



To: Member Credit Unions
From: Bill Birdwell, President/CEO
Date: March 22, 2009
Re: NCUA's Conservatorship of U.S. Central and WesCorp

By now, you are aware of NCUA's actions on Friday, March 20, 2009, to place U.S. Central Federal Credit Union and Western Corporate Federal Credit Union (WesCorp) into conservatorship. NCUA has provided assurance that operations and service at both organizations will continue uninterrupted.

While Southeast has no business relationship with WesCorp, what occurs at U.S. Central directly affects all corporate credit unions, including Southeast Corporate. NCUA's actions were based on a recent analysis and stress tests by PIMCO.

In addressing credit unions on Friday, NCUA Chairman Michael Fryzel noted that the Agency's analysis indicates the portfolio risk in the remaining 26 corporate credit unions (including Southeast Corporate) to be manageable. Please be assured that it remains "business as usual" at Southeast Corporate and that we will continue serving our members with the same commitment to safety and quality that has always guided our business decisions and operation.

U.S. Central's CEO has departed the organization, and NCUA has appointed Jim Nance President/CEO. All other staff remain at their posts, and corporate credit unions are free to make deposits, access funds, perform settlement and funds-transfer services, or use any other U.S. Central products and services.

All deposits at Southeast are fully guaranteed under the NCUA Corporate Share Guarantee Program through December 31, 2010, with the exception of paid-in capital and member capital shares. We are currently assessing the financial impact of NCUA's actions on our members and will provide more information as soon as it is available.

If you have any questions or concerns, please feel free to contact me or Greg Wirthmann, Senior Vice President/Chief Investment Officer at any time. You may reach me directly at (800) 342-0203, extension 4040 or Greg Wirthmann at extension 4060.