



Heritage Family
CREDIT UNION



Family
MATTERS

FALL 2007

RUTLAND · LONDONDERRY · FAIR HAVEN · HOOKSETT · BENNINGTON

A Message From Your President

Ron Hance

SUB-PRIME MORTGAGES

Lately, dominating the evening news are issues regarding sub-prime mortgages. I would like to say that we are not affected in anyway, whatsoever. However, that is not the case, although we do not have many sub-prime mortgages. Therefore, the credit union should not be directly affected. In the past, we have made a practice of selling most of our mortgages while maintaining the servicing rights, so that mortgage funds remain available to lend to new borrowers. However, when we sell mortgages we rely on an inventory of investors to buy them. Those investors are becoming fewer in number as a result of the sub-prime mortgage rate issues. In the future, selling mortgages to investors may not be as easy as it has been in the past. If that occurs, then we will seek funding using other resources.

On a more positive note, many of you have noticed and benefited from some of our term certificate specials throughout 2007. It appears that those specials will continue. Your loyalty to HFCU in subscribing to these term certificates makes it possible for us to continue doing business as usual. If we do not get the level of participation that we hope for, then we borrow money for lending, which affects the rates for which we issue mortgages. We will continue to monitor and manage our portfolios in such a way that we can optimize our rates for affordable mortgages.

Generally speaking, I can report to you that the credit union continues to be financially healthy with the deployment of branches and good products and services. We will continue to provide you with that "HOMETOWN ADVANTAGE" for all your financial activity.

Peddle To the Metal

Congratulations to Bianca McKeen, Jason McKeen, Donna Beers and Sandy Beers! They were the winners of Heritage Family's "Rev Up Your RPM's" referral program promotion. The lucky winners took home a chance to drive a stock car at a Richard Petty Driving Experience. Buckle up!



Second Annual Heritage Family Night At the Devil's Bowl



The Second Annual Heritage Family Night At the Devil's Bowl was a huge success! Nearly 400 Members came out to the Devil's Bowl for a fun-filled evening.

We would also like to congratulate the winners of the drawings at Heritage Family Night at the Devil's Bowl: Elijah Akin, Shannon Whitehurst, Allan Patrick, Richard Strosnider, Levin Coe, Rachel Foster, Vikki Ward, Kameron Strickland, Lisa Casey, Linda McGinnis, Susan Strosnidy, Lonnie Petty, Rodrick Pingree, Kenneth Coe, Pat Bird, Scott Folmsbee, Tyler Sanderson and Shelby Panoushell.

Thanks to everyone that came out and we'll see you next year!

Equity Builder Program available at Heritage Family CU

Heritage Family Credit Union has funds available for members purchasing a home. Eligible members may use grants of up to \$15,000 towards down payment, closing costs, or rehabilitation assistance. Members must complete a home buying counseling program with an approved institution, such as a Neighborworks of America local office. Members eligible to receive assistance through the grant program are individuals and households earning no more than 80 percent of the median income. Assistance is limited to those who will be using the grant to purchase a primary residence only. Funds are limited. For more information on this grant or any mortgage product, please call the Mortgage Department at 802.776.3000.

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Credit Insurance Termination/ Opportunity to Purchase New Payment Protection

We're always looking for ways to improve the products and services we provide to our members. Because many of you have asked for more flexible and comprehensive loan protection options, we recently introduced a new product to meet that need.

MEMBER'S CHOICE® credit life and disability insurance, currently offered by CUNA Mutual Insurance Society, is being discontinued and will terminate on **November 30, 2007**. Letters have been mailed out to all members who currently have this protection.

To ensure continued protection, we're replacing **MEMBER'S CHOICE® credit insurance** with our **MEMBER'S CHOICE Borrower Security**. This optional debt cancellation program offers protection for loss of life, disability, and involuntary unemployment depending on the package you choose. However, you need to enroll in the program before **December 1, 2007** to ensure your loan(s) remain protected.

MEMBER'S CHOICE Borrower Security is a convenient and affordable way to safeguard your loan, your family, your collateral, and your credit rating against unforeseen events.

Contact the Credit Union Today to Ensure You Are Protected

We look forward to assisting you with your loan protection needs with **MEMBER'S CHOICE Borrower Security**.

If you have any questions regarding these changes or the **MEMBER'S CHOICE Borrower Security program**, please contact us at **888.252.8932**.

Equity Loan vs. Equity Line... Which is Right for You?

Do you know the difference between Home Equity Loans and Home Equity Lines of Credit?

Both types, Home Equity Loans and Home Equity Lines of Credit, are secured by the mortgage you have on your home. If you are looking to tap into the equity of your home, it's important to know the difference between these two kinds of loans.

A **Home Equity Loan** is a one-time loan with a fixed interest rate, currently as low as 6.25% for seven years (additional terms and rates available), that you pay over a set period of time. Once you have initiated the loan, you cannot borrow further against it. In other words, once established, you cannot change the terms of the loan unless you refinance the loan in its entirety. Many homeowners like the option of locking in a fixed rate with a home equity loan because it protects them against rising interest rates.

A **Home Equity Line of Credit** (or HELOC) is a different animal entirely. It is a line of credit that you can draw against any time. A HELOC offers additional flexibility over a Home Equity Loan. For example, you can borrow up to the limit and pay down your debt at your own pace, as long as you meet the monthly minimum payment requirements. Unlike Home Equity Loans, HELOCs have an interest rate that fluctuates with the market. Heritage Family Credit Union has HELOCs as low as the Prime Lending Rate - .50%.

Both Home Equity Loans and HELOCs offer one big advantage over other types of loans. In most cases, homeowners can deduct the interest they pay on their loans on their yearly tax forms. This has made equity loans extremely popular for a variety of purchases including new cars, home renovations, weddings and other large expenses.

We offer Home Equity Loans and HELOCs to our members at super-competitive rates. To learn more, stop by your local branch of Heritage Family Credit Union today or call 888.252.8932.



Easy Ways to Build Savings

If you're finding it hard to save on a regular basis, there are simple steps to follow that may work for you. It will require a little discipline on your part, but we think you're up to it.

Step 1: Pay yourself first

If you spend all of your money, you'll have nothing left to save. Since you pay your bills every month, make a subtle change by paying yourself first before you pay any bills. By "writing a check" to yourself for \$25 or whatever amount you're comfortable with each month, you will be able to save before running out of cash. Deposit this amount into your savings account.

Step 2: Paper or coins?

Try this: spend only paper currency and save your coins. They really do add up.



Step 3: DD and PD

Set up Direct Deposit of your net pay into your checking account. Then set up Payroll Deduction of a portion into savings. It's automatic. You don't have to think about it. You'll never miss the money.

Step 4: Take advantage of others

Actually, take advantage of savings services that others offer. Clip and use grocery coupons, then set aside the actual amount saved. Use restaurant and department store coupons. Take advantage of sales. Shop at discount stores. You get the picture.

Start Saving with Our Savings Options

Ask about our Share Certificates, Money Market Account, Vacation and Holiday Clubs, IRAs and other savings possibilities. We'll show you how they'll help you build your savings easily.

Dollar Sense: How much is a ton of money? One ton of one dollar bills is \$980,000.

Source: "What Happens To A Torn Dollar Bill?" By Charles Reichblum

RELATIONSHIP REWARDS

Introducing a program which recognizes and rewards participation in your cooperative – Relationship Rewards. The more you use your credit union's products and services, the more rewards you receive. It's that simple!

What exactly do you receive? Important benefits like free checks, free automated services, free teller services, free administrative services and more (all depending on your reward level).

Increase your Relationship and Save

Heritage Family Credit Union created the program levels based on the total number of deposit and loan services / balances you have in your household. Households are determined by individuals with the same last name that live at the same address.

The best way to increase your level and your benefits is to add or utilize more services at your credit union. Consider these possibilities:

- Refinance your vehicle from another financial institution
- Open an IRA or Share Certificate
- Choose the credit union for a low interest Home Equity Loan
- Apply for one of our low – interest Visa Cards
- Move your share draft account to Heritage Family

How does the program work?

Point values are assessed for each product or service that you have at your credit union. The more services you utilize, the more points you accumulate. And the program isn't based solely on outstanding loan or deposit balances. It's a combination of items designed to give all members an opportunity to become a Presidential Member!

There are four Relationship Reward Levels:



- Member Level
- Executive Level
- Ambassador Level
- Presidential Level

All qualifying criteria used to determine plan eligibility is based on the primary member. If a primary member has more than one account, all accounts under the primary member's social security number will be automatically linked together to determine the total point value.

If a primary member is joint on another account, those accounts may also be manually linked by a financial service representative to be included in the primary member's total point value.

Total point values will be calculated at the end of each month to determine the following month's relationship. Members may ask to have their relationship total updated prior to the end of the month when opening additional services that may move them to a new level.

What level could you be if you and your family use Heritage Family Credit Union as your primary financial institution?

SERVICE	MEMBER	EXECUTIVE	AMBASSADOR	PRESIDENTIAL
Notary Service	Free	Free	Free	Free
Signature Guarantee	Free	Free	Free	Free
e-teller Home Banking	Free	Free	Free	Free
e-statements	Free	Free	Free	Free
M.A.R.S. Phone Transfers	Free	Free	Free	Free
Financial Analysis with MFS	Free	Free	Free	Free
Coin Counting	3%	Free	Free	Free
e-bill pay w/o direct deposit*	\$6.00	\$6.00	Free	Free
Wire Transfer Fee (Incoming)	\$10.00	\$5.00	Free	Free
Wire Transfer Fee (Outgoing)	\$20.00	\$15.00	\$10.00	Free
Cashier's Check Fee	\$2.00	\$2.00	\$1.00	Free
Share Draft Copy	\$2.00	\$2.00	\$1.00	Free
Statement Copy Fee	\$2.00/Page	\$2.00/Page	\$1.00/Page	Free
Account Activity Printout	\$2.00/Page	\$2.00/Page	\$1.00/Page	Free
Traveler's Checks	\$1.50/\$100.00	\$1.50/\$100.00	\$1.50/\$100.00	Free
Traveler's Checks for Two	\$2.00/\$100.00	\$2.00/\$100.00	\$2.00/\$100.00	Free
Foreign ATM Fee	\$1.00	\$1.00	\$1.00	Free
NSF Fee	\$27.00	\$27.00	1 FREE / Month	2 FREE / Month
Returned Item Fee	\$27.00	\$27.00	1 FREE / Month	2 FREE / Month
Stop Payment Fee	\$27.00	\$27.00	1 FREE / Month	2 FREE / Month
Courtesy Pay Protection	\$27.00	\$27.00	1 FREE / Month	2 FREE / Month
Check Printing Fee	Prices vary	Prices vary	Prices vary	Free
Card Replacement Fee	\$6.00	\$5.00	\$4.00	Free
PIN Reissue Fee	\$6.00	\$5.00	\$4.00	Free
	25 - 199 Points	200 - 299 Points	300 - 399 Points	400 + Points

HFCU Coming To Brandon

This August, Heritage Family Credit Union purchased the old firehouse in Brandon. The acquisition comes as the result of several years of public demand and research in the area. Management has wanted a presence in Brandon, but a practical location never presented itself. When the opportunity to purchase the old firehouse came up, the credit union jumped at the chance.



Architectural plans are in the works to keep the aesthetic charm of the exterior of the building, while creating a full service credit union inside. Management hopes to start construction as soon as possible.

This isn't the credit union's first endeavor with renovation of historical buildings. Most recently, Heritage Family renovated its Bennington Branch, which was originally owned by the Norton family, who founded Bennington Potters.

Celebrate International Credit Union Day®, October 18, 2007

For 57 years, credit unions have set aside the third Thursday in October to celebrate International Credit Union Day. Each year, it gives us an opportunity to remember our proud history as we promote understanding and support for the credit union difference.

In 1848, Freidrich Raiffeisen, mayor of Flammersfeld, Germany conceived of the idea for a credit union to help ease the distress of farmers suffering from the famine that had struck his district. Today, more than 172 million people belong to more than 46,377 credit unions around the world.

Member service is the foundation of the credit union movement. Whether a credit union is providing a loan to help a member cover unexpected medical bills, giving financial counseling to a member whose company closed its doors, or simply offering a better deal on a used car loan, the credit union is making a difference for its members and the community as a whole. And this difference really makes credit

unions stand out. For the 21st consecutive year, credit unions ranked higher than banks and thrifts in "customer satisfaction" in the American Banker/Gallup Consumer Survey.



This International Credit Union Day, we are excited to be a part of your dreams and achievements. Thank you for being part of the credit union difference. Please don't hesitate to tell us how we're doing, and how we can provide even better service in the future.

In honor of International Credit Union Day, we are holding a coloring contest where children up to six years-old can pick up a free coloring page at any teller station, take it home, color it, and return it to any branch, for a chance to win a \$50 savings bond! One winner from each branch will take home the grand prize of a \$50 savings bond. Judging will take place on International Credit Union Day, Thursday, October 18, by members at our branches. Winners will be announced October 19th.



Heritage Family CREDIT UNION

Main Office

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Fax 802.775.7864

Rutland Branch

Fifty West Street
Rutland, VT 05701
888.252.8932
Fax 802.747.7543

Fair Haven Branch

73 Main Street
Fair Haven, VT 05743
888.252.8932
Fax 802.265.4751

Londonderry Branch

Route 100
South Londonderry, VT 05155
888.252.8932
Fax 802.824.1003

Hooksett Branch

1338 Hooksett Road
Hooksett, NH 03106
888.252.8932
Fax 603.624.1132

Bennington Branch

206 Pleasant Street
Bennington, VT 05201
888.252.8932
Fax 802.447.1003

MARS 800.374.8469

e-Branch www.hfcuvt.com

*Your entire family is eligible
to join the Credit Union.
Call for an application today!*

*We make loans without
regard to race, color, religion,
sex or national origin.*

*Federal regulations prohibit
the payment of dividends in
excess of available earnings.*



We Do Business In Accordance With the
Federal Fair Housing Law and the
Equal Credit Opportunity Act



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

HFCU Helps Young Adults Learn To Use Credit Wisely

No one ever said it would be easy to grow up and manage your money wisely and securely. It's a learned skill, takes a lot of time, and can include many, many mistakes. We'd like to see young people avoid these potential pitfalls and set them off on the right foot forward by providing them with the tools and the knowledge to handle their finances properly.

Heritage Family Credit Union is working with students to build a great credit history from the start! With our "Credit Made Easy" program, students can develop their creditworthiness using the financial tools they will be using for the rest of their lives! The package includes a Share Draft Account with a Visa debit card, Visa credit card and Credit Builder Loan. This unique program is designed to give responsible young adults, 15 to 17 years old, the ability to learn about credit as they earn credit without getting in over their heads. Students can use all or any of these tools...whatever suits their needs.

It is important to remember responsibility is the key to success. And if we can help you in any way, don't hesitate to contact us toll-free at 888.252.8932.

Loan Rates All rates are listed "as low as" Effective 9/6/07

Type	Term	APR**
Secured Loans*	24 months	4.95%
<i>Including new/used autos and RVs</i>	36 months	5.95%
	48 months	6.25%
	60 months	6.50%
	72 months	6.75%
Unsecured Loans*	up to 48 months	9.70%
Home Equity Line of Credit*	180 months	Prime - .50% adj.
Visa® Platinum (\$50 Annual Fee)		Prime + 1.00% adj.
Visa® Gold (No Annual Fee)		9.99%
Visa® Classic® (\$15 Annual Fee)		11.90%
Visa® Classic® (No Annual Fee)		13.90%
Certificate Secured	Certificate Rate +	3.00% adj.
Share Secured	Share Rate +	3.00% adj.
Student Loans, Federal Stafford		6.80%
Student Loans, Federal PLUS & SLS		8.50%
Overdraft Protection		15.00%
Mortgages/Mobile Home Loans		Contact a Mortgage Officer for current rates.

*Rate based on your credit history. Actual rate may be higher. All rates subject to change without prior notice.
**Annual Percentage Rate.

Dividend Rates

The Board of Directors has declared these dividends for the 3rd Quarter of 2007:

Account	APY**	Rate
Share Savings Account*	1.00%	0.995%
Share Draft Account*	0.25%	0.25%
Other Accounts* (Holiday, Vacation, Fuel, Tax)	0.75%	0.747%
IRA Payroll /Shares	1.00%	0.995%
IRA Term Share Certificates (\$500 minimum)	4.55%	4.46%
Term Share Certificates		Call For Rates
Money Market Share Account (\$1,000 to \$19,999)	2.10%	2.08%
Money Market Share Account (\$20,000 to \$34,999)	2.35%	2.33%
Money Market Share Account (\$35,000+)	3.75%	3.69%

*Calculated daily, paid monthly. Rates are variable and subject to change. Federal law prohibits payment of dividends to be in excess of available earnings. **Annual Percentage Yield.