



Recent Corporate Credit Union Conservatorships And What This Means for MemberSource Credit Union and Other Natural Person Credit Unions

On March 20, 2009, the National Credit Union Administration (NCUA) took into conservatorship two corporate credit unions. These credit unions do not serve consumers directly, but act as a wholesale facility for everyday credit unions providing liquidity, investment and payment services to credit unions that serve consumers. These two corporate credit unions, US Central FCU in Kansas and Western Corporate (WesCorp) FCU in California remain operational and are part of a system of 28 separate wholesale credit unions.

This action in no way affects MemberSource Credit Union, its members, deposits or investments. Our credit union has no relationship with either of these two corporate credit unions. MemberSource Credit Union, as well as credit unions around the country will continue to provide service to members without any interruption.

Four Key Facts:

- 1. Bottom Line: Member deposits at MemberSource Credit Union are extremely safe and insured up to \$500,000. Nothing that has taken place has impacted that insurance.**

Deposits up to \$250,000 are federally insured through the National Credit Union Share Insurance Fund just as the FDIC does for bank deposits. No credit union member has ever lost a penny of federally insured funds. MemberSource deposits carry an additional insurance of up to \$250,000 through Excess Share Insurance, a private insurance paid for by MemberSource Credit Union, for a total insured member deposit of \$500,000.

- 2. Credit unions which serve members, like ours, have not been taken into “conservatorship”. This has recently occurred with just two “corporate” or wholesale credit unions.**

There are thousands of credit unions in the US and there is a small number (28) of wholesale credit unions. The two taken into conservatorship are still operating normally, but the US government is managing them. You can learn more about these corporate credit unions on the NCUA website at www.ncua.gov.

- 3. MemberSource Credit Union is lending, providing a safe place for saving, and helping our members. In fact, credit unions are actively lending when other institutions have cut back.**

Our industry loan growth last year, even amid a recession, increased 8.6% in Texas, suggesting that more consumers are looking for - and finding- affordable access to credit at their credit unions. MemberSource Credit Union continues to lend actively this year as well.

- 4. Credit unions, where 90 million Americans save and borrow, are well capitalized and strong.**

The capital cushion for credit unions is stronger than you would find at most banks. MemberSource Credit Union is well capitalized at 8.87%, above the requirement of 7%.

In summary, even with this news MemberSource Credit Union as well as other credit unions remains unchanged. Further information can be reviewed at www.CUVoice.com or by calling Diana Fisher, MemberSource Credit Union Vice President of Marketing at 713.244.1150.