

March 30, 2010



Federal Credit Union

Dear Member:

Lots of news for this compliance letter: Fees, Elections, Shred Days and of course,

some security suggestions and tips.

If you have suggestions or questions for future Compliance letters or would like additional information on any of the topics discussed in our letters please don't hesitate to call. I can be reached directly at 860-885-3656

Ray Hasson, NCCO
Compliance Manager

ANNUAL MEETING UPDATE...

The official notice of the Annual Meeting will be in the branch offices by mid-April with all the details on the meeting and annual elections. A Nominating Committee, chaired by Director Robert Trinqué, and including Directors Gregg Bassetti and Madelyn Lyman was appointed by Board Chair Donna Goselin and has returned a full slate of nominees.

Elections Procedure

Having met the bylaw provisions that at least one nomination be made for each vacant position, there will be no nomination(s) from the floor. No petition nominations having been received, the election will be a single vote cast by the secretary in acclamation and will not be conducted by ballot.

The Annual Meeting will be held on Tuesday, May 25, 2010 at the Holiday Inn, 10 Laura Blvd, Norwich, CT starting at 5:30 p.m. (Registration opens at 5:00 p.m.)

Fee Changes

We have increased a few fees and added some fees, mostly associated with new services or accounts. Some members see fees as making their credit union look like a bank. To understand why credit unions charge fees goes directly to the heart of what credit unions are.

When we began in 1936 credit unions were pretty much plain vanilla. We offered savings and we made signature loans. We worked with each other, knew each other, and only borrowed for simple needs or emergencies. Norwich Teachers Federal Credit Union, who we were back then, operated out of a cigar box and Walter Forschler, our first manager, handled just about everything. A credit committee, made up of other members, helped decide whether to make loans based on their personal knowledge of the borrower.

They followed the credit union movement's motto of: Not for Profit, Not for Charity, but for Service. Jump forward to 2010, CorePlus, your credit union, still follows that same motto. Let me work backward through the motto to explain what that has to do with fees.

Service

To continue to serve members credit unions have over the years added more services. We offer savings, checking and term accounts. Loans now include, in addition to signature, secured loans, home equity and mortgage loans. To serve a more mobile society and membership we offer credit and debit cards, ATM, online and mobile access, and provide you with nearly 4,000 branch locations through the shared service center network. Walter would have tipped his fedora back on his head and nodded approvingly at the 7 branch offices

we maintain to serve you and the professional staff who meet your personal needs 5 ½ days a week. Of course, he might be a little puzzled about Adeline, ATMs and mobile access but he would recognize that it's all for service to our members

Not for Charity

That's pretty simple. Since we're a financial cooperative every member is expected to not only carry their weight but to pitch in and help with those things that aren't any one member's responsibility. A member should expect to neither receive nor be provided what other members assume an obligation for. Every loan unpaid means a little lower rate for dividends and a little higher loan rate for loans to make up the loss. **But, if you're struggling we are here and want to help, that's part of the service.**

Not for Profit

This one can be a little confusing, and telling you that we're talking about "Capital 'P' profit" doesn't always help. Like any business we have operating expenses, lights, wages, maintenance, etc, that must be paid. You also want us to pay dividends on your shares, so that also gets added to the expenses. All together those are often referred to as our cost of doing business. That's how we set loan rates, that and the fact that as a prudent financial cooperative we want to have some reserve set aside for rainy days, enough — but no extra. That rainy day fund is technically profit, set aside for the members and the safety of the Credit Union. So now we've come to fees.

There are some services that are only used on limited occasions by a limited number of the members. Since it's not in the spirit of credit unions as financial cooperatives to ask all members to subsidize services that only benefit

a small portion of the membership those costs are borne by the members using those products or services (safe deposit boxes or signature guarantees for example). Many of those products and services are provided by vendors or require extra time and effort by staff therefore our costs have gone up. So therefore it's necessary to increase the fees for a few of the products or services we provide. **A new fee schedule that will be effective on 1 May, 2010 is enclosed.**

SHRED DAYS 2010

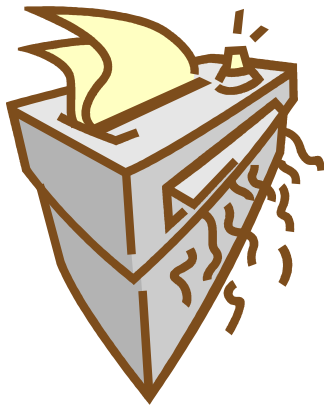
Protect your valuable information!

Infoshred it at CorePlus!

SATURDAY, APRIL 17, 2010

30 Norwich Ave, Taftville

9:00 a.m. until 12:00 p.m.



SATURDAY, MAY 1, 2010

67 Lathrop Road, Plainfield

9:00 a.m. until 12:00 p.m.

SATURDAY, MAY 8, 2010

40 Boston Post Rd, Waterford

9:00 a.m. until 12:00 p.m.

SATURDAY, June 5, 2010

202 Salem Tpke, Norwich

9:00 a.m. until 12:00 p.m.

HELP WITH FRAUD

NOT help committing fraud but help protecting yourself from fraud by knowing what to do. (I was going to do Before, When, and Cleaning up after, in this letter but there's so much good advice I'm going to spread it over three compliance letters.)

Before You're a Victim

- Use e-statements, bills, etc. No paper for crooks to steal. (Of course that implies you won't be printing them out either.) Can't get rid of paper? Then know your billing cycle and call if the statement's late.
- Review your accounts and statements frequently (I'm now recommending weekly), on-line, for transactions you don't recognize.
- Request your free annual credit reports (www.annualcreditreport.com or Call 1-877-322-8228) and review them for accounts that you didn't open or authorize.
- Educate yourself and learn what types of fraud are out there. The Federal Trade Commission is a great starting point <http://www.ftc.gov/bcp/consumer.shtm>
- Post your mail from the Post Office, don't leave it in a home mail box since those are easy targets. Sure, it's a federal law violation to tamper with the mail but... It doesn't look like the thieves care.

- Shred often. Get rid of that big backlog with us (see the schedule to the left) and then shred daily.
- Don't carry personal information (Social Security Card) or credit cards (Do you really use all three of those VISA cards?) that are unnecessary. Sure it's inconvenient having to remember to take the Lowe's card but consider the alternatives if you lose it and it's used.
- Use a current browser. Apply patches (updates) immediately. Use strong passwords, like we require for ItsMe247. Lock your mobile device and use secure websites.
- Charge your family and friends \$25.00 for every **Fwd**: in emails. It won't cover the cost of importing a virus but it'll cut down on the spam.
- Make a list NOW of who to call when you lose your wallet, purse, pda, phone, or anything else where you have credit cards or credit card/account access written down/stored, and...

Don't Forget if Traveling...

Notify us if you're traveling, especially internationally, and we can provide more flexibility with the credit and debit card authorization process while you travel.

Knowing what to expect is like defensive driving, you may never need to use it but if you do it's best to be prepared.

Ray Hasson, NCCO
Compliance Manager

The logo for ItsMe247 Online Banking. It features the text "ItsMe247" in a large, stylized font where the "i" and "s" are connected. The "247" is in a bold, sans-serif font. Below this, the words "Online Banking" are written in a smaller, clean font. The entire logo is set against a dark blue rectangular background.