

January 29, 2009

Dear VolCorp Members,

The NCUA yesterday unveiled a plan aimed at stabilizing the corporate credit union system amid the unprecedented downturn in the global credit markets. The NCUA Board approved the following:

- Guarantee uninsured shares at all corporate credit unions through February 2009, and establish a voluntary guarantee program for uninsured shares of all corporate credit unions through December 31, 2010.
- Issue a \$1 billion capital note to U.S. Central Corporate Credit Union.
- Issue an Advance Notice of Public Rulemaking (ANPR) on restructuring the corporate credit union system; and
- Declare a premium assessment to restore the National Credit Union Share Insurance Fund.

The full text of NCUA's media release, along with other related documents, is available on their website at www.ncua.gov. Click on the top of the page where it says Corporate Stabilization Program.

The NCUA's action coincides with U.S. Central's statement earlier that it expects to report a substantial loss for the year ended December 31, 2008, due to approximately \$1.2 billion in charges for other-than-temporary impairments (OTTI) in its residential mortgage-backed securities portfolio.

As far as we can determine at this time, the impact of the NCUA actions and the U.S. Central loss on your credit union are as follows:

- All of your deposits at VolCorp are now guaranteed by the Share Insurance Fund.
- Your membership capital investment at VolCorp is safe. Although a portion of VolCorp's investment in U.S. Central will probably be impaired, there is more than enough retained earnings at VolCorp to cover its share of the loss and still maintain the minimum retained earnings and capital requirements required by the NCUA.
- You will receive an assessment from the NCUSIF to restore the fund equity ratio to 1.3%. Look at the NCUA website for further information.

As for VolCorp, we had an excellent year in 2008. We had record earnings of \$4.5 million and our investment portfolio was thoroughly reviewed by a third party that confirmed that there was no OTTI. VolCorp is currently undergoing its annual audit; therefore, these numbers are subject to change. In addition, VolCorp has also experienced no liquidity problems and very seldom had to borrow on its line of credit during 2008. We fully expect to continue servicing all of your needs without interruption.

Thank you for your loyalty. We will continue to update you with information on this matter as we receive it. In the meantime, I encourage you to contact me, or CFO Jeff Merry, with any questions.

Sincerely,

Rick Veach

President/CEO