



The Deadline for THFCU Scholarships Approaches

High school seniors, it's time to submit your applications for the Two Harbors Federal Credit Union scholarship! For many years, THFCU has given out two scholarships to high school seniors heading off to college. The 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 winners over a two-year period. Scholarship applications are due March 31, 2010.

OFFICIAL PUBLICATION OF TWO HARBORS FEDERAL CREDIT UNION

CONTACT: (218) 834-2266 E-MAIL: INFO@THFCU.ORG WEB SITE: THFCU.ORG

Board of Directors

Gwendolyn J. Valentine, Chair
Ruth A. Rabold, Vice Chair
Scott B. Ross, Secretary/Treasurer
Joseph M. Fabini, Director
Lois A. Laine, Director
Richard A. Mickelson, Director
Raymond M. Morse, Director

Credit Committee

Roger C. Martinson, Chair
Carol A. Ray, Secretary
Edwin J. Gudowicz, Jr. Member
Jean V. James, Member
Randolph H. Senst, Member

Supervisory Committee

Jody L. Ward, Chair
Karin R. Harris, Member
Cynthia M. Ryder, Member
Ralph E. Sikkink, Jr., Member
Beverly A. Truscott, Member

Office Staff

Dean T. Croft, President & CEO
Jerry L. Hostetter,
Vice-President of Operations
Peter J. Almstedt,
Vice-President of Lending & HR
Susan M. Riley, Bookkeeper
Darla M. Abrahamson, Loan Officer
Ramona "Mona" E. Linden, Loan Officer
Deanna "Dani" M. Rafn, Loan Officer
Teresa L. Kempffer, Loan Clerk
Jessica L. Blaisdell, Loan Clerk

Office Staff

Carol A. Jackson, Share Draft Clerk
Sandra E. Griffith, Receptionist
Deborah L. Carlson, Teller
Christine P. Carter, Teller
Jennifer M. Fransen, Teller
Phyllis E. Holliday, Teller
Sharon L. Martin, Teller
Dianna C. Pinske, Teller
Sally A. Sveine, Teller



Federally insured by NCUA.

COMMUNITY

FINANCIAL NEWS AND VIEWS

CONNECTION

WINTER 2010

thfcu.org

IN THIS ISSUE

- ◆ Homeowner Tax Credit
- ◆ Scholarship Deadline Approaches
- ◆ Credit Union Youth Week

Our Auto Loan Rates Can Get You Rolling

You could soon be on the road with a great new or used car with THFCU's low vehicle loan rates. What might seem like a small difference in rates can make a big difference in your monthly payment. At Your Credit Union, low vehicle loan rates are one of our specialties. We have rates and terms to fit every member's needs. As a not-for-profit financial institution, our interest rates and fees are lower. Our terms are flexible and affordable. And our service can't be beat. So before you shop for your next car, check with THFCU. We can supply you with money to put down and information to help you get the best deal.



One of our loan officers will be happy to sit down with you and come up with a pre-approved line of credit. Knowing what you can afford will save you time by leading you straight to vehicles in your price range. It could also take some of the pressure off if bargaining at

the dealership. You can tell the salespeople you have cash. If you have a car to trade in, our loan officer can show you what it's worth. Our price guides show wholesale, retail and finance values. Dealers usually allow a wholesale value on your trade-in and then offer it for sale at the retail value.

Armed with cash and confidence, you can start your search for a new vehicle. Find the make and model with the features you want. Jot down the features and the vehicle prices. Ask the salesperson for the best cash price with and without a trade. Then consider comparing those prices with one or two more dealers.

If you end up at the dealership and are not pre-approved, but fall in love with a vehicle and want to buy it on the spot, you can still finance through THFCU. Most dealerships are now CUDL (Credit Union Direct Lending) dealers and will finance through Your Credit Union for you. Just

ask them when it's time to finance the vehicle.

What if you've already purchased a car and have a high-interest-rate loan? We can refinance your pricey loan if you're stuck with a car-loan lemon. Refinancing with THFCU can save you money on your monthly payment and also down the road: The overall

price of the loan could be much less with a THFCU vehicle loan.

So if you want to pick out a car that moves you, arrange for financing that will keep you rolling. Give us a call at 834-2266 or visit us at thfcu.org for more information today.

62nd Annual Membership Meeting



Tuesday, March 23, 2010
 THHS Auditorium
 6:00 PM Registration
 7:00 PM Business Meeting

AGENDA

- Presentation of 2009 Financial Reports
- Elections:
 Three Board Positions
 One Credit Committee Position
- Drawings for Attendance Prizes
- Dessert Buffet and Beverages

THFCU'S 62ND ANNUAL MEMBERSHIP MEETING IS COMING UP!

62ND ANNUAL MEMBERSHIP MEETING
 Tuesday, March 23, 2010
 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

- Discussion of 2009 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.

SHARE DRAFT FEES:

ACCOUNT BALANCING ASSISTANCE
\$15.00 per hour (½ hour minimum)

CHECK PRINTING Price may vary by style

NON SUFFICIENT FUNDS (NSF) FEES:

Draft Paid, Transfer \$2.00 per item
Draft Paid, Privilege Pay \$25.00 per item
Draft Returned \$25.00 per item
Debit Card Paid \$25.00 per item
RETURNED CHECK FEE \$5.00 per item

SERVICE FEES:

DRAFTS TRUNCATED:

Share Draft No Fee
Share Draft Plus \$8.00 per month
if MB not maintained
Drafts Back: Share Draft and Share Draft Plus
Images, Paper \$5.00 per month plus
\$1.00 per draft
Images, CD \$8.00 per month plus
\$1.00 per draft

SHARE DRAFT COPY FEE:

Paper \$2.00 per item
Image \$1.50 per item

STOP PAYMENT FEE:

Place Order, Single \$10.00 per item
Place Order, Series \$20.00 per series
Remove Order, Single \$5.00 per item
Remove Order, Series \$5.00 per series
Telephone Transfer Fee No fee

OTHER SERVICE FEES:

ATM Withdrawal, with THFCU card No Fee
Audio Response for Members (ARM) No Fee
Bill Payer No Fee, please ask for details
Cashier's Check No Fee for 1st check per day,
then \$10.00 per check
Coin Counting No Fee
Deposit Bags, Zippered Locking \$20.00 per bag
Non Locking \$8.00 per bag
E-Statements No Fee
FACSIMILE:
Incoming No Fee
Outgoing \$3.00 for 1st two pages;
then \$1.00 each add'l page

FOREIGN CHECK PROCESSING

Canadian \$16.00 per item
International \$27.00 per item
Home Banking No Fee
Levy/Garnishment Fee \$25.00 per item
Money Order \$1.00 per money order
Notary No Fee
Photocopy No Fee for 1st two per
day, then \$.25 per copy

SAFE DEPOSIT BOX FEES:

Lease of Box - 3 x 5 \$20.00 per year
Lease of Box - 3 x 10 \$25.00 per year
Lease of Box - 5 x 5 \$20.00 per year
Lease of Box - 10 x 10 \$90.00 per year
Lock Replacement or Drilling & Replacement of Lock
Price varies; please ask for details

STATEMENT FEES:

Copy of Statement \$3.00 per statement
Interim Statement \$1.00 per statement
Returned Without Forwarding Address \$10.00 per statement
Travelers Checks No Fee
Visa Debit or Credit, Replace Plastic Card \$5.00 per item

WESTERN UNION

Domestic \$25.00 per transfer
International ≤ \$500 \$30.00 per transfer
> \$500 & ≤ \$5,000 \$50.00 per transfer
> \$5,000 \$60.00 per transfer

WIRE TRANSFERS

Incoming No Fee
Outgoing - Domestic \$15.00 per transfer
International \$50.00 per transfer

MESSAGE FROM THE PRESIDENT & CEO

Take Advantage of the Homeowner Tax Credit Extension



Dean T. Croft, President & CEO

Thinking about purchasing a new home? Now is the time to take advantage of the homeowner tax credit extension. On November 6, 2009, President Obama signed the Worker, Homeownership, and Business Assistance Act of 2009 to provide an opportunity to claim money if you become a new homeowner.

THE NEW LEGISLATION:

- Extends the tax credit of up to \$8,000 or 10% of the price of the residence for first-time buyers until April 30, 2010.
- Increases income restrictions to \$125,000 for individuals and up to \$225,000 for joint filers, for residences that cost \$800,000 or less.
- Benefits those in the military by eliminating the 36-month recapture requirement for members of the military who've had to sell their homes due to extended stays for service. In addition, military families have at least one more year to take advantage of the credit. The new deadline for them is April 30, 2011.

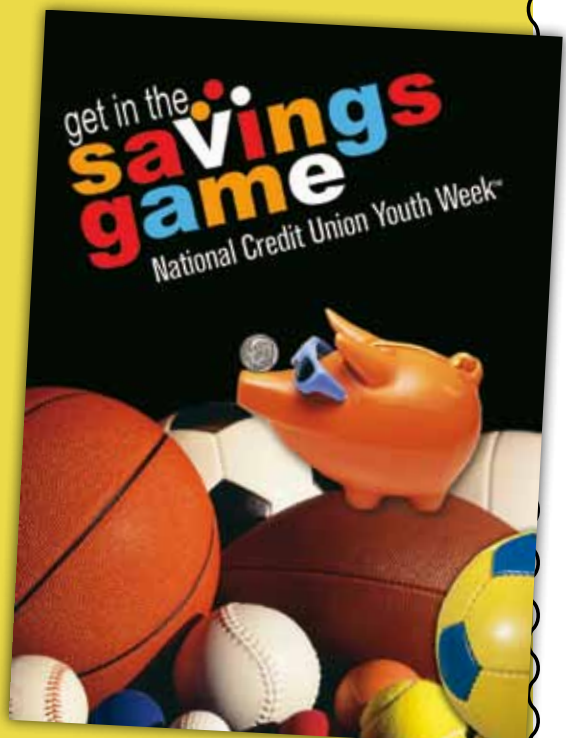
Not new to owning a home? A tax credit is available for you as well. If you've been living in the same residence for five consecutive years over the past eight years, you are eligible to receive up to a \$6,500 tax credit.

THFCU has great home mortgage loans that can save you even more. We have a variety of rates and terms that can fit your needs. For more information on the tax credit and our mortgages, call one of our loan officers at 834-2266. They will be happy to help you take advantage of the great ways you can save on a new home.

Help Us Celebrate Youth!

Visit THFCU the week of April 19 - 23 and help us celebrate National Credit Union Youth Week. We'll show youth and teens how to get in the savings game. Stop by our lobby for fun, refreshments, free gifts and drawings!

And remember, THFCU membership is open to all your family members.



UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT (UIGEA)

Members are prohibited from engaging in unlawful Internet gambling or any other illegal activity. You agree that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful Internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful Internet gambling or other illegal activities.



Enter your photos in the THFCU Calendar Contest!

The 2011 Two Harbors Federal Credit Union calendar will once again feature eight 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.

The deadline for all photo entries is September 30, 2010. Name, address and phone number must be included with all entries. For more information on how to submit your photos, visit www.thfcu.org.

Eight winners will be chosen and awarded \$100 to be placed in an existing or new THFCU share or share draft account. All eight winners' photos will be featured in the 2011 THFCU calendar with name and hometown recognized in the photo credit.

Enter your photos today!



Share Certificates*

| Acct. Description | Min. Balance | Dividend Rate | APY* |
|-------------------|--------------|---------------|-------|
| 6-month | \$500 | n/a | n/a |
| | \$2,500 | 1.19% | 1.20% |
| 12-month | \$500 | 1.09% | 1.09% |
| | \$2,500 | 1.39% | 1.40% |
| 18-month | \$500 | 1.34% | 1.35% |
| | \$2,500 | 1.34% | 1.35% |
| 24-month | \$500 | 1.64% | 1.65% |
| | \$2,500 | 1.89% | 1.90% |
| 36-month | \$500 | 1.88% | 1.89% |
| | \$2,500 | 2.18% | 2.20% |
| 48-month | \$500 | 2.08% | 2.10% |
| | \$2,500 | 2.38% | 2.40% |
| 60-month | \$500 | 2.42% | 2.44% |
| | \$2,500 | 2.72% | 2.75% |

* Interest rates listed are as of February 10, 2010 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 | 0.50% | 0.50% |
| Christmas Shares | \$1 | 0.50% | 0.50% |
| Secondary Shares | \$1 | 0.50% | 0.50% |
| Money Market Shares | \$500 | 0.60% | 0.60% |
| | \$2,500 | 0.90% | 0.90% |
| | \$25,000 | 1.25% | 1.26% |
| | \$50,000 | 1.55% | 1.56% |
| Real Estate Escrow | \$1 | 0.50% | 0.50% |
| Share Draft | N/A | N/A | N/A |
| Share Draft Plus | \$500 | 0.40% | 0.40% |
| IRA, Roth IRA, ESA** | \$100 | 0.90% | 0.90% |
| | \$2,500 | 1.10% | 1.10% |
| | \$25,000 | 1.35% | 1.36% |
| | \$50,000 | 1.55% | 1.56% |
| HSA | \$500 | 1.85% | 1.86% |
| | \$2,500 | 2.20% | 2.22% |
| | \$25,000 | 3.10% | 3.14% |

* Annual Percentage Yield

** ESA Coverdell Education Savings Account

Loan Rates*

| Loan Type | APR** |
|---|------------------------|
| AUTOS & TRUCKS | |
| New or Used | 5.95% |
| RECREATIONAL VEHICLES | |
| RV, Boat, Snowmobile, etc. | 6.95% |
| HOME MORTGAGES | |
| Balloon, 3-year | 5.450% |
| Fixed, 10 to 30 years | Call for current rates |
| HOME EQUITY | |
| HE Current Rate | 80% APR** 6.45% |
| | 90% APR** 7.45% |
| HELOC Current Rate | 80% APR** 6.00% |
| | 90% APR** 6.50% |
| STUDENT LOANS | |
| Federal Stafford | 6.800% |
| Federal Plus | 8.500% |
| OTHER LOANS | |
| Personal (Unsecured) | 9.950% |
| 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 10, 2010 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