activists set for transferring funds from for-profit banking institutions to not-for-profit credit unions closer to home. The protest encourages people to withdraw their funds from "too large to fail" national banks and deposit them into small local banks and credit unions.

According to the Credit Union National Association, at least 650,000 consumers across the nation had joined credit unions in the four weeks leading up to Bank Transfer Day. That number was fueled largely by the September 29th announcement from Bank of America announcing their plan to collect \$60 a year from each of its millions of debit-card users. Bank of America, along with other national banks, has since retracted the fees due to the massive public outcry, but may have lost a tremendous amount of their customers in the process. More than four in every five credit unions experiencing growth since September 29th attributed the growth to consumer reaction to new fees imposed by banks, or a combination of consumer reactions to the new bank fees plus the social media-inspired Bank Transfer Day.

While many banks are continuing to charge fees for various checking account features, Vermont Federal Credit Union is keeping their ReWARD Checking completely free, with no monthly fees, no minimum balance and no charge for debit card use.



Happy New Year to all of our members. As we enter 2012, I'd like to reflect on the tremendous amount of growth Vermont Federal Credit Union has seen over the past five years.

Symbols of our growth over this time period include renovation projects in our South Burlington and Burlington

branches, the addition of a branch on Old Orchard Road in St. Albans, and our newest branch in Milton which opened in November of last year.

Over five years' time, we have increased our membership by over 5,000 and our assets by over \$163 million, growth which would have not been possible without you.

Other aspects of growth our organization has seen include updates to our web and online banking technology, mobile banking, the addition of Business Services and almost 8,000 people taking advantage of our ReWARD Checking account, the only high-yield checking account of its kind in Vermont.

We project continued growth in 2012 with the goal of making Vermont Federal more accessible to our members and providing the tools and assistance needed in making financial decisions in today's ever-changing market.

Sincerely,

Bernard P. Isabelle

Bernard P. Isabelle
President/CEO

ID THEFT & FRAUD PREVENTION TIPS

free | 'frē |

adj (fre.er | fre.est)

not costing or charging anything.

PHRASE:

While many banks are now charging fees for various checking account features, Vermont Federal Credit Union is keeping ReWARD Checking completely *free*

2.00%^{APY*} ReWARD Checking

Free ATMs • No Fees • No Minimum Balance • Better Rates

*2.00% Annual Percentage Yield (APY) paid on balances between \$0.01 and \$25,000 and 0.65% paid on any amount above \$25,000 each monthly statement cycle the minimum requirements are met. ATM fee refunds up to \$25 per monthly statement cycle. Individual ATM fees of \$5.00 or more will be reimbursed into your ReWARD Checking account upon presentation of the ATM receipt. If you do not meet the requirements per cycle, your ReWARD Checking account will earn 0.10% APY and you will not receive ATM fee refunds for that monthly statement cycle. \$25 share deposit required for credit union membership, though no minimum balance necessary to earn rewards. Available for personal accounts only. Rates as of December 1, 2011 and subject to change without notice. The daily method is utilized to determine which rate will be applied. Dividends are compounded daily. Dividends will be credited to your account on the last day of each monthly statement cycle. If you close your account before dividends are credited, you will not receive the accrued dividend.

.10%^{APY*} even if you don't meet requirements

vermontfederal.org 888-252-0202

MEET OUR NEWEST MORTGAGE OFFICER



Holly Sheltra
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Office: (802) 891-7011
Toll Free: 888-252-0202
hsheltra@vermontfederal.org

Holly has more than 15 years of lending and mortgage experience, with a sound understanding of the lending process. Her goal is to make your home-buying or refinance experience as easy as possible and help you get into the house of your dreams quickly and easily. Holly will reside in our new Milton branch.

Contact Holly or any of our Mortgage officers listed below to help you get started on the homebuying or refinance process or visit our website at vermontfederal.org for more information.



Mark Antell
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ID THEFT & FRAUD PREVENTION

TIPS

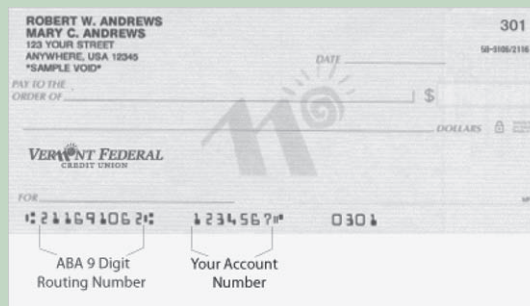
Identity theft involves personal information such as name, address, date of birth, social security number, and mother's maiden name being stolen in order to assume a person's identity. This information allows the thief to commit many types of fraud. Types of fraud can include applying for loans, apartment rentals, and establishing phone and utility services.

Steps to Prevent Fraud

- Memorize your Social Security Number and all of your passwords and PINs (personal identification numbers). Do not write them on any card or on anything in your wallet or purse.
- Never give personal information over the telephone unless you initiated the call - and be particularly wary of giving out your social security number.
- Never provide personal information on the internet in response to an electronic communication unless you were expecting it.
- Shred pre-approved credit applications, credit card receipts, bills, expired credit cards, account statements and all confidential documents before recycling.
- Promptly remove mail from your mailbox.
- Match all credit card receipts against your monthly credit card bills.
- Report all lost or stolen cards immediately.
- Review your credit report from the three major credit bureaus once a year and:
 - Be sure you are aware of all accounts listed
 - Look for copies of your credit report sent to unknown sources
 - Be sure there are no inquiries you didn't apply for
 - Check for addresses where you have never lived
 - Typos in your Social Security Number

DIRECT DEPOSIT OF IRS TAX REFUNDS

In order to ensure that your tax refund is properly deposited to your Vermont Federal account, please make sure that you provide the IRS with accurate account information as follows:



Note: If you wish to have your refund deposited to an account suffix other than your checking, please specify your account number on your tax return as you member number followed immediately by the suffix. For example: The share account for member 12345 would be entered as: 1234500 (do not include any dashes between the member number and suffix number).

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TURBOTAX® ONLINE

Remember that TurboTax® is now built into our online banking site, e-Branch24, for your use!

- TurboTax® guides you through your taxes step-by-step.
- Get every deduction you deserve.
- Get your maximum refund in as few as 8 days.
- Deposit directly into your Vermont Federal account.

If you start a tax return through TurboTax® in e-Branch24 from January 5 through April 18, 2012 you will be automatically entered to win a Grand Prize of \$15,000. Even if you don't complete and send the tax return, you are still entered to win. Visit vermontfederal.org for details and sweepstakes rules.

* Please note that some discount retailers may be able to offer TurboTax® software at pricing that is less than available through e-Branch24. This service is offered to provide convenience for you through your online banking site and to retain an online, secure record of your tax returns from year to year. Sign into e-Branch24 to learn more.

YOU CAN EARN 1,000 REWARD POINTS

Switch to electronic Visa statements and earn 1,000 Visa Platinum reward points in the month of December or January.

Reward points can be redeemed for account credit or a selection of merchandise, travel, event tickets and activities.

Request electronic Visa® statements through e-Branch24 in MyCardInfo. Must have Rewards card to qualify. Offer ends 1/31/2012.



Shopping for a Loan?



We've Got One in Mind and it comes with a great rate

Personal Loans • Mortgage Loans • Business Loans
Auto Loans • Vacation Loans • Home Equity Loans

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VISA PLATINUM REWARDS START REWARDING YOURSELF

Vermont Federal is pleased to bring you our new Visa Platinum Rewards program, giving you the ultimate freedom of choice. As you use your card, you'll accumulate one point for every dollar spent that you can redeem for account credit or a selection of merchandise, travel, event tickets and more. The more you use your card the more great rewards you can earn.

- Rates don't change if you have a late payment
- No liability on fraud (as long as you comply with Visa notice rules)
- Warranty Manager
- Emergency Cash & Card Replacement - 24 hours a day/7 days a week
- Rental Car Insurance

*The Annual Percentage Rates are variable and can change based on the Wall Street Journal Prime Rate plus a margin of 4.70% on the Platinum Rewards Card and 2.70% on the Visa Platinum. Rate quotes are "as low as" and may vary based on your individual credit.

with Rewards as low as

7.95% APR*

without Rewards as low as

5.95% APR*



Call Center: (888) 252-0202, Option 3
Monday-Friday 8:00 am to 6:00 pm
Saturday, 9:00 am to 12:00 noon

Loan Line: (888) 252-0202 Option 2
24 Hours a Day, 7 Days a Week

Call-24: (800) 280-9630

Email: memberservices@vermontfederal.org

Holiday Closings

All locations will be closed for the following holidays:

- Martin Luther King Day - Monday, January 16, 2012
- Presidents' Day - Monday, February 20, 2012
- Memorial Day - Monday, May 28, 2012
- Independence Day - Wednesday, July 4, 2012

Dates of Interest

- March 11, 2012 - Daylight Saving Time
- March 17, 2012 - St. Patrick's Day
- May 3, 2012 - Vermont Federal Credit Union Annual Meeting

For branch locations and hours; visit our Web site, vermontfederal.org



This credit union is federal insured by the National Credit Union Administration

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Supporting Our Communities SINCE 1953

UNITED WAY 2011



For nearly two decades Vermont Federal has been supporting the United Way with an annual donation drive in our branches. Last year, we were one of the top giving financial institutions in Chittenden County.

This year our drive was again advocated by (left to right) Donna Bogue, Doug Robinson and Carmen Blatt, who worked hard to promote the value of giving time or financial gifts in support of the United Way. Vermont Federal's management team provided a variety of staff incentives to encourage staff participation. Members were able to support the cause through an in-branch 50/50 raffle. This year's overall goal was \$19,500, which Vermont Federal surpassed raising a total of \$22,545 for the United Way.

FEED YOUR NEIGHBOR

For the fourth consecutive year, Vermont Federal was the presenting sponsor for the annual Feed Your Neighbor event that takes place at Costco Wholesale in Colchester. Vermont Federal Credit Union employees collected non-perishable food items from Costco shoppers on Wednesday, Nov. 23rd (Thanksgiving Eve) that were brought to the Chittenden Emergency Food Shelf. The event was a huge success, raising a total of 4,028 lbs of food. We'd like to thank the staff who helped at the event and all members who made a donation while shopping for the holidays. Together, we have made a big difference in the lives of the people in our community.

Upcoming Events

RESTAURANT WEEK 2012– April 27th - May 4th

Vermont Federal enters its third year as presenting sponsor of this very special event, which supports Vermont's local restaurants and generates awareness of and financial assistance for the Vermont Foodbank. Participating restaurants will feature special price fixed menus, many times featuring locally grown/raised products to support Vermont farmers.

ANNUAL MEETING 2012 – May 3rd

Our 2012 annual meeting will begin at 5:30 pm at the Double Tree Hotel in South Burlington. Light snacks and refreshments will be provided.

Vermont Federal Financial Services



Fred Dufresne, CRPC®
Financial Consultant
The Vermont Federal Financial Services Center located at:
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South Burlington, VT 05403
Phone: (802) 923-1116 or
(888) 252-0202 ext 1116

A Message from the Vermont Federal Financial Services Program – Content developed by LPL Financial, provided by Fred Dufresne

Filling the Cracks in Your Financial Plan

If you're contributing to an employer-sponsored retirement plan on a regular basis, be sure to congratulate yourself! You are already taking an important step toward addressing what may be the biggest financial challenge you will ever face. And if you are setting aside money for the college education of a child or grandchild, you deserve credit for that too.

While most financial experts encourage workers to contribute the maximum amount allowed to their retirement plans, they also warn that such contributions may not be enough to guarantee a secure future.

There may be more you can or should be doing.

In fact, a well rounded financial plan might also need to include insurance strategies and the use of annuities to safeguard your vision of the future. However you should consult a financial professional before deciding whether a particular insurance strategy is an appropriate choice in light of your particular needs and financial position.

Whether it is annuities, life insurance, college savings plans or structuring your retirement savings, we will work hard to find suitable products that will meet your needs.

To learn more about the strategies that could plug holes in your financial plan, consider speaking with our financial advisor before you decide whether a particular investment is an appropriate choice in light of your unique financial needs and risk tolerance.

Fred Dufresne is a Financial Consultant with Vermont Federal Financial Services located at Vermont Federal Credit Union. If you have any questions, or would like to provide feedback regarding the information presented in this article, you may contact Fred at (802) 923-1116.

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