



St. Mary's Bank

for members only

spring 2010

» **Outgoing Message to Members**

Ovide M. Lamontagne, Chairman


I have had the privilege of serving the members and employees of St. Mary's Bank for nine rewarding years as a member of the Board of Directors. The past nine years have brought many challenges and rewards, introduced me to new friends and strengthened my ties with the community. It is, therefore, not without regret that I share with you my decision to complete my current term and step down from the Board and as Chairman at the annual shareholders' meeting this April.

It has been an honor to be part of the Board of Directors of St. Mary's Bank during a decade of growth and celebration. Since I joined the Board in 2000, I have had the pleasure of working with both Ronald Rioux and Ronald Covey, two outstanding CEOs. I have seen us add four retail branches, increase our assets to an impressive \$700 million, and help hundreds of families through our community outreach programs. I am proud of how steadfast St. Mary's has remained in its commitment to affordable homeownership and small business lending, even as our economy stumbled. And nothing could compare with celebrating the 100th anniversary of the Nation's First Credit Union, an organization that also holds such personal and historical significance for me. It has truly been an extraordinary experience to help lead St. Mary's into a new century of service.

I will always treasure my time at St. Mary's Bank. I have learned much about our financial system and the critical role credit unions play in meeting the financial needs of their members. I commend our senior management team and our employees for their integrity, compassion and vigilance in bringing to life the credit union's original mission of "people helping people." I am grateful to them for serving with such passion and selflessness. Above all, I thank our members for choosing us to meet their financial needs.

My family has a long history with St. Mary's Bank. My father is a past Chairman of the Board, and my uncles served as Board members and legal counsel to "La Caisse Populaire Ste. Marie." My leaving the Board in no way severs our ties. I will continue to follow St. Mary's future successes from the sidelines as a member. Knowing this great credit union as I do, I am confident that its next chairman will bring his or her own strengths to bear, with exceptional results.

Every day, the people of St. Mary's inspire me to give my all. As I undertake a new endeavor in my life, and campaign for U.S. Senator in New Hampshire, I will remember and treasure the countless lessons my experience on the Board have taught me. Thank you for giving me the opportunity to serve.



I am proud of how steadfast St. Mary's has remained in its commitment to affordable homeownership and small business lending, even as our economy stumbled.



For assistance running the numbers, call us at **1.888.786.2791**, visit www.stmarysbank.com or stop by any retail office.

» What's the Better Deal?

0% Financing vs. Cash Rebate

Presented with the choice of a 0% loan or cash rebate on a new automobile, most people think 0% financing is the best option. However, this may not be the case – and before deciding, you need to read the fine print and do your homework.

Limited 0% Financing

Most 0% financing programs carry limitations that may affect your buying decision based on your individual circumstances. For example, a larger down payment may be required, there could be prepayment penalties and the term of the loan may be shorter – say two to three years versus four to five years. The special financing may only be for buyers with exceptional credit AND negotiations on the final price may be limited.

Fewer Choices

Whether it's 0% financing or a cash rebate, these incentives may affect your choice of vehicles. These specials may only apply to certain models, options, year of manufacture or only to the cars on the lot. Many zero-interest deals cannot be combined with other offers; and if the cash rebate and 0% financing are offered, you often have to choose one or the other, not both.

Do the Math

Even if you qualify for 0% financing, the rebate coupled with a good loan may offer the best solution. See the chart to the right that compares an interest-free option to one with a cash rebate.

Interest-Free Rate vs. Cash Rebate – 60-Month Comparison

	Interest-Free	Cash Rebate
Rate (APR)	0.00%	3.74%*
Sample loan amount	\$15,000	\$15,000
Less equity in trade	\$2,000	\$2,000
Less rebate	\$0	\$2,500**
Amount to finance	\$13,000	\$10,500
Monthly payment	\$206.35	\$183.82
Total cost	\$13,000	\$11,580.86
Savings	\$0	\$1,419.14

* St. Mary's Bank's lowest available APR (Annual Percentage Rate) for 60-month new auto loan with automatic payment from a St. Mary's Bank Checking account and a Trans Union Auto Specific FICO score of 730 or above. Rates subject to change without notice.

** Estimated available rebate.

Let Us Help

If you need assistance running the numbers, want more information on St. Mary's Bank auto loans or would like to get preapproved, call us at **1.888.786.2791**, visit www.stmarysbank.com or stop by any retail office.

» Questions to Ask before Converting to a Roth IRA

For more than 35 years, traditional individual retirement accounts (IRAs) have provided tax advantages – including tax deferral and the potential for a tax deduction – to people saving money for retirement.* Roth IRAs were introduced in 1998, offering a different set of advantages, including the potential for tax-free withdrawals. But there were limitations on who could convert a traditional IRA to a Roth IRA. Now, that's changing.

Q: What's new?

A: Effective Jan. 1, 2010, conversions from a traditional to a Roth IRA are no longer limited to taxpayers with a modified adjusted gross income of \$100,000 or less, as they were prior to that date. In addition, married couples who file separately are no longer prevented from making a conversion. Now anyone can convert a traditional IRA to a Roth IRA.

Q: What are the tax consequences of converting to a Roth?

A: You owe ordinary income taxes on all or a portion of the amount converted, depending on whether you made deductible or nondeductible contributions to the traditional IRA. Usually, the tax is due when you file a federal income tax return for that year. But if you make the conversion in 2010, you have two options: 1) include the conversion on your 2010 tax return or 2) split it equally between your 2011 and 2012 tax returns.

Q: What are some potential advantages of converting a traditional IRA to a Roth IRA?

A: Distributions from a Roth IRA are tax-free if you're age 59½ or older and have held the account at least five years.** You are not required to begin taking minimum distributions at age 70½, as you are with a traditional IRA. Distributions are not required during the original account holder's lifetime (but they are required for beneficiaries). And if you leave the account to heirs, your beneficiaries can receive the assets tax-free.

Q: What are some reasons I might not want to make the conversion?

A: Converting may not make sense if you:

- Don't think you'll be in the same or a higher tax bracket in retirement. The taxes you pay on the conversion could end up being higher than the taxes you'd pay when making withdrawals from your traditional IRA, if you didn't convert it.
- Can't pay the taxes on the conversion from sources other than your IRA. If you're younger than age 59½, you'll probably owe a 10% penalty on IRA funds withdrawn to pay taxes. And in any case, you'll lose the potential benefit of tax-free growth on that amount.



- Don't have a long enough time horizon to allow a Roth's tax-free earnings to compensate for the taxes you pay on the conversion.

With so many factors to consider, deciding whether to convert a traditional IRA to a Roth IRA is a complex decision. The investment professionals at St. Mary's Bank can help you weigh the pros and cons to arrive at an answer that's right for you. Contact Jack Crane, CFP®, Executive Vice President/Financial Consultant of St. Mary's Financial Services, at 603.629.1524 or e-mail jack.crane@uvestmail.com to set up an appointment today.

* Taxes will be due upon withdrawal at ordinary income tax rates. Premature withdrawals – generally, those made before age 59½ – may be subject to a 10% tax penalty, as well.

** Premature withdrawals – generally those made before age 59½ or within five years of opening the account – may be subject to ordinary income taxes and a 10% tax penalty.

Not NCUA insured	Not Credit Union Guaranteed	May Lose Value
Not Guaranteed by any Government Agency		Not a Credit Union Deposit

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Business Member Profile

» Levasseur Electrical Contractors Inc.

Founded in 1984, Levasseur Electrical Contractors offers residential, commercial and industrial electrical wiring as well as design/build services and fire alarm systems. Their knowledgeable service technicians are experienced in a wide range of projects from small remodeling to large complex commercial projects.

Owned and operated by Daniel Levasseur, President, and Chris Burns, Vice President, Levasseur is licensed in New Hampshire, Massachusetts, Maine and Vermont.

Call today if you have any questions or have a project you would like to discuss.

Phone: **603.627.6270** or toll-free: **1.800.675.9473**
724 East Industrial Drive, Manchester, NH 03109



Pictured (L to R): Chris Burns and Dan Levasseur

» Bulletin Board

101st Annual Shareholders Meeting

Date: Tuesday, April 13, 2010

Location: The Event Center at CR Sparks
18 Kilton Road, Bedford, NH 03110

Agenda:

4 p.m. – Doors open

4:15 p.m. – “Taking Control, How to Protect Yourself from Fraud”

Presented by Shirley Bhutto, Risk Management Officer of St. Mary's Bank

5 p.m. – Annual Meeting

6 p.m. – Reception

RSVP: Member Contact Center, **1.888.786.2791**

Following the meeting, refreshments and information booths on reverse mortgages, online banking, St. Mary's Bank Financial Services and more will be available. Free on-site parking.

TAX CREDITS for Homebuyers



The Worker, Homeownership, and Business Assistance Act of 2009 has been updated, extending the tax credit of up to \$8,000 for qualified first-time homebuyers purchasing a principal residence. The Act also includes a tax credit of up to \$6,500 for qualified repeat homebuyers. For more information contact the Mortgage Center at **1.888.705.9596** or visit www.stmarysbank.com.



Remember to Vote

Members in good standing, with a membership in place as of Jan. 13, 2010, are eligible to vote for St. Mary's Board of Directors and Committee members. Ballots will be available at each of our locations by March 22 or mailed to you upon request. If you have any questions, stop by any location or call **1.888.786.2791**.

Events and Seminars

We offer seminars throughout the year on a variety of subjects. In addition, we sponsor and participate in a number of other events. To stay up to date be sure to regularly check out the Events Calendar online at www.st.marysbank.com.



TurboTax® is available to St. Mary's members preparing their own taxes. Visit www.stmarysbank.com and select Turbo Tax under the Find it Fast drop down.