

A Message from Your President

YOUR INVESTMENTS ARE SAFE AND SOUND

Dear Valued Friends and Fellow Owners:

In this troubling financial time, there has been much concern over the fate of the entire financial system and markets in the United States and world economies. We have just experienced the largest bank failure in history. I would like to reassure you that these recent trends have little or no impact on your credit union.

Your deposits are insured up to the Standard Maximum Share Insurance Amount (SMSIA1), which is \$250,000 (as of October 2008) by the National Credit Union Administration www.NCUA.gov, through the National Credit Union Share Insurance Fund (NCUSIF) which is the strongest federal insurance agency in the country. NCUSIF is historically not only stronger, but more fully-funded than the FDIC due to credit unions' not-for-profit cooperative structure.

According to NCUA and because credit unions are well capitalized, not one penny of insured savings has ever been lost by a member of a federally insured credit union. There are key differences in our structure compared to banks in that credit unions are not reliant upon capital markets for funding, but instead are funding through member deposits. YOU are its owner, not stockholders. CUNA (Credit Union National Association) reported the overall capital-to-asset ratio stands at a very solid 11.1% compared to 10% for banks. In dollars, that's a capital cushion of \$90 billion. Credit Unions, including Acclaim Federal Credit Union, focus on members not profits. We remain healthy, well-positioned and a safe haven during this economic storm.

Credit unions as a whole operate in a very conservative and safe manner. Acclaim FCU has been in business since 1972 and with your trust and support we will continue to be strong and secure. Your Board of Directors, the management team and our staff would like to thank you for your continued trust and confidence in your credit union. On a final note, Credit Unions are here to stay.

For more information on federal share insurance, see the NCUA brochure "Your Insured Funds," available at http://www.ncua.gov/Publications/brochures/insured_funds/funds.pdf.

Other useful links:

<http://www.ncua.gov/ShareInsurance/Index.htm>

<http://www.ncua.gov/ShareInsurance/NCUAInsuranceFundFAQs.htm> ,

<http://www.brighterthanabank.blogspot.com/>,

If you have any questions, please contact us at (336) 332-5302.

Respectfully,

Valerie Marsh
President/CEO