

COMMUNITY

FINANCIAL NEWS AND VIEWS

CONNECTION

WINTER 2008

thfcu.org

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THFCU is turning 60!

Two Harbors Federal Credit Union opened its doors in 1948. At that time, people who shared a common bond and a common goal started cooperatives. The goal was to provide products or services at the lowest possible cost through many volunteers and a nonprofit status. People in the Two Harbors area who believed townspeople could benefit from an alternative to commercial banks founded THFCU. Founders envisioned a model financial cooperative where people pooled their money for borrowing and would have a safe place to save money.

In contrast to a commercial bank, the "credit union" – as financial cooperatives came to be known – is owned and managed by its members, and has a nonprofit status that allows excess revenue to be returned to members. Because the founders wanted many people to enjoy the benefits of the credit union, they opened membership to anyone living or working in Two Harbors and the immediate surrounding area. They secured a federal charter and backed deposits with government insurance.

THFCU has not strayed from the vision of its founders. Early members relied on the credit union for home loans and even in today's highly competitive mortgage lending arena, members still overwhelmingly choose THFCU for home loans. More than 50% of loans are to purchase or refinance a home – a percentage that is far greater than the national average for credit unions. Additional THFCU loans address other needs of families and individuals: car

loans, school loans, debt consolidation, home equity loans, loans for recreational vehicles and travel. For savings, THFCU has all the savings products a person would expect from a full-service financial institution, including financial planning. And of course we offer a variety of other services, all with lower fees than most financial institutions.



This year, we celebrate 60 years of service and we want to say "Thank you" to all of our members who helped make Your Credit Union such a success! Watch for upcoming anniversary specials and celebrations in 2008!

The clock is ticking...

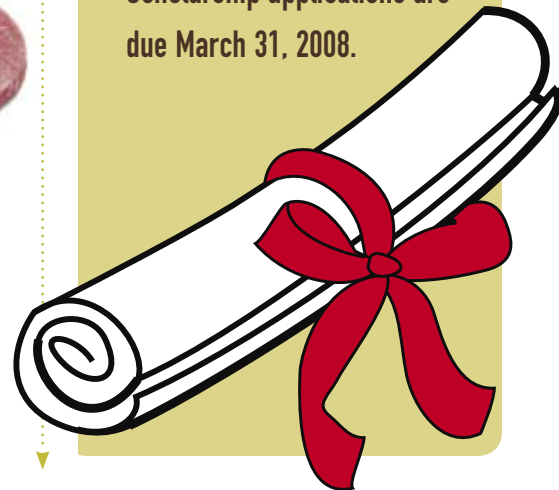
THFCU SCHOLARSHIP DEADLINE AGAIN APPROACHES

High school seniors, it's time to submit your applications for the Two Harbors Federal Credit Union scholarship!

Two \$2,000 scholarships will be awarded to qualifying seniors at any high school, as long as they or their parents are THFCU members.

Equal installments will be paid to the two winners over a two-year period.

Scholarship applications are due March 31, 2008.



Share Draft Service Fees:

ACCOUNT BALANCING ASSISTANCE	\$15.00 per hour (1/2 hour minimum)
CHECK PRINTING	Price may vary depending on style of check
NON SUFFICIENT FUNDS RETURN	\$25.00 per item
NON SUFFICIENT FUNDS PAID	\$25.00 per item
NON SUFFICIENT FUNDS TRANSFER	\$2.00 per item
RETURNED CHECK	\$5.00 per item
SERVICE CHARGE	
Truncated	\$1.00 per month
Drafts Back Paper Image	\$5.00 per month plus \$0.10 per draft
Drafts Back Compact Disc	\$8.00 per month, plus \$0.10 per draft
SHARE DRAFT COPY	\$2.00 per item
STOP PAYMENT	\$5.00 per item or \$20.00 per series
TELEPHONE TRANSFER FEE	No charge

Other Service Fees:

ATM WITHDRAWAL WITH THFCU CARD	No charge
AUDIO RESPONSE FOR MEMBERS	No charge
BILL PAYER	No charge, ask for details
CASHIER'S CHECK	No charge first check per day, then \$10.00 per check
COIN COUNTING	No charge
eSTATEMENTS	No charge
FACSIMILE	
Out	\$3.00 first 2 pages, \$1.00/additional page
In	No charge
HOME BANKING	No charge
INTERIM STATEMENT	\$1.00 per statement
MONEY ORDERS	\$1.00 per money order
NOTARY PUBLIC	No charge
RETURNED STATEMENTS WITHOUT A FORWARDING ADDRESS	\$10.00 per statement
PHOTOCOPY	No charge first 2 per day, then \$.25/copy
SAFE DEPOSIT BOX	
3" x 5"	\$20.00 per year
3" x 10"	\$25.00 per year
5" x 5"	\$20.00 per year
10" x 10"	\$90.00 per year
Lock Replacement/Drilling & Replacement	
*Price varies, please ask for details	
STATEMENT COPY	\$1.00 per statement
TRAVELER'S CHECK	No charge
WIRE TRANSFERS	
Out (domestic)	\$15.00 per transfer
Out (international)	\$50.00 per transfer
In	No charge
WESTERN UNION	
Domestic	\$20.00 per transfer
International	≤ \$500 - \$25.00 per transfer
International	> \$500 - \$50.00 per transfer

MESSAGE FROM THE PRESIDENT & CEO

High school students – take us with you when you graduate!



Dean T. Croft, President & CEO

If you're in high school, it's a good idea to open a THFCU account if you haven't already. After graduation there's a good chance that you'll need a deposit account and/or a transaction account somewhere. The words deposit and transaction are generic terms and in credit unions you'll generally hear them referred to as a share account and a share draft account.

This is especially true for high school seniors. After graduation you may need a deposit, or share account, along with a transaction, or draft account. What are the benefits and features of these accounts?

HERE'S A LIST:

- No-fee debit card
- No-fee online access
- Auto transfer from shares to share draft (many banks and even some credit unions don't offer this great benefit)
- No ATM fees (by card issuer)

And, because Your Credit Union is not-for-profit and member-owned, we offer you higher interest rates when you save, lower rates when you borrow and lower fees for services. In addition to all of those reasons, you'll get that friendly member-to-member service. So, remember to take Your Credit Union with you when you graduate!



THFCU's 60th AMM is coming up!

60TH ANNUAL MEMBERSHIP MEETING

Tuesday, March 25, 2008

Two Harbors High School Auditorium

6:00 p.m. Registration/7:00 p.m. Business Meeting

Credit Union members Unite! Exercise the power of ownership and join us for our annual membership meeting. Your voice will be heard!

Agenda

- Presentation of 2007 Financial Report
- Elections for Board and Committee Positions
- Drawings for Attendance Prizes
- Dessert Buffet and Beverages in the THHS Cafeteria

For more information about our annual meeting, give us a call at 834-2266.



Visit THFCU the week of April 20 – 26 and help us celebrate National Credit Union Youth Week. We will show youth how small change can lead to both saving for the future and saving the environment. Stop by our lobby for refreshments, prizes and a coloring contest! Check out thfcu.org for more details coming soon!

NOTE: ATM DENOMINATION CHANGE

Our drive-up ATM previously dispensed two denominations – \$10s & \$20s. Soon our ATM will dispense only \$20s.

2007 Holiday Party Wrap-Up

Both of our holiday parties were a great way to again celebrate the season, Credit Union Style!

The Savings Safari Club Holiday Party was held on Thursday, December 21. Savings Safari Club members enjoyed cupcakes, cookies and juice boxes while they told Santa what they had on their wish list. Everyone got to take home a gift bag filled with all kinds of goodies. It was a great party!



The THFCU Holiday Open House was held on Thursday, December 14 from noon – 3:00 p.m. A wonderful appetizer buffet and sweet treats were on hand for everyone who attended. Even Santa and Mrs. Claus stopped by!



Share Certificates*

Acct. Description	Min. Balance	Dividend Rate	APY*
6-month	\$500	n/a	n/a
	\$2,500	3.89%	3.95%
12-month	\$500	3.64%	3.69%
	\$2,500	3.94%	4.00%
18-month	\$500	3.64%	3.69%
	\$2,500	3.94%	4.00%
24-month	\$500	3.93%	3.99%
	\$2,500	4.23%	4.30%
36-month	\$500	4.03%	4.09%
	\$2,500	4.33%	4.40%
48-month	\$500	4.03%	4.09%
	\$2,500	4.33%	4.40%
60-month	\$500	4.08%	4.14%
	\$2,500	4.38%	4.45%

* Interest rates listed are as of February 4, 2008 and are subject to change. For current figures, call Two Harbors Federal Credit Union at (218) 834-2266 or visit us online at thfcu.org.

Share and Share Draft Accounts*

Acct. Description	Min. Balance	Dividend Rate	APY*
Primary Shares	\$5	0.99%	1.00%
Christmas Shares	\$1	0.99%	1.00%
Secondary Shares	\$1	0.99%	1.00%
Money Market Shares	\$500	1.04%	1.05%
	\$2,500	2.50%	2.52%
	\$25,000	3.30%	3.34%
	\$50,000	3.95%	4.01%
Real Estate Escrow	\$1	0.99%	1.00%
Share Draft	\$1	N/A	N/A
Share Draft Plus	\$500	0.60%	0.60%
IRA, Roth IRA, ESA**	\$100	1.24%	1.25%
	\$2,500	2.90%	2.93%
	\$25,000	3.75%	3.80%
	\$50,000	4.05%	4.12%

* Annual Percentage Yield

** ESA Coverdell Education Savings Account

Loan Rates**

Loan Type	APR**
AUTOS & TRUCKS	
New or Used	6.050%
RECREATIONAL VEHICLES	
RV, Boat, Snowmobile, etc.	6.800%
HOME MORTGAGES	
Balloon, 3-year	6.250%
Fixed, 10 to 30 years	Call for current rates
HOME EQUITY	
HE Current Rate	80% LTV*** 7.500%
	90% LTV*** 8.000%
HELOC Current Rate	80% LTV*** 6.288%
	90% LTV*** 6.788%
STUDENT LOANS	
Federal Stafford	6.800%
Federal Plus	8.500%
OTHER LOANS	
Personal (Unsecured)	9.400%
Overdraft Protection Line of Credit (LOC)	13.900%
VISA Credit Card	13.900%

** Loan rates listed reflect the lowest rates available and may include relationship pricing of up to .500%. These rates are current as of February 4, 2008 and are subject to change without notice. Rates may vary depending on your credit history. Call our loan officers for current information at (218) 834-2266 or visit us online at thfcu.org.

** Annual Percentage Rate

*** Loan to Value

Enter your photos in the THFCU Calendar Contest!

The THFCU Calendar Photo Contest has been such a success we are doing it one more year! The 2009 Two Harbors Federal Credit Union calendar will once again feature six winning photos in the THFCU Calendar Photo Contest. The contest is open to both amateurs and professionals. Photos should express the quality of life in the THFCU Field of Membership (FOM) throughout the months of the year. The THFCU FOM encompasses an area from Lakeside in Duluth along the north shore and inland to the Cook County Border.

Up to three photos may be entered by one person. Entries must be color prints and photos should be horizontally positioned. Any photo with people featured and recognizable needs to have a photo release signed by the person(s) in photo. You can pick up a copy of this release at the THFCU lobby or call us at (218) 834-2266 and we can mail you one. Those entering the contest must be the sole author and owner of the copyright in all photos entered.

The deadline for all photo entries is September 1, 2008. Name, address and phone number must be included

with all entries. Because of handling and postage costs, photos cannot be returned by mail, but can be picked up at THFCU during business hours after November 1, 2008. Or if you include a self-addressed stamped envelope, we will return your photo to you. Please mail your photos to THFCU, 626 Second Avenue, Two Harbors, MN 55616.

Six winners will be chosen and awarded \$100 to be placed in an existing or new THFCU share or share draft account. All six winners' photos will be featured in the 2009 THFCU calendar with name and hometown recognized in the photo credit.

Enter your photos today!



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Richard A. Mickelson, Director
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