



JANUARY 2012 NEWSLETTER

105 EAST CHERRY STREET
 VERMILLION, SD 57069
 PHONE: 605-677-5214 FAX: 605-677-5449
 EMAIL: OFFICE@VERMILLIONFCU.COM
 WEBSITE: WWW.VERMILLIONFCU.COM

VERMILLION FEDERAL CREDIT UNION HOURS:
 LOBBY HOURS: Monday through Friday, 9 am to 5 pm
 Saturday, 9 am to 12 noon
 DRIVE UP HOURS: Monday through Thursday, 8 am to 5 pm
 Friday, 8 am to 5:30 pm
 Saturday, 9 am to 12 noon

PATRONAGE DIVIDEND

Thank you for being a member of Vermillion Federal Credit Union! When our budget was set going into 2011 we knew again that there would continue to be challenges. Like you, when you plan your budget, it is best to be conservative in the projections concerning income and expenses. In spite of the 2011 economy remaining turbulent, your credit union has continued to grow and succeed.

Your Board of Directors reviews the rates monthly to see if an adjustment is needed. They toil over what is best for the member while keeping the credit union viable and successful. In 2011 rates for investing remained low. Members did not get the return on their investments they had in years past and neither did the credit union. Loan rates have remained very low as well, so if you are looking to finance a purchase, it is a good time to do so. Through it all, you, the member, continued your faith and trust in what we do and continued to save and to borrow.

Each month the Board of Directors also analyzes the income and expenses and compares them to our budget. In recent months we were very pleasantly surprised to see that our conservative figures were just that conservative. Therefore, at this time, for the second year in a row, they have decided to reward our members for their trust and patronage and are doing so in the form of a bonus patronage dividend. When reviewing your statement for the month of December, you may see a little extra something in your account.

It works like this: In 2011 if you already earned more than \$20 in dividend on your shares and/or CD, you were paid a bonus dividend of 10%. For example, if you added up all the dividends paid to you on your accounts since January 1, 2011 and it came up to \$50, you will see a \$5 deposit with the notation "patronage dividend". Likewise, if you paid more than \$20 in interest on your loan you were given a 5% rebate. For example if you borrowed \$1000 on January 1 and paid \$50 in interest year to date, you would see a rebate of \$2.50 in your account with the notation "interest rebate".

The budget for 2012 has been approved and again we have planned for potential unforeseen expenses. We don't know how 2012 will unfold and therefore cannot make any commitments to pay a dividend at the end of the next year. Nevertheless, for this year, your credit union was able to give back a little something to show our appreciation for your membership. While individually it may not be much, together it shows how we can work together and continue to succeed even in this economic environment.

* term expires this year			CREDIT UNION OFFICERS		
BOARD OF DIRECTORS		SUPERVISORY COMMITTEE		CREDIT UNION STAFF	
Cathi Powell *		Chairperson – Deb Larson		Janet Mount, CEO	
Nicholas Koster *		Kevin Loftus		Julie Becker, COO	
Ruth Bremer		Bergen Peterson		Jamie Neitzke, Loan Officer	
Michael Gillispie				Kathy Lynch, Member Service	
Aaron Fader				Kela – Teller	
Douglas Brunick				Deana – Compliance/Special Projects	
Rachel Alexander					

UPDATE CONTACT INFORMATION

Please verify the credit union has your current contact information. With electronic statements and all the other modern conveniences, we often neglect to realize how pertinent it is to keep addresses, phone numbers and emails updated. Many people have disconnected their land lines and only use cell phones. Please provide us with those changes or we have no way to contact you.

Valid phone numbers are especially crucial if you have a Visa debit or credit card. The Fraud Alert Management Team (who monitors all our card activity) will attempt to contact you (the cardholder) to verify any questionable activity. If they are unable to contact you, a temporary block is placed on your card which could cause you quite the inconvenience.

Therefore, please ensure that we have a correct address, phone number and email. If you'd like to verify this yourself you may do so by logging into your online account on ItsMe247, click preferences and click my personal information. If it is not correct, please contact a credit union representative at your earliest convenience. Thank you!

CPA AUDIT CONFIRMATION

It is time for our 2010 annual audit. As you should every month but **especially** when you receive the December statement look it over. If you feel anything is incorrect, please report any differences within 10 days to: Quam and Berglin CPA, 110 W Main St, PO Box 426, Elk Point, SD 57025. This CPA firm will be sending out confirmation letters the first part of 2012 to a vast sampling of our membership. Yes, these are legitimate requests! The letter will provide you with the information to verify, they are not asking for additional information. If you receive a letter please verify the amounts are correct, sign and mail it back to their office ASAP. If not, you will receive a follow up letter. Thank you for your cooperation!

VISA CREDIT CARD

Vermillion FCU offers a Visa Platinum Credit Card. This is a no frills credit card with no annual fee. It is a variable rate credit card, calculated by adding seven (7%) percent to the Prime Rate on the 1st day of January and July. If the Prime Rate changes, the increase or decrease of rate will take effect on the 1st day of February and August. The interest rate will never be more than NCUA's rate ceiling. The rate will not change more than four (4%) percent in any year.

START SAVING NOW FOR NEXT HOLIDAY SEASON

Do credit card bills from the holidays leave you overwhelmed? Do funds get tight during the holiday season? We can help! A Christmas Club Account helps safeguard the joy of the holidays by eliminating financial stress. Save in advance, it is really easy... Try to determine what you want to spend and divide that by how many months to budget and save for next year. If you even put away \$50 a month starting in January, by the end of the 10th month - October you have already managed to save \$500! Christmas Club Account funds are available anytime and can be transferred by calling, online banking or audio response. Avoid a credit card hangover this holiday season, come see us today! We can also help by setting up payroll deduction, automatic transfer or adding a direct deposit disbursement.



UPCOMING HOLIDAY CLOSINGS:

Monday, January 2 – New Year's Day Observed
Monday, January 16 - Martin Luther King Jr.'s Birthday
Monday, February 20 – President's Day

REMINDER: Holiday Loan Skips and Holiday Loan Special are both good thru January 31, 2011



www.facebook.com/vermillionfcu.com

Stay current with what's happening at VFCU!! "Like" our Facebook page to receive special offers and promotions! In addition, keep up-to-date on banking scams and banking news that affects you. Want to know more?? Visit www.facebook.com/vermillionfcu.com!!

THANK YOU to everyone that contributed to our "Winter Wonderland"! With your help we were able to provide USD Headstart with a nice cash donation and stock up on supplies. We all appreciate that!

Watch for future donation drives, the credit union tries to highlight at least one group every quarter.

OVER-THE-COUNTER SAVINGS BONDS SALES ENDED 12/31/11

December 31, 2011 was the last day any financial institution could process paper savings bonds applications. Beginning January 1, 2012 bonds can only be purchased electronically, doing away with existing paper savings bonds. You are still able to redeem paper bonds at most financial institutions. You can also convert your paper savings bonds to electronic savings bonds using a program called Smart Exchange on the Treasury Direct website. There is no charge to convert paper bonds, no earned interest will be lost and the bonds will keep their original issue dates and current interest rate terms. Electronic savings bonds will be available to consumers for purchase through Treasury Direct, a Bureau of Public Debt secure web-based system.

www.treasurydirect.gov



Your Credit Union, in partnership with CU Mortgage Direct, LLC, is able to offer you a full range of mortgage products to fit your lifestyle. CU Mortgage Direct, LLC is a Credit Union Service Organization (CUSO), so you will find the same philosophies and outstanding member service you have come to expect from your Credit Union.

- ✓ New Purchases
- ✓ Refinance
- ✓ Conventional
- ✓ VA
- ✓ FHA
- ✓ RD
- ✓ SDHDA
- ✓ Mortgages also available in Nebraska, Wyoming, Minnesota and Iowa

CU Mortgage, LLC, is able to offer you an advantage over most other mortgage companies. They can offer a lower monthly mortgage insurance premium if you are financing above 80% loan to value. Contact Ryan Meyer directly at 605-275-1783 for questions regarding mortgage loans. Their application is also available online at cutmortgagedirect.com



Home equity, home improvement and construction loans are available through Vermillion FCU; please contact Jamie or Janet at the credit union office.



VERMILLION NO FEE ATM LOCATIONS

Shared branching with Services Center Federal Credit Union in Yankton, Parkston and Springfield allows us several additional no fee ATM's throughout southeastern South Dakota. Look for and ATM with the Services Center logo if you are in Yankton, Springfield, Parkston or Tyndall, SD and Crofton, NE.

Vermillion Federal Credit Union - 105 East Cherry Street, Vermillion, SD
Public Safety Center - 15 Washington Street, Vermillion, SD
The Dakota Dome – Hwy 50 Bypass + Dakota St, Vermillion, SD
The Eagle's Clubroom – 114 W Main St, Vermillion, SD
City Hall – 25 Center Street, Vermillion, SD

FREE CREDIT REPORT

You are entitled to one free credit report per year from *each* of the *three* major credit reporting agencies. Log on to www.annualcreditreport.com and access your free reports, there are no associated fees. You will not receive credit score; but you are able to find a list of creditors, account numbers, balance and contact info. You will be able to print out your credit bureau report and at the end is information on how to correct any errors. Contact information:

CREDIT REPORTING CONTACT INFORMATION
Credit Bureaus: Equifax – www.equifax.com – (800)685-1111
Experian – www.experian.com – (888)397-3742
Transunion – www.transunion.com – (800)888-4213
Free Credit Reports: www.annualcreditreport.com -- (877)322-8228
Social Security Administration (fraud line) – (800)269-0271
Government Assistance: Federal Trade Commission – www.ftc.gov (877)382-4357

Reminder—dormant accounts are subject to a \$5 monthly inactive fee. Dormant accounts are reviewed twice a year. Call the credit union if you have any questions about your account.

****CRIME CAN TAKE ON ANY FACE...BUT YOU CAN STOP IT IN ITS PLACE****

BEWARE OF SCAMS – ALWAYS BE ON YOUR TOES! 'Tis the season for thieves... we can never stress enough how important it is to be very cautious when it comes to your financial identity. There are so many scams that go around it almost seems you can't trust anyone. Between the phone scams, email and internet scams you may be afraid to log in for online banking. Trust us; we have all security measures in place on our end to keep your information from being compromised. On your end, you want to make sure you have the latest anti-virus software on your own personal computer. Also be wary of the sites you visit, some untrusted sites may have unknown downloads ready to invade your computer once you click a link. NEVER enter your debit or credit card information on a site that you do not trust. When making purchases online, make sure you are doing so through a secure URL.

THINK BEFORE YOU LINK

Steer clear of emails that alert you to account or card problems. They link you to a website to verify your financial information, the site may look real, but it is designed to trick you into providing account number and personal data. Thieves can copy a website almost perfectly and change the link to connect to their fraudulent site. They are very clever! Avoid getting hooked by following these simple rules:

- Be suspicious of emails that ask for personal or financial information.
- Check your monthly statements to verify all transactions and notify your credit union immediately of any erroneous or suspicious transactions.
- Be cautious of any business that contacts you to notify you of "problems" with your account, or entices you with prizes.

Call your credit union if you suspect anything. Remember we never ask for account information we already have!

VERMILLION FCU OFFERS THREE TYPES OF PRE-PAID VISA CARDS

Visa Pre-Paid Gift Card: Visa Gift Cards are available same day in the credit union office and are a one-time use card. Gift Cards can be purchased for personal use or are perfect for gift giving. They can be used anywhere Visa is accepted. The fee for the card is \$3.75 at purchase and funds are added at that time. The card limit is as little as \$10 or as much as \$500. When the funds have been spent the card should be destroyed.

Gas Pay at the Pump, Hotel and Car Rental transactions allowed but NOT recommended. Due to the nature of certain purchases, the full purchase amount may not be known when your card is initially swiped for approval. For purchases made at a restaurant, the purchase amount will be increased by 20% while being authorized by Visa, therefore; sufficient funds must be available for the whole amount. Once the gratuity, if any, is added to the original purchase, only the final amount will be deducted from your card balance.

Visa TravelMoney Pre-Paid Debit Card: The TravelMoney Card is available same day in the credit union office and can be reloaded with funds an unlimited amount of times. The initial fee for the card is \$5.00 and can be loaded with a minimum of \$100 or maximum \$5,000. The TravelMoney card reserves a \$500 daily ATM withdrawal limit, \$2,500 daily PIN POS and \$5,000 daily signature limit. Reloads done by the cardholder through the CUMoney website must allow 3 business days for the funds to be added. Faster reloads can be done by stopping by or calling your CU office and giving us your card number. TravelMoney cards are not directly linked to the member savings or share draft accounts giving peace of mind when traveling. When purchasing the Visa TravelMoney card, members automatically receive free travel enhancements which include purchase security, travel & emergency assistance and lost luggage reimbursement.

Cardholders will receive a Travel Enhancement brochure for details and disclosures.

Everyday Spend Pre-Paid Debit Card: The Everyday Spend card is a Pre-Paid Visa Debit Card embossed with the cardholder's name, so please allow 7-10 business days for delivery. This card has a 30-month expiration and if the card is active at that point, it will be automatically reissued. The initial fee for the card is \$5.00 and can be loaded with a minimum of \$10 or maximum \$5,000. The Everyday Spend card reserves a \$310 daily ATM withdrawal limit, \$1,500 daily PIN POS limit and \$5,000 daily signature limit. This card can be reloaded an unlimited amount of times. Reloads can be done by the cardholder through the CUMoney website (allowing 3 business days for funds to be added) or you may contact the credit union with your card number for a faster reload. Everyday Spend cards are not directly linked to the member savings or share draft accounts.

For inquiries as to further fees and ongoing monthly costs associated with the TravelMoney or EverydaySpend cards, please see a member service representative.



Notice of Annual Meeting and Elections to the Board of Directors

The annual meeting of Vermillion Credit Union will be held on April 3, 2012 at 6:00 p.m.

The Board of Directors consists of 7 (seven) members, all of whom must be members of the credit union. Each member of the Board serves in a voluntary capacity, meaning the no one member is compensated for service. The Board meets one each month.

The Board of VFCU has the general direction and control of the affairs of the credit union and is responsible for performing all the duties customarily performed by boards of directors. This means that volunteering to serve on the board is a commitment – you must be able to fulfill the responsibilities of a board member. Remember, too, that your fellow credit union members have placed their trust in you to act in not only the credit union's best interests, but also the members.

1. Two members' terms of your Board of Directors will expire this year – each term is 3 (three) years. The Board selected three directors to serve on the nominating committee: Michael Gillespie, Aaron Fader, and Rachel Alexander. The nominating committee is pleased to announce that Cathi Powell and Nicholas Koster have agreed to serve on the board for another term (three years).
 - a. Cathi Powell: Cathi has been employed at the Clay County Treasurer's office since 1979, serving as the Treasurer since 1993. She has been serving on the VFCU Board for fifteen years and would like to continue helping the credit union grow and succeed by continuing her role as director.
 - b. Nickolas Koster: As a small business owner, Nick has been serving on the VFCU board since 2005. Nick served on the planning committee for the new VFCU building and would like to continue his work with credit union and furtherance of VFCU's philosophy, "People Helping People."
2. This election WILL NOT be conducted by ballot and there will be no nominations from the floor if there are no other nominations to the Board of Directors. Members may submit nominations to the board via petition: the petition must be signed no fewer than 20 (twenty) eligible members**.
3. To be effective, nominations made by petition MUST be accompanied by a signed statement of the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office.
4. Each nominee by petition MUST submit a statement of qualifications and biographical data with the petition.
5. Nominations made by petition MUST be submitted to the nominating committee no later than 5:00 pm, February 3, 2011. Petitions may be submitted to the nominating committee via any VFCU staff but must be hand-delivered to VFCU, 105 E Cherry St. Vermillion. Petitions will not be considered complete AND will be discarded if the above criteria are not met.

** An eligible member is one who is over the age of 18 (eighteen) as of January 1, 2012, AND who is the primary account holder of a shares account. Irrespective of the number of shares accounts, each eligible member is entitled to ONE vote only.

Voting: Voting will be held if and only if more than one (nominee) for either or both of the two open board seats.

If more than one person is nominated for an open seat on the Board, voting procedures will be conducted as follows:

1. Voting will be held via electronic mail (email). Members eligible to vote but have no access email may vote by mail ballot upon written or telephone request to any VFCU staff. Requests for mail ballot must be made no later than 5:00 p.m. on Wednesday, February 29, 2012.
2. All ballots MUST BE **RECEIVED** NO LATER THAN MIDNIGHT, MARCH 28, 2012.
 - a. Mail or absentee ballots may be hand-delivered OR sent through regular mail to Vermillion Federal Credit Union, 105 E. Cherry St., Vermillion, SD 57069.
3. Voting will close MIDNIGHT, MARCH 28, 2012.
4. All email ballots must be sent to Ballot@VermillionFCU.com. Email ballots must come from the primary account holder's email address on file with VFCU. ALL email ballots received will be verified against this email address.
5. All ballots received as the result of a mail or telephone request must include the following eligible voter's** information:
 - a. Name;
 - b. Address;
 - c. Credit union account number of eligible voter; AND
 - d. The signature of the eligible voter.

Ballots lacking this information will be discarded.

** An eligible voter is one who is over the age of 18 (eighteen) as of January 1, 2012, AND who is the primary account holder of a shares account. Irrespective of the number of shares accounts, each eligible voter is entitled to ONE vote only.

If you have any questions about what a Board member actually "does," please contact Janet Mount at jmount@VermillionFCU.com or 605-677-5214. For questions about petitions, voting, or any of the related procedures please contact Deana Fuller at dfuller@VermillionFCU.com or - at 605-677-5214.