

Roth IRA

For our younger members it's a good thing your retirement seems so far off. Time is money--especially with a Roth IRA from Telco.

The longer you save with a Roth IRA, the more you save on your taxes, too. Although contributions aren't tax-deductible, your money grows tax-free and comes out tax-free as long as you meet certain requirements.

All the more reason to start now--imagine what 30 or 40 years of tax-free earnings would do for your tax savings and your retirement lifestyle!

Not that your money has to stay locked up until the golden years. The Roth IRA's unique flexibility lets you withdraw your regular annual contributions (as opposed to the earnings) at any time for any reason, without taxes or penalties.

You even may be able to dip into your Roth IRA to help pay for a first home or a college education.

And because there are no required minimum annual distributions and no age limits on contributions for those with qualifying income, a Roth IRA lets your wealth grow as long as you want.

A Roth IRA from Telco offers unique advantages of its own:

- * Competitive rates
- * No annual maintenance fees
- * Payroll deduction to simplify contributions
- * Low minimum deposit requirements
- * Personal answers to all your questions
- * Insured deposits

Call us today to find out more about Roth IRA benefits and eligibility. A Roth IRA could help you feel a lot freer down the road--tax-free and care-free as you enjoy the exact retirement you deserve.

HELP IS ON THE WAY

During these tough economic times. Telco continues to reach out and help the members. We are lowering your monthly Visa Credit Card payment calculation to 3% of your outstanding balance. Hope this helps!

TELCO CREDIT UNION

P.O. Box 4002 * 1720 Barlow Road
Tarboro, NC 27886-6002
Toll Free Phone 1-800-682-8688
Local Phone (252) 823-0119
Fax (252) 823-1001
www.telcu.com

SERVICES

Shares
Certificates of Deposit
Individual Retirement Accounts
Share Draft (Checking) Accounts
Loans
VISA Credit Card
ATM/Debit Card
Audio Response (TAPS)
Bill Pay
Credit Disability Insurance (Member Pay)
Direct Deposit
Drive-Thru Window
Family Membership
Financial Planning Service
Money Market Club Accounts
Night Depository Box
Notary
On-Line Banking
Money Orders
Savings Bond Redemption

Management & Staff

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Fate Tolston
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Director of Member Services

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Manager of Mortgage Lending

Carol F. Ruffin,
Manager-Finance

Pam W. Forehand,
Member Relations Supervisor

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Ashley B. Schweberger	Nancy N. Mills
Clara B. Harrell	Tierra Melvin

LOAN TYPES AND INTEREST RATES

Unsecured (signature/co-maker).....	11.00% - 16.00%
New Vehicles.....	4.00% - 16.00%
Used Vehicles.....	5.00% - 16.00%
New Motorcycles.....	4.95% - 7.10%
Used Motorcycles.....	5.50% - 8.80%
New ATV's.....	4.95% - 7.10%
Used ATV's.....	5.50% - 8.80%
New Boats & Jet Skis.....	4.95% - 8.00%
Used Boats & Jet Skis.....	6.50% - 8.50%
New RVs & Campers.....	4.95% - 8.00%
Used RVs & Campers.....	5.50% - 9.00%
CD Secured Loans.....	8.00%
Stock Secured.....	6.50%
Share Secured-up to 5 year repayment.....	2.30%
Share Secured-61-120 months repayment.....	2.80%
Insurance Secured.....	9.00%
Visa Credit Card.....	11.99%
Overdraft Line of Credit.....	16.00%
Home Equity Line of Credit.....	Variable
First Mortgage.....	Fixed & Variable

FINANCIAL CONDITION

April, 2010

Assets

Total Cash & Investments.....	\$27,212,745
Loans to Members (Net).....	\$31,176,932
Property & Equipment.....	\$ 493,538
Other Assets.....	\$ 865,860
TOTAL ASSETS.....	\$59,749,075

Liabilities & Reserves

Shares & Certificates.....	\$ 33,379,746
IRAs.....	\$ 4,854,082
Share Draft Accounts.....	\$ 2,136,012
Reserves & Undivided Earnings.....	\$12,946,730
Other Liabilities.....	\$ 6,432,505
Total Liabilities & Reserves.....	\$59,749,075

Board of Directors

W. Eugene Godwin
Chairman
Barbara F. Knox
Vice Chairman
Charles L. Johnson, Jr.
Secretary & Treasurer
Wanda Fish
Pam Davis
Elizabeth W. Bland
Margie H. Powell

Credit Committee

Laurie Smith
Chairman
Connie Byrd
Christy Naccarato
Ken E. Lewis
Kathy B. Jones

Your savings federally insured to \$250,000

NCUA

National Credit Union Association.
A U.S. Government agency

FinFacts

Quarterly Newsletter From Telco

Volume 25

2nd Quarter 2010

Number 2

TELCO
CU
CREDIT UNION

Is It Time For A New Ride?

We Have Reduced Our Auto Loan Rates



Rates Are As Low As 3.5%*

*For qualifying members only. Rate is based on 48 month term with electronic payment, E-statements and a credit score of 700+.

Whether you purchase a
New or Used Vehicle

or

If you have a loan at another
financial institution, we want
to help you save some money!
Call or stop to get your best rate.

A Special Note to the Retirees

Telco is developing an e-mail mailing list for all retirees. If you are retired and would like to be kept informed on an "as it happens basis", we need your e-mail address. Please send an e-mail to rcoker@telcu.com and give us your name, address and a note that you would like to be added to the mailing list. A mailing list is being developed for each area we serve. This will allow us to communicate with you quickly and will be much less costly. We will announce loan specials, schedules for retiree meetings, various events, special offerings, contests, and revised interest rates etc. You can opt off the list at any time.

Shred Day

Telco is planning a Shred Day later this year. Due to renovations to the Barlow Road building, we will announce the date in a later issue of FinFacts. Go ahead and start cleaning out your old files so you can dispose of them in a safe and secure manner.

Telco's Website

www.telcu.com

Don't forget to check our on-line branch.
A great way to stay informed!

Holiday Closings

Please note the following Holiday Closing Schedule:

Independence Day - July 5, 2010

Labor Day - September 6, 2010

Please keep in mind that during the holidays, you will still have access to TAPS, On-Line Banking & CashPoint ATM locations which are always available 24 hours per day seven days per week. Remember: Telco Members incur no fees at CashPoint ATMs.

On-Line Banking / E-Statements

Current account activity

24 hours a day, seven days a week.

Thanks for signing up!

Our 2nd Quarter 2010

Featured Retiree

Glenn Daughtridge

1102 Vance Drive Tarboro, N.C. 27886

Phone #252-823-8067

I retired from Sprint in 1995. I was working on Special Projects in Tarboro prior to retirement. What am I doing now?...almost nothing and I am good at it! The thing I miss most is the interaction with fellow employees...but I do get a chance to see several familiar faces at the Telco retiree meetings. Any retiree not participating should definitely attend at least one meeting...what fun!

After retiring I started a business, "Humor With A Purpose", Inc. This has allowed me to keynote conferences, present seminars on Leadership, Customer Service, and Listen/Communications from Canada to Puerto Rico and New York to Seattle. I've been to a lot of nice places and met a lot of great people.



I spend a few weeks relaxing by the pool in Florida. We have purchased a four bedroom house just 15 minutes from Disney World as rental property and I really enjoy relaxing and spending time with Mickey and Minnie when the house is not rented.

I keep in touch with local events through United Way of the Tar River Region and the United States Power Squadrons-the world's largest safe boating organization.

My special interest must be health...seems like I sure visit a lot of doctors.

I have two daughters and three of the greatest grandsons to ever draw a breath on the planet earth. What a joy they bring to my life.

My email address is: HWAP@prodigy.net. Please give me a call or send an email and I will tell you, among others things, all about my grandsons!

New Bern Area Retiree Meeting

(Please reserve your seat by August 17, 2010)

Our next New Bern Area Retiree meeting has been scheduled for Wednesday, September 1, 2010. The meeting will be held at Flounder's Seafood Restaurant, 425 Hotel Drive in New Bern, N.C. at 10:00 a.m. If you would like to attend the meeting, contact Rebecca Coker via email (rcoker@telcu.com) or call 1-800-682-8688 Ext. 241. Seating is limited to 50 participants, so reserve your seat ASAP.



Teach Your Children Financial Independence Grade: F

That's the average report card 12th graders earned for financial literacy. What our youth don't know is shocking. For example, only 27% understand that interest/dividends on savings accounts may be taxable. Achieving economic prosperity is difficult. It's especially hard for young people who've never learned how to manage money. Your credit union is ideally positioned to respond because we believe in the power of education. We're here to help you launch the youth in your life toward financial independence.

Join. As a start, open a savings account for each child in your family at the credit union. As soon as your children can write, have them fill out deposit and withdrawal slips. Guide teenagers through using a debit card and balancing a checkbook.

Share. Include your children in your household finance discussions. Show them how you budget income and expenses. As their skills improve, give them challenges-such as finding a better cell phone plan, calculating the total monthly cost of owning a car, or sticking to a budget with back-to-school or holiday spending.

Coach. Remind your children to ask for help when they need it. And turn to your credit union when you want help. Our tradition of service and philosophy of self-help make Telco Credit Union and all credit unions a natural partner in pursuing financial security. **We're here to help.**

Are You Saving Regularly?

If not...Consider These Steps to Make Saving Easier

Now, it's more important than ever to establish an emergency savings fund. It's easy to postpone starting to save for a later day, but a solid plan is key to success. By following some basic guidelines, you're more likely to achieve financial security.

Pay yourself first.

Use automated transfers to get in the habit of saving. Money will be transferred from your account without you seeing it, which makes you less likely to miss it. Simply complete a form authorizing Telco to receive a portion of every paycheck and deposit it directly into your savings account.

Save 10% of your paycheck.

The general rule of thumb is to save about 10% of each paycheck. If that seems too high, try 5% and work your way up to saving 10% of your earnings. Add 1% every year you get a raise until you reach 10%.

Know yourself.

Examine your goals to determine which savings plan will work best for you. For example, don't invest all your money in an aggressive stock or mutual fund if you're conservative with your money. If you're saving for retirement, select a plan that will fit your financial needs down the road.

Realize that age matters.

Always take into consideration how much time you have to save for your goal. If you are a recent college graduate, you have several decades to ride out the highs and lows of the market and can take advantage of more high-risk investments. If you're only a few years from retirement, you might not have the time cushion to afford to be too aggressive.

See the benefit of compound interest.

The simplest way you can invest your money is to leave it alone and let it "compound" over time. You earn interest not only on what you save, but also on the dividends generated. The earlier and more you save, the more your money will grow.

Use dollar-cost averaging.

This is the process of routinely investing a set amount of money over time, rather than all in one lump sum. It's a convenient savings method, particularly for beginning investors. For example, each month transfer \$25 or \$50 from your share draft account directly into an investment vehicle such as a traditional or Roth IRA. You reduce your overall risk from market fluctuations because your money buys more shares when the price of a share is down, and your money buys fewer shares when the price of a share is up. Bottom line: You've reduced your investment risk.

Mark Your Calendar for Upcoming Retiree Meetings

New Bern 9-1-10

Fayetteville 11-3-10

Tarboro 12-1-10

**Details will follow in Upcoming
issues of FinFacts**