



March 23, 2009

Dear Member,

You may have read of the decision by the National Credit Union Administration (NCUA) to place into conservatorship two wholesale corporate credit unions, US Central Federal Credit Union and Western Corporate Credit Union. These wholesale corporate credit unions do not serve consumers (credit union members). They provide services to other credit unions.

Merrimack Valley Federal Credit Union does not and has not done business with either of these corporate credit unions. Merrimack Valley's primary corporate credit union is Eastern Corporate (EasCorp) located in Burlington, MA. EasCorp is safe and sound and as always, we will continue to monitor their financial position.

These corporate credit unions operate in the capital markets and hold highly rated, investment grade securities that regular credit unions like ours cannot purchase. But, like so many others that hold such investments, they have seen the value of their investments decline in the current economic downturn. The projected losses from these investments are why the government regulators (NCUA) chose to put US Central Federal Credit Union and Western Corporate Credit Union into conservatorship. This means that both institutions will be under the daily oversight of the National Credit Union Administration.

So, what does all this mean for you? It's business as usual. Your deposits at Merrimack Valley Federal Credit Union remain safe and federally insured up to \$250,000 by the NCUA's insurance fund – an agency of the US government which carries the full faith and credit of the government as backing. As of February 2009, Merrimack Valley Federal Credit Union's net worth remains strong at over \$40 million which means that 10.18% of our assets are set aside in reserves to protect you – our members. NCUA considers credit unions with net worth over 7% to be well capitalized. Our delinquency ratio is low and our business practices are sound. Our service to you will remain unchanged.

We will provide you with more information as it becomes available on our web site. If you have any questions in the interim, please do not hesitate to contact the Credit Union at 800-356-0067, Option 1.

Sincerely,

A handwritten signature in black ink that reads "Peter J. Matthews, Jr." The signature is written in a cursive style with a large, prominent initial "P".

Peter J. Matthews, Jr.
President/CEO