



September 12, 2008

Dear Credit Union Member,

As a result of continuing problems in the mortgage and banking industries as well as, the troublesome news regarding equities markets, you may be wondering about the well-being of Yakima Valley Credit Union. As a member/owner, it is your right to know.

First, I want to take this opportunity to reassure you that your Credit Union did not engage in sub-prime lending. Our portfolio is built on a solid foundation of loan underwriting principles. We have over \$196 million in outstanding loans and our total delinquency rate is .35%. While we have seen some loan delinquency increases in recent months due to the poor economy, even at our current delinquency rate, your credit union is doing far better than most other financial institutions.

Second, I am pleased to report that YVCU is exceptionally financially secure with over \$26 million in member capital and assets exceeding \$245 million. As a result of the choice we made not to engage in sub-prime mortgage lending, together with our strong capital position, Yakima Valley Credit Union is well positioned to weather the current economic downturn.

Your Board of Directors and management staff at YVCU continue to be vigilant and proactive in protecting the savings you have entrusted with us. We want to thank you for your business and for your referrals to friends and family who may be concerned about the financial condition of the institutions where they are doing their business.

If you ever have questions about how your Credit Union is doing, please feel free to contact us.

Sincerely,

Mina Worthington  
President/CEO

