



UPDATE

A Newsletter for United Educators Credit Union Members

December 2010

2010/2011 GRANT WINNERS ANNOUNCED

United Educators Foundation has awarded four schools a \$250 grant, plus a \$50 Borders Books gift card, for their 2010/2011 financial

literacy initiatives related to credit, math, money management and creating a financial foundation for youth.

Edinbrook Elementary, Brooklyn Park: A grant was awarded to Mary Ann Oldham to teach "Sales Taxes and Interest on Savings Accounts for Real World" – helping math students in grades 4-6 learn how to compute sales tax and savings account interest. The grant will help purchase base 10 blocks and calculators so students can use concrete manipulatives to see how tax and interest are determined.

Hidden Valley Elementary, Savage: A grant was awarded to Sally Smith for "Check Book and Credit." Students in 6th grade math will learn how to use check book ledgers to balance a monthly checking account and track personal spending on credit cards. The grant will be used to purchase project materials including calculators, check books and registers, and filing materials.



Stephen Argyle Central, Stephen: A grant was awarded to Janelle Swanson to implement a "Mini Society." Students in 7th

grade will create a mini society to learn about the economy and practice budgeting and expenses in a real life setting. Each student will create a business and have products or services they can sell to elementary students. The grant will be used for warehouse supplies for student products.

Minnewaska Area Schools, Glenwood: A grant was awarded to Karen Thompson to teach "Financial Success for Teens." Students in grades 9-12, in the class Independent Teen Living, will focus on learning budgeting strategies, how the new credit card laws affect them, and how to plan for their future financial success. The grant funds will be used to purchase a DVD, financial literacy presentations, and web based curriculum.

TAX TIME

Direct Deposit Your Return

If you're lucky enough to be getting a tax refund this year, planning ahead about where you would like the money to go could be very helpful. Have you thought about automatically depositing your tax return into your UECU account? It's easy and fast!

Decide if you want your return deposited in your UECU Savings or Checking account. To use your Savings Account, supply your member number as your account number (**do not include the Share type such as 'S1'**). To use your Checking Account, supply the 12-digit number found on the bottom of your checks. This number is the second number from the left and starts with a number '7'.

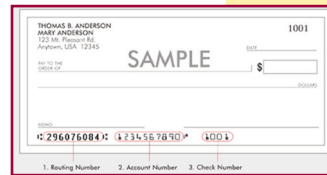
United Educators Credit Union routing number: 296076084

Following these tips will ensure your tax return is directed to the correct account. If you have any questions feel free to contact us.

1098 & 1099 Reminder

You will receive separate 1098 (Mortgage Interest Statement) Tax Form for each Mortgage Loan that has paid at least \$600 in interest. Members who have received combined dividends of \$10 or more on non-IRA Share and Investment Accounts will receive a 1099-INT (Interest Income Statement). If you wish to inquire about interest amounts below these limits, please consult your December 2010 UECU year-end statement.

Feel free to contact us with any questions at **800-229-2848**.



SIGN UP FOR ESTATEMENTS

eStatements are more secure, quicker, and convenient. Plus, it's the "Go Green" thing to do. Switching to online statements versus paper will help the environment and your credit union by reducing paper and fuel consumption, costly production, and postage expense each month.

Visit www.uecu.coop to sign up today!

2010 MESSAGE FROM THE PRESIDENT

Your participation with the only state-wide, member-owned credit union dedicated to school employees, their families, and others supporting this common bond, has permitted us to attain healthy results and sound growth in these difficult economic times.

◆ **Assets grew to \$118 million** as we continue to be a safe harbor choice by our membership. We've also experienced an ongoing positive response to our newest branch office in Apple Valley. Additionally, growth came from eligible consumers learning about the credit union difference after becoming disenchanted with profit driven financials and recognizing we didn't have a role in the current economic challenges affecting all of us.

◆ **Savings Deposits increased 6%** with most activity in the tiered rate VIP market rate account, IRA's, free checking and CD's – all federally insured to \$250,000 by the NCUA and privately insured up to another \$250,000 by Excess Share Insurance.

◆ **Consumer Credit portfolio grew 2%** with borrowers transferring higher cost loans and credit card balances from other institutions to us for improved rates, lower payments, and reduced fees. We have experienced higher delinquency and charge offs than what is normal for us, however, our ratios are less than others in our industry since we never extended subprime credit. We have earmarked additional funding as a cushion to any future potential credit losses after considering external environmental factors around the country.

◆ **Equity Capital Reserves are \$12 million.** This ratio is over 10% and exceeds both our peers and the 7% regulatory base set for credit unions. Our strong capital shelters us from possible loan loss risks, allows us to weather a reduction in earnings caused by the recession, and helps us pay extra costs related to new regulatory compliance expenses.

One additional, unexpected cost we incurred this year was a special NCUA savings insurance billing. Credit union deposits are federally insured by NCUA, our federal insurer and regulator.

The reserves in its federal deposit insurance fund come from funds contributed entirely by credit unions, through the insurance premiums we pay annually. (These funds, in turn, are backed by the full faith and credit of the U.S. government in the same way that the FDIC protects deposits in the nation's banks.) The special billing we received was due to credit union mergers in 2010 that required some insurance fund support. Additionally, we absorbed a write down again this year for national corporate credit union losses that held too much invested in highly rated securities that became devalued in the economic downturn. To address these issues, NCUA has to charge all federally insured credit unions a higher premium. We've been told to expect a higher insurance premium for the next several years, to shore up the insurance protection we all count on.

However, in spite of these expenses, our daily operations haven't changed our consistent commitment to deliver the service you deserve at the same high level you have come to expect. This year we examined our budget to contain or reduce expenses wherever possible without degradation in member service or programs. Through the economic challenges, we have been pleased to offer program improvements - such as an upgraded electronic bill payment service; eStatement initiative; Financial to Financial funds transfers; and "Debt in Focus," a free, anonymous debt management/financial position tool linked to our web site. We have maintained our commitment to the educational community around the state, and issued scholarship awards and grants through the United Educators Foundation.

We appreciate your support and together we shall continue the growth of the credit union for the financial advantage of the membership.

Cooperatively,



Delbert Danielson
President & CEO

2011 SCHOLARSHIP OPPORTUNITIES

Applications for the United Educators Foundation Scholarship Award program are now available! United Educators Foundation will grant **two \$1,000 Student Awards**, **one \$2,000 Educator Award**, and one **\$1,500 Education Major Award**. The deadline for these awards is **Friday, February 11, 2011**. More information and applications are available online at www.uecu.coop.

Web Site & Toll Free Number

www.uecu.coop 800-229-2848

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14989 Florence Trail, Apple Valley, MN 55124
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Eden Prairie Branch

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Columbia Heights Branch

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