



October 3, 2008

Dear Clinchfield Federal Credit Union Members:

RE: Share Insurance Rises to Protect Your Accounts

In these challenging days for the national economy, we can relieve you of one potential concern, and that is the safety of Clinchfield Federal Credit Union and the money in your accounts here.

First, your accounts are backed by the National Credit Union Share Insurance Fund (NCUSIF), a fund maintained by the U.S. Treasury and administered by the National Credit Union Administration (NCUA). Federal insurance protects your money in share savings, share draft/checking, share certificate, trust, and retirement accounts.

NCUA coverage is to credit unions as FDIC, or Federal Deposit Insurance Corporation, coverage is to banks. Both funds are backed by the full faith and credit of the U.S. government.

And now, passage of the Emergency Economic Stabilization Act of 2008 increases NCUA coverage from \$100,000 to \$250,000. The increase is temporary, taking effect from October 3, 2008 until December 31, 2009. Funds may be insured for even more than \$250,000, depending on how you establish your accounts.

Second, Clinchfield Federal Credit Union operates with a safety net of capital that helps us weather temporary setbacks. And, we maintain an "allowance for loan losses." This additional cushion anticipates losses when some members fail to repay loans.

Third, Clinchfield Federal Credit Union is examined regularly by NCUA to make sure we are engaging in safe and sound operations.

We at Clinchfield Federal Credit Union can assure you that your money is safe.

Best regards,

Sandy Lingerfelt
Sandy Lingerfelt, CEO

NORTH MAIN AVE. # 1038

PO BOX # 510

PHONE # 423-743-9192

