

2013: The Year of Tax Hikes?

Are Your Taxes Rising in 2013? Here's How They Could Impact You

If Congress doesn't act, tax year 2013 will see the sunset of the Bush-era tax cuts. This would entail:

- Higher income tax rates: The lowest bracket (10%) being eliminated; the highest two brackets increasing from 33% and 35% to 36% and 39.6%, respectively.
- Higher capital gains rates: The top net long-term rate generally increasing from 15% to 20%.
- Dividends being taxed at ordinary rates instead of qualifying for the lower capital gains rate.
- Personal exemptions and itemized deductions being phased out for higher-income taxpayers.
- The "marriage penalty" returning: Married working couples paying higher taxes than two single working individuals with the same income.

To learn more strategies and tips for lowering your taxes today and in the future, call Timothy P. Christensen, Ameriprise financial advisor, at 406-655-9228.

Ameriprise Financial does not provide tax or legal advice. Consult your tax advisor or attorney regarding specific tax issues. Brokerage, investment and financial advisory services are made available through Ameriprise Financial Services, Inc. Member FINRA and SIPC. Not NCUA Insured | No Credit Union Guarantee | May Lose Value. Ameriprise Financial and the credit union are not affiliated.

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Mailing Addresses

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Billings

1541 Custer Ave
656-9100 or 1-800-735-6803
Lobby: 9-5:30 Mon-Fri
Drive-Up: 7:30-6 Mon-Fri, 9-1 Sat
1445 Main St
656-9100 or 1-800-735-6803
Lobby: 9-5:30 Mon-Fri
Drive-Up: 7:30-6 Mon-Fri, 9-1 Sat
3025 King Ave W
656-9100 or 1-800-735-6803
Lobby: 9-5:30 Mon-Fri
Drive-Up: 7:30-6 Mon-Fri, 9-1 Sat
207 N Broadway
656-9100 or 1-800-735-6803
Lobby: 7:30-4:30 Mon-Fri

Cody

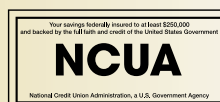
1902 Cougar Ave
307-587-2274
Lobby: 9-5 Mon-Fri
Drive-Up: 8:30-5:30 Mon-Fri

Columbus

400 E Pike
656-9100, option 7
Lobby: 9-4 Mon-Thu, 9-5 Fri
Walk-Up: 8:30-5 Mon-Thu,
8:30-5:30 Fri, 8:30-12 Sat

Roundup

216 8th Ave E
323-2442
Lobby: 9-5 Mon-Fri
Drive-Up: 8-5 Mon-Fri, 9-12:30 Sat



IN THE COMMUNITY



In October, Valley FCU participated in Harvest Fest, a cultural event that celebrates the change of seasons in downtown Billings. Valley employees helped kids decorate their pumpkins.

Parade of Lights in Columbus

Valley Federal Credit Union was announced as the 2nd place winner in 2012 for their float entry in the Parade of Lights in Columbus.



Valley FCU employees celebrated Thanksgiving this year by participating in the annual Turkey Run.

Valley Sponsors Education & Outreach at Alberta Bair Theater

We are a proud sponsor of the Education & Outreach that offers a wide variety of community events including Master Classes, workshops and continuing education classes for teachers. The general public is welcome to attend these classes. Teachers can also get continuing education credits for attending.

As an example, look at these amazing Student Matinee Performances being offered by ABT this year:

- Soul Street Dance, January
- Zoo-Zoo – Imago Theater, January
- The Adventures of Huckleberry Finn – Classical Theater Project, February
- The Velveteen Rabbit – Enchantment Theater, February
- The Ugly Duckling & The Tortoise and The Hare – Corbin Visual Arts and Dance, March
- The True Story of the Three Little Pigs – Dallas Children's Theater, March
- Aida – Rimrock Opera, April

For more information about these events and the many others presented at ABT, visit www.albertabairtheater.org or contact the ABT Box Office (406) 256-6052.

Please Note

Important Notice

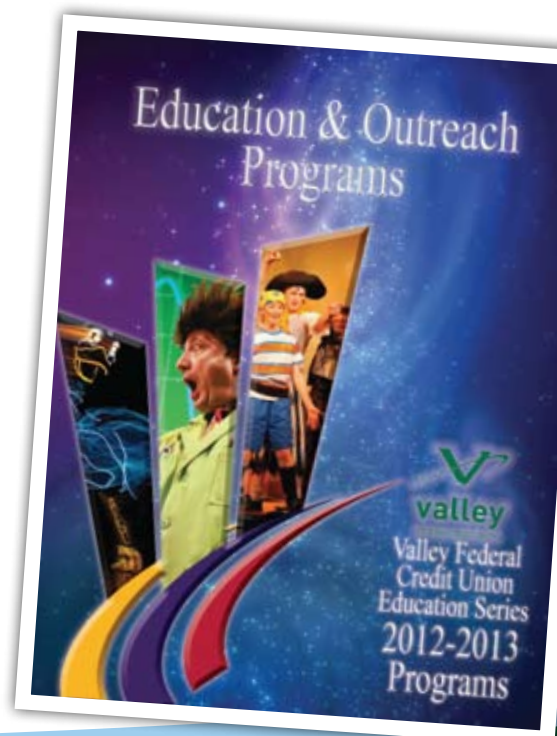
Effective March 1, 2013, the penalty for early withdrawal is changing on rollover certificates with terms greater than 12 months. The new penalty is 365 days of dividends earned.

Online Banking Changes

Online Banking Users: During January, security requirements will be updated. You may be required to change your username and password when logging in to your account to meet the new criteria standards.

Share Insurance Notice

Insurance on Non-interest Bearing Transaction Accounts. The temporary unlimited insurance coverage of non-interest bearing transaction accounts expired on December 31, 2012. After December 31, 2012, funds in non-interest bearing transaction accounts will be insured under the National Credit Union Administration's (NCUA) general share insurance rules, subject to the Standard Maximum Share Insurance Amount of \$250,000.



YOUR Financial Edge

BUILDING BENEFICIAL LIFELONG RELATIONSHIPS WITH EVERYONE WE SERVE

Resolve to Eliminate High Interest Rate Credit Card Debt

Transfer Balances to Your Valley VISA®

If you've got high interest rate credit card debt leftover from the holidays, now is a great time to take advantage of Valley's special offer on balance transfers. Give your budget a jump-start with rates as low as 1.99% APR* on transferred balances for a full 6 months.

There are NO BALANCE TRANSFER FEES saving you even more! After the introductory rate period, you'll pay rates as low as 7.99% APR* on the Platinum VISA or 9.99% APR* on the Platinum VISA Rewards credit card.

As Low As 1.99% APR*
for 6 Months
Plus No Balance Transfer Fees

It's Easy to Apply for Your VISA® or Transfer Balances to an Existing Account

Apply online at www.valleyfcu.com, call 406-656-9100 or toll free at 800-735-6421, or stop by any Valley branch office.

Already Have a Card?

Call today to transfer those balances and request an increase on your line of credit, if needed.

* APR= Annual Percentage Rate. Account must be in good standing to qualify for this offer. Special rate offer is available for balances transferred from another financial institution to a Valley Federal Credit Union VISA® between January 1, 2013 and March 31, 2013 and applies to 6 statement cycles. After promotional period, special rate reverts to regular variable interest rate, based on the Prime Rate plus a margin, currently as low as 7.99% APR* on the Platinum VISA or 9.99% APR* on the Platinum VISA Rewards credit card.



Simply a family tradition...since 1949



Announcing MoneyIsland™ – A Financial Education Program!

As part of our commitment to financial education for young members, we are proud to introduce the new MoneyIsland™ Financial Education Program. In addition to being free to our young members, we also offer it to local schools to teach students about saving and managing money.



Fun, Online Game

Parents, it's a fun game that allows your kids to embark on the exciting MoneyIsland™ mission to rescue Stone Broke and earn rewards! All you need is an access code. Ask any of our member service representatives to get your family started. Or, join online by visiting www.valleyfcu.MoneyIsland.com.

MoneyIsland™ is where ordinary kids become financial gurus...so get them involved today! For more information regarding school programs, contact Shawna Wheeler-Whitmore, Marketing Coordinator, Valley Federal Credit Union, (406) 655-5081.



Giving Back to Our Members and Our Community

**Earn a \$50 Rebate for Yourself
and a \$50 Donation goes to
a Local Charity* When You Bring
Your Auto Loan to Valley**

Start the New Year by saving more by refinancing your auto loan with another financial institution at Valley! Our affordable financing means possibly lowering your monthly payment with rates as low as 2.99% APR**. For bringing the loan to us, you'll receive a \$50 cash rebate* and we'll donate \$50 to local charities which include Adult Resource Alliance, Go Red for Women and Educational Resources for our schools.

Apply Today!

CLICK: Apply online at www.valleyfcu.com

CALL: Give us a call at **406-656-9100** or **800-735-6421**

VISIT: Stop by any Valley branch office.

*Minimum loan amount for \$50 rebate and donation is \$10,000.

**APR=Annual Percentage Rate. Your actual rate may vary based on credit history, age of collateral and term of loan.



Rates
As Low As
2.99%
APR**



A MESSAGE FROM THE CEO

Michael J. Silvers

Helping You Reach Your Financial Goals

As we look forward to 2013, Valley is committed to helping our members save and earn more. If you don't already have a Checking Account with us, take a look at these two great options.

- **Rewards Checking**, which pays 2.75% APY* on amounts up to \$10,000. This is a rate higher than a 5- year certificate and Rewards Checking offers many additional perks.
- **Premier High Rate Checking**, which requires a minimum of \$2,500, also offers a rate higher than most 24-month certificates in the area.

Take a look at what (if anything) you're currently earning on your bank checking account and the monthly fees you're being charged. I think you'll agree Valley Checking is an exceptional value.

Want to save even more? We are offering some great promotional rates to start the year off.

- Refinance your first mortgage with no closing costs at 2.99% APR**. The savings will astound you.
- For home improvements or major purchases, apply for a Home Equity Line of Credit with rates as low as 3.25% APR*** and an introductory rate as low as 1.99% APR.*** Your payments are easy to calculate too – they are simply 1% of your advanced balance. For example, if you borrow \$20,000, your payment is \$200.

*APY=Annual Percentage Yield.

**APR=Annual Percentage Rate. Your actual rate may vary based on credit history, age of collateral and term of loan. Rates subject to change without notice. Maximum term 15 years.

***Annual Percentage Rate. After 6 months, the rate on your loan will revert to the standard variable rate for a Home Equity Line of Credit (HELOC) as low as Prime Rate. All loans subject to credit approval.

- Refinance your auto loan. For every auto loan that we refinance from a competitor of \$10,000 or more in the first quarter of 2013, we will donate \$50 to local charities. We will also give you \$50 for helping us help others. Even if you have had credit issues, please see us, in most cases we can help.

Added Convenience

Need an ATM? We have just signed an agreement that will allow Valley members to access 30,000 surcharge-free ATMs nationwide with the CO-OP network.

Valley Federal Credit Union has been a family tradition since 1949, and we are committed to building a beneficial, lifelong relationship with everyone we serve. We will work hard to continue to earn your business.

Best Wishes,

Michael J Silvers

CEO

VALLEY'S PROMISE...

OUR VISION STATEMENT

Building beneficial lifelong relationships with everyone we serve

OUR MISSION STATEMENT

Working to provide solutions that meet your needs and achieve your dreams



Tips for Financial Fitness

How to Stay on Track

Organizing your finances is time well spent. You'll save time throughout the year, and of course you'll save money by avoiding late fees, paying less on interest charges and earning more on savings. Here are some ideas to get you started:

- **Evaluate Your Expenses** – Take a look at all outstanding bills to see where you may be able to save money. For example, consider refinancing loans at lower interest rates, call utility companies to find out if you can save money by switching to a different usage plan, and get insurance quotes for auto and home.
- **Check-Up on Savings and Investments** – Carefully examine retirement, investment and savings accounts. Considering your current situation and goals are these investments still appropriate? In general, the less time you have until you'll need your money, the more conservative your investment should be. Make changes if necessary.
- **Organize Your Bills** – Create a monthly bill checklist and use an accordion style organizer to file incoming bills by the date they are due. Even better, use the Online Banking and Bill Pay system, available at www.valleyfcu.com to organize recurring and one-time payments to be made from your checking account on a date you specify.



ATM Update

More Convenient Locations!

Beginning on January 7, 2013, Valley will be a part of the CO-OP Network that has over 30,000 ATMs available for surcharge-free cash withdrawals including at popular retailer locations such as Costco, Walgreen's and 7-Eleven stores!

Find an ATM Near You

- Use the online locator at www.valleyfcu.com
- Download the CO-OP ATM Locator App from the iPhone or Android App Store
- Text a street address or ZIP Code or "City State" to 692667
- Add the CO-OP Network ATM Locator database to your GPS
- Call 1-888-SITE-CO-OP

Specific Location Updates

If you currently use one of these two ATM locations, please note that the surcharge refund will discontinue as of Friday, February 1, 2013:

- United Bank in Columbus, Montana
- 1st Bank of Wyoming in Cody, Wyoming