



PROSPECTORS

FEDERAL CREDIT UNION

We're Turning 60!

As our 59th year of serving members winds down and we begin our 60th year, the headlines in the media are not encouraging when talking about the current financial health in this country. When you are reading the newspaper or watching the television reports about the crisis, take note of the number of credit unions named and what the credit unions have done to create the crisis. The answer in both cases will be none. There are several reasons for the fiscal soundness of Prospectors and other credit unions.

Loyalty of our members has provided a strong base over the last six decades. Prospectors started out by serving one small group of telephone employees and their families. Today of course, we serve many companies and their families. Our growth is due to member satisfaction; spreading the word about the benefits of credit union membership; and working as a partnership to bring the products and services that you, the member, want and need.

Our volunteer Board of Directors -- constituted of members like yourselves who serve without compensation -- have no incentive to approve risky activities. That's why Prospectors Federal Credit Union holds no sub-prime mortgage loans or any large, high-risk member business loans.

Member deposits are currently insured to at least \$250,000 by the National Credit Union Administration -- the credit union equivalent of the FDIC -- an agency of the Federal government. Additionally, for those members with large deposits, we will be purchasing American Share Insurance in the amount of \$250,000 per member, giving our members more protection than they can obtain most anywhere else.

The fact that Prospectors FCU qualifies for this extra coverage is testimony to our financial strength, as does the fact that for the past 18 consecutive years we have earned a 5-Star rating from Bauer Financial. These high ratings are the result of our institution being very conservatively managed.

You also hear a lot in the news about the CREDIT CRUNCH. Here are some very important points that I think you should know about your credit union right now:

- There's no credit crunch at Prospectors FCU
- We're making loans and financing the needs of our members every day.
- Our loan rates are not only competitive but also some of the lowest loan rates you'll find anywhere. Don't take my word for it, check us out.
- We're making Mortgages, Car Loans, Home Equity Loans, Signature Loans and just about any kind of loan for any good purpose that you can imagine.
- Our loan decisions are based on your good credit and your ability to repay the loan — just like always.

The markets have proven resilient and will correct at some point just as they did in 1987, 1998 and 2001. We must focus on the long term. We've been serving our members for 60 years and expect to do so for another 60 years. In the meantime, we are here to answer your questions, address your concerns and, of course, offer you the level of products and services you have come to expect from your Credit Union.

Watch throughout the coming year for a variety of special incentives and value-added products to celebrate this landmark anniversary.

Mary Freeman
President/CEO

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