

FITCH AFFIRMS 8 CORPORATE CREDIT UNIONS' RATINGS

Fitch Ratings-New York-13 May 2010: Fitch Ratings has affirmed the long- and short-term Issuer Default Ratings (IDRs) at 'A+' and 'F1+', respectively, of the eight major corporate credit unions that it rates. The Rating Outlook is Stable. A complete list of rating actions follows at the end of this release.

The affirmation of the IDRs is based on the National Credit Union Administration's (NCUA) continued support for these companies. Most recently, the NCUA has demonstrated its support by extending a waiver that permits corporate credit unions to operate below minimum regulatory capital requirements. Additionally, NCUA is in the process of developing a plan to remove approximately \$50 billion of problem securities from the corporate credit union system.

The IDRs reflect the companies' '1' support and 'A+' support floor ratings, which acknowledge the government support provided and emphasizes the importance of government support in assessing probability of default. Therefore, given this continued support, Fitch believes that the existing support ratings, support floors, and IDRs remain appropriate at this time. As such, the Outlook is Stable. Additionally, Fitch believes that the corporate credit unions will continue to benefit from government support throughout the planned restructuring of the corporate credit union network and the implementation of new regulations. However, Fitch recognizes that a restructuring of the network could potentially lessen the level support provided to these companies in the future.

The Individual ratings of the corporate credit unions rated by Fitch are at 'E', reflecting that these companies still have serious capital challenges and largely operate below regulatory capital minimums. Further, with the exception of Eastern Corporate Federal Credit Union (EasCorp) and Mid-Atlantic Corporate Federal Credit Union (Mid-Atlantic), the corporate credit unions operate with total capital ratios below mandatory regulatory requirements necessitating regulatory forbearance from the NCUA, and in the case of Constitution Corporate Federal Credit Union (CCFCU), operating under special regulatory assistance related to its depleted capital position. The capital positions of these corporate credit unions, like all corporate credit unions, have been affected by a full impairment of their capital investment in U.S. Central Federal Credit Union (USC), and several of these institutions have been affected by material losses in their own investment portfolios. Additionally, for certain institutions, there is a heightened risk of regulatory intervention due to the corporate credit unions' respective weak capital position and the prospect of future losses in their investment book. Should any institution require regulatory intervention, Fitch would expect the level of governmental support for the company to remain unchanged.

While the Individual ratings for Fitch's universe of rated corporate credit unions have been affirmed at 'E'(which denotes a company that requires or will likely require external support), Fitch considers these companies as failures for the purpose of assessing failure in Fitch's statistics and studies of corporate failures. In Fitch's opinion, these institutions would likely have defaulted if not for being beneficiaries of significant external support. The corporate credit unions continue to benefit from the various support mechanisms put in place to maintain liquidity in the corporate credit union system and as noted above, most of the corporate credit unions currently require regulatory forbearance from the NCUA given their weak capital positions.

Fitch has affirmed the following ratings:

Central Corporate Credit Union

- Long-term IDR at 'A+';
- Short-term IDR at 'F1+'
- Short-term debt at 'F1+';
- Individual at 'E',
- Support at '1';

--Support Floor at 'A+'.

Constitution Corporate Federal Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Short-term debt at 'F1+';
--Individual downgraded to 'F';
--Support at '1';
--Support Floor at 'A+'.

Eastern Corporate Federal Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Short-term debt at 'F1+';
--Individual at 'E';
--Support at '1';
--Support Floor at 'A+'.

First Corporate Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Individual at 'E';
--Support at '1';
--Support Floor at 'A+'.

Mid-Atlantic Corporate Federal Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Individual at 'E';
--Support at '1';
--Support Floor at 'A+'.

Members United Corporate Federal Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Short-term debt at 'F1+';
--Individual at 'E';
--Support at '1';
--Support Floor at 'A+'.

Southeast Corporate Federal Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Short-term debt at 'F1+';
--Individual at 'E';
--Support at '1';
--Support Floor at 'A+'.

Southwest Corporate Federal Credit Union

--Long-term IDR at 'A+';
--Short-term IDR at 'F1+';
--Short-term debt at 'F1+';
--Individual at 'E';
--Support at '1';
--Support Floor at 'A+'.

These rating actions reflect the application of Fitch's current criteria which is available at www.fitchratings.com and specially includes:

--'Master Global Financial Institutions Criteria' (Dec. 29, 2009).

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Additional information is available at 'www.fitchratings.com'. The issuer did not participate in the rating process other than through the medium of its public disclosure.

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