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PRESS RELEASE

CREDIT UNIONS BOOST MEMBER INSURANCE COVERAGE

National Credit Union Administration Provides Economic Stability

SAN DIEGO, February 12, 2009: Last year's mortgage boom and subsequent demise of the housing market is a result of individuals defaulting on their home loan and their banking institution foreclosing on their properties. The housing environment, as well as the consequential situation, necessitated the government bailout of \$700 billion.

This economic downturn has Americans reevaluating their finances and depositing their investments at credit unions. In fact, according to data from the Credit Union National Association (CUNA) Mutual Group's latest Credit Union Trends Report and CUNA economics and statistics data, up to 90 million Americans prefer credit unions because of the attractive options it has to offer and full backing by the National Credit Union Administration (NCUA).

When trying to determine between credit unions, many consumers will choose one for the following reasons:

Benefits of Credit Unions

Credit unions inspire public confidence because members know their money is going to be safe even in a shaky economy because each person who deposits money in a credit union is a member, with a share of ownership of the not-for-profit financial institution. A credit union's top priority is serving members, unlike other financial institutions that focus on making a profit for shareholders.

The profits earned by credit unions are returned to members in the form of lower loan rates, higher interest rates on deposits and lower fees that are all federally insured by the NCUA, which is an independent federal government agency that insures accounts in all federally chartered credit unions and most state-chartered credit unions. These insured institutions must display the NCUA blue sticker at each teller window or station.

Summary of Insurance Coverage

Deposits are insured by the NCUA, the federal agency that governs the National Credit Union Share Insurance Fund (NCUSIF), which is a federal insurance fund backed by the full faith and credit to the U.S. Government. The fund ensures each member's account up to the insurance limit. No insured savings has ever been lost by a member of a federally insured credit union.

Originally, the NCUA insured individual share accounts and individual retirement accounts up to only \$100,000. Thanks in part to the Emergency Economic Stabilization Act of 2008, the coverage is temporarily increased to \$250,000 on member share accounts. These include regular share, share draft, money market and certificate of deposits. Individual Retirement Accounts' coverage stays the same at \$250,000 separate from other types of accounts owned. The new insurance limits will expire on Dec. 31, 2009.

How Much is Insured?

Member share accounts and deposits received by the credit union including regular shares, share certificates and share draft accounts are insured. Mutual funds, annuities and other non-deposit investments are not insured by the NCUA.

The three most common types of insurance coverage are for individual ownership accounts, joint ownership accounts and revocable trust/pay on death (POD) accounts. These are covered in separate categories and have no effect on each other's dollar limit of coverage.

The share insurance coverage for both individual and joint account ownership is based on the account owners, while revocable trust and POD accounts are based on qualified beneficiaries (spouse, child, grandchild, parent, brother, or sister). Individual share accounts held by the same member are added together and are insured up to the \$250,000.

Interests in joint accounts are insured separately from individual accounts up to the \$250,000. Though, the co-owner's insurance protection on joint accounts is not increased by rearranging the names of the owners, changing the style of names, or by establishing more than one joint account. The co-owner's interests in all joint accounts held in the same credit union will be added together and insured up to \$250,000.

Despite the economic downturn, credit unions are financially stable and possess a strong future for members to have confidence in their insurance coverage.

San Diego Metropolitan Credit Union (SDMCU) is committed to its community and members and provides services to families and individuals to manage their personal finances. SDMCU has been in business since 1934 and serves over 20,000 members. SDMCU's corporate headquarters are located in San Diego and information about SDMCU is available on the worldwide web at www.sdmcu.org.

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