



President/CEO  
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Over the last several weeks, you may have heard about a Congressional action, recently signed into law by the President, containing an important measure regarding credit unions. This legislation affects our balances; but I am happy to inform you that Members Cooperative Credit Union remains safe, strong and secure.

Over the last several months, two 'corporate' credit unions, which are large centralized credit unions that don't serve the public but provide services to local credit unions like ours, have had unforeseen financial difficulties. Because they don't do business with the public, to generate income the 'corporates' invest in securities and other financial instruments that include mortgage-backed securities.

Accounting guidelines required the corporates to assess these securities at a price equal to what they would likely receive if they were sold today, even though they are to be held to maturity. This has resulted in losses to the corporate credit unions and as a result, the National Credit Union Association has used its insurance fund to assist them.

Our own financial involvement with the corporate credit unions is not great; but as NCUA members, it now falls upon credit unions like ours to help replenish the NCUA's insurance fund. This Federal requirement impacts our balances, but the recent legislation allows credit unions to spread out our contributions over time instead of reimbursing all at once. However, that doesn't change one very important and basic fact.

Throughout our history, we've been strongly capitalized so the Federal requirements don't change a thing in terms of our ability to serve you. Credit unions have always been built on the same solid principles and the events of recent months show how strong we truly are. We can be proud of what we've built together.

**Your continued loyalty has allowed us to grow into the Northland's largest credit union, a quarter-billion dollars strong. We will do everything in our power to protect your interests.**

Thank you for your business with MCCU and we look forward to serving you far into the future. We'll update you through our website and newsletter as we continue to provide high-quality products and services to help you meet your financial goals.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Heikkinen".

Tammy Heikkinen  
President/CEO

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