

YOUR MONEY IS SAFE AT BLUE CHIP FCU

The Board of Directors and I would like for all of you, our loyal members, to know that your hard-earned dollars on deposit at BCFCU are safe and secure! It is understandable that you may have questions and/or concerns about your money, since the news about some major financial institutions are not very positive. **I want to reassure you that Blue Chip FCU is looking after your money!**

Here are some reasons your money is safe:

First - Blue Chip FCU's largest holdings are in loans to members like you! Approximately \$17.5 million of our \$25.9 million in assets are in consumer loans to our members. I'm very proud to say that our credit union members continue to repay their loans on a regular basis, in spite of today's challenging economy. Two major factors for determining the quality of our loan portfolio are the delinquency & charge-off ratios. As of the end of June 2008, the credit union's delinquency ratio was less than 0.1%, and the charge-off ratio was less than 0.3%. These are outstanding ratios during economic conditions such as these. I firmly believe it's due to the bond between our members and the credit union; there is loyalty on both sides. I believe we can help each other through these times.

Second – the credit union is federally insured and regulated by the National Credit Union Administration (NCUA). There are restrictions on the type of investments we can purchase with your money. Currently, we have approximately \$5 million in federally insured jumbo certificates and federally backed securities.

Third – we have an annual exam by NCUA and an audit performed by an outside CPA firm. Our most recent exam and audit were done earlier this year. I am extremely pleased to tell you that we received the highest ratings for both reviews. In addition to these two (2) reviews, we have an active Supervisory Committee that oversees the day-to-day operations.

Your money on deposit at BCFCU is insured by NCUA. The NCUA recently reported that the NCUSIF (Share Insurance Fund) remains strong! If you want to learn more about the soundness of the NCUA, and your insurance coverage, go to www.ncua.gov. Also, we have brochures at the credit union that explains your insurance coverage. Ask one of the staff for the brochure.

We thank you for your trust in and loyalty to Blue Chip FCU. We promise to take care of your money.

Sincerely,

Mary Lynn Tylenda
President & CEO

For more information, see brochure on Insured Savings