



A Message From Your President

The last quarter of 2008 is here and we need to be mindful of the changes that have taken place as well as the ones expected in our near future. The prime mortgage fiasco has had a major impact on the economy throughout 2008, but fortunately has not directly affected Heritage Family because our underwriting standards are structured very conservatively.

The price of fuel and its impact on home heating costs are major concerns for everyone. Heritage Family is working on a lending program to assist those that may need help in paying for their fuel this year. Notification of these new programs will be available soon on our receipts and through newsletters and newspaper advertisements.

In November of this year, we anticipate implementation of our new credit card program. The Visa program will be designed to offer loan balances at competitive rates based on your credit score. If you have earned a good credit score you will be the beneficiary of a more favorable rate. The cards will also earn rewards which can be used to buy products or the points can be used to take trips. They will have a new look in a smart hunter green color which will be distinctive in your wallet and recognizable as you use it around your community to make your future purchases.

Also, during this last quarter, it is important for you to realize that the rates we are paying on certificates of deposit are aggressively priced in order to attract and retain deposits to meet the anticipated loan demands of our borrowers. This initiative of aggressive pricing should carry us into 2009.

As a member-owned financial cooperative we are dedicated to the financial well-being of our members. With this in mind, we are continuing our work on placing branches in Ludlow and Fair Haven. It is our hope that they will provide opportunities to offer you improved and expanded services.

On behalf of the Staff, Board of Directors and other Official Family Members at HFCU, we thank you for your patronage this past year and hope that the upcoming holiday season is a safe, joyous and, above all, healthy one for you and your family.

COMING SOON: Our New Visa Emerald Credit Card

At Heritage Family Credit Union, we constantly strive to offer convenient, cost-effective services while maintaining financial stability. With this in mind, we are in the process of simplifying our Visa® program to make your credit card choices easier and your rewards greater. The new program, scheduled for launch later this fall, will carry a variable interest rate which will be based on your good credit history.

We would also like to take this opportunity to make you aware of the many exciting features you will receive as a HFCU Visa credit cardholder!

- No Annual Fee
- Free Rewards Program Redeemable for Travel and Merchandise
- Free Fraud Protection
- Free Verified by Visa
- Same Low Rates on all Purchases Including Cash Advances
- Low Rate Based on Your Good Credit
- No Fee for Balance Transfers
- True 25 Day Grace Period on All Purchases
- No Rate Increase if Payment is Late
- 10 Day Grace Period on Payments
- Free MyCardInfo web site
- Free e-Statements
- Free Member Service Calls 24/7
- Free \$250,000 Travel Accident Insurance
- Free Auto Rental Collision Damage Waiver Program
- Free Travel and Emergency Assistance Program
- Free Warranty Manager Service Program
- Ongoing Special Promotions

Watch for further information that will be sent to existing HFCU Visa Credit Cardholders. Call us at 1-888-252-8932 for an application or for additional information.



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. If you think your student is ready to learn how to use his or her finances wisely, contact a Financial Service Representative toll-free at 888.252.8932 for more information on this unique opportunity

International Credit Union Day: Thursday, October 16, 2008

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.

Credit Unions have been alive and thriving in the United States for 100 years, and while our industry has come a long way since the first credit union opened in New Hampshire, we've stayed true to the credit union movement's core belief: People helping people.

It begins with ownership. Each member of the credit union is an equal owner, regardless of balance or status.

For 58 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, and this year is no different. Please join us at any branch on International Credit Union Day, Thursday, October 16, to celebrate yourselves and all credit unions.

In a strong economy, businesses tend to adopt practices that are mutually beneficial for both them and the consumer. But when the economy stumbles, many businesses are forced to shift to a 'me first' attitude to protect stock prices or maintain profit margins.

Fortunately, the unique structure of Heritage Family Credit Union ensures that both our short and long term goals operate with your best interests in mind. In fact, that's exactly what we've been doing since we first opened our doors in 1956.

Every year, member-owners elect our Board of Directors, volunteers that are also members of the credit union. They oversee all credit union operations to ensure we remain financially strong today and in the future.

As a credit union, we're also a non-profit organization. This means that excess revenue is often returned to the membership in several ways, including: higher savings rates, lower lending rates, and a reduced fee structure. It's our way of helping you keep more of your money.

Heritage Family Credit Union has worked diligently over the years to offer some of the best technology available, ensuring that we're here for your convenience, not ours. ATM and Debit Cards, phone and online banking are just a few of the ways we've provided flexible, convenient alternatives to our branches. If you have questions about our products or services and whether a particular one would be right for your situation, our staff is ready to assist you. We'll always give you the best answer we can, because we care about your financial well-being.

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.

Home Mortgages Have A New Address

We are pleased to announce our new online mortgage tool, e-Mortgage, at www.hfcvvt.com. E-Mortgage gives you the power to research various mortgage products, search for personalized rate quotes, and apply for a mortgage loan 24 hours a day, 7 days a week.

Convenience is the key.

You have a busy schedule and we know that it can be challenging to get everything done you need to do during traditional business hours. With our mortgage website, you don't have to worry about the time of day or even the day of week because we are always open—online. This means when you meet with your Realtor® on Saturday afternoon, you can look at homes with confidence because you were pre-approved for a mortgage loan on Saturday morning. Your unique user name and password enable you to start and save your application. Start the process at your office and finish up at home. Your information is right where you left it until you are ready to complete it.

The path to your new loan is simple.

A unique application is created for you based on your answers and personal situation. This streamlined application means you won't be asked unnecessary, time consuming questions.

Rates are delivered right to your mailbox via Rate Watch.

Of course when we say mailbox, we mean your e-mail mailbox. Just tell us the rate you are looking for and we will e-mail you if and when it becomes available. If you prefer to keep an eye on a variety of rates, sign up for daily, weekly, or monthly email updates. You no longer have to monitor the rates. We do the work for you!

We open the door of understanding.

With all the different types of loans available and the financial jargon associated with mortgages, confusion is a common side effect of the lending process. Our online resource center will take the mystery out of the mortgage process. We explain the different loan types available and what you can expect during the loan process in real-life language.

Our calculators let you try out "what if" scenarios so that you can feel confident you have selected the loan product that best fits your financial wants and needs.

Drop by and stay a while.

Visit us online today. Whether you are ready to apply or just want to research products and rates, we think you'll like our new mortgage lending address just as much as we do!



Keep Your Credit Union Updated!

Have you moved, changed your name, switched your e-mail, or gotten a new phone number? Maybe you are going south for the winter. If so, let us know!

If the credit union does not have your most updated information, it can result in some major inconveniences when you may need your credit union the most! A bad address can result in you not receiving your statements. Of course, you can always sign up for e-statements, but make sure you let us know when your e-mail changes, as well, so you receive your statement and newsletter notifications.

Make sure we have your most up-to-date information, including cell phone and e-mail address in case we need to contact you. By keeping Heritage Family informed about your travels, your community credit union can travel with you and help you all over the world!

If you will be moving to a winter residence, here are a few tips to make sure using your credit union while away from home is without any hassles.

Remember, members who travel away from their primary residence in the winter need to create an alternative address change before they leave if they want to receive mail at their other address. Make sure you notify the credit union when you are back so we can change the mailing address back to the primary residence. You can stop into any Heritage Family branch to do this.

If you plan on using your Heritage Family Credit Union ATM, debit or credit card, notify the credit union about where and when you plan to travel. If we do not have this information, your card might be shut down because of suspected fraudulent activity. You can let us know about your upcoming travels in person at any branch, or by calling 888.252.8932.

Most information must be updated in person at a branch due to the Privacy Act, but you can check if your information is up to date by contacting the call center at 888.252.8932. If you would like to update your information, stop in any branch with a valid form of identification and a Financial Service Representative will gladly help you.



Heritage Family
CREDIT UNION

Main Office

Thirty Allen Street
Rutland, VT 05701
888.252.8932
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

Brandon Branch

2 West Seminary Street
Brandon, VT 05733
888.252.8932
Fax 802.247.8732

MARS 800.374.8469

e-Branch www.hfcvut.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

More Surcharge-Free ATMs Available Through the Co-Op Network

You can now use your ATM surcharge-free at more ATM's throughout Vermont. And more Vermont credit unions have added Co-Op to their ATM networks. This means Heritage Family members have more access to their money, with less fees to worry about!



Look for this logo for surcharge-free transactions when traveling throughout the state. For a complete listing of ATMs in the Co-Op network, visit:

<http://www.co-opfs.org/public/locators/ATMlocator/index.cfm>.

Loan Rates All rates are listed "as low as"

Effective August 19, 2008

Type	Term	APR**	Payment Per \$1,000 of Borrowing
Secured Loans* <i>Including new/used autos and RVs</i>	24 months	4.95%	\$43.86
	36 months	5.95%	\$30.41
	48 months	6.25%	\$23.61
	60 months	6.50%	\$19.57
	72 months	6.75%	\$16.94
Unsecured Loans*	48 months	9.70%	\$25.23
Home Equity Line of Credit*	180 months	Prime - .50% adj	

Visa Cards

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

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.
**Denotes Annual Percentage Rate.

Deposit Rates

Account	APY**	Rate
Share Savings Account* (\$25 Minimum Balance)	0.75%	0.747%
Share Draft Account*	0.25%	0.25%
Other Accounts* (Holiday, Vacation, Fuel, Tax)	0.75%	0.747%
Money Market Share Account (\$1,000 Minimum Balance)		
(\$1,000 to \$19,999)	1.50%	1.49%
(\$20,000 to \$34,999)	1.75%	1.74%
(\$35,000+)	2.35%	2.33%
IRA Payroll /Shares	1.00%	0.995%
IRA Term Share Certificates (\$500 Minimum Balance)	3.00%	2.96%
Term Share Certificates (Call for terms and rates. A penalty may be imposed for early withdrawal.)		

*Federal law prohibits payment of dividends in excess of available earnings. **Annual Percentage Yield.