

Arizona Credit Union League
& Affiliates

Q. Is my credit union safe?

A. Yes, your credit union is well capitalized and financially sound.

Q. How about my account?

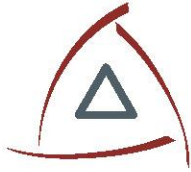
A. Your account is safe and insured. Your account is federally insured to at least \$250,000 by the National Credit Union Share Insurance Fund (NCUSIF) and backed by the full faith and credit of the United States Government. In fact, depending on how you have structured your accounts, you may be insured for much more than \$250,000.

Q. Will my credit union still make loans to members?

A. Yes. Your credit union will continue serving members with a variety of savings and loan products.

Q. Does my credit union own “toxic assets?”

A. No. Your credit union doesn't hold those types of assets. Your credit union is owned by its members, its assets are the members' deposits and loans with the members. Arizona's credit unions have not and do not engage in the types of practices that resulted in the trouble on Wall Street. Your credit union, along with the vast majority of credit unions in the country, is financially sound. In fact, according to the Wall Street Journal on January 29, 2009, “credit unions are considered to be among the most conservatively managed financial institutions.”



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Q. What did the NCUA do?

A. The NCUA acted to provide additional liquidity to “corporate credit unions,” which are the part of the system and provide investment and liquidity to “natural person credit unions.” This action by NCUA is consistent with the conservative and cautious nature of the credit union system and is a precautionary move intended to rebuild confidence.

Q. What are a “corporate credit union” and a “natural person credit union?”

A. Simply put, your credit union – where you make deposits and have loans – is a natural person credit union, meaning you belong to it and you own it. Corporate credit unions are part of the credit union system – they provide investments and other services to credit unions, the credit union’s credit union if you will.

Q. If a corporate credit union is having a problem, will my credit union account be safe?

A. Yes. Your savings are federally insured to at least \$250,000 by the NCUSIF and backed by the full faith and credit of the U.S. Government. In fact, depending on how you have structured your accounts, you may be insured for much more than \$250,000. Your credit union, like the vast majority in the country, is sound and conservatively managed. In fact credit unions have much higher capital levels (11% on average) than regulators require, and are still making loans to members. As previously mentioned, this action is precautionary.