



September 25, 2008

Dear Neighbors,

As the new President and CEO of San Francisco Federal Credit Union, I would like to share with you a very important message about the safety and soundness of our institution.

I know our economy is going through some troubled times. With all the reports of financial institutions, including some credit unions, experiencing difficulties with the mortgage market and other hardships, it can be very alarming for you. I want to assure you that San Francisco Federal Credit Union is safe and secure.

Commitment to Excellence

We continue our commitment to provide you with excellent financial products and services. Our sound lending and service-oriented practices allow us to continue to prosper even during troubled economic times. First and foremost, we have not participated in either the originating or purchase of high-risk subprime real estate loans. Second, we have experienced only a minimal increase in loan delinquencies due to our conservative lending practices. Finally, we continue to maintain strong reserves in both capital and the allowance for loan loss that insulate the Credit Union from downward economic cycles.

Financial Soundness

A superior five-star rating from BauerFinancial, INC. is proof of our financial soundness. BauerFinancial is a renowned independent agency that has analyzed the financial conditions of credit unions since 1983. Five stars is the highest attainable rating, and we have earned and sustained this rating for the past 14 years.

Insured Savings

An added security measure is that deposits at San Francisco Federal Credit Union are federally insured through the NCUA's National Credit Union Share Insurance Fund (NCUSIF), which is backed by the full faith and credit of the U.S. government. Each account holder's funds are insured to at least \$100,000, and retirement accounts are separately insured up to \$250,000. If a savings account exceeds the amount covered by the basic insurance limits, NCUA coverage can be extended by establishing different types of accounts or additional beneficiaries.

Lastly, San Francisco Federal Credit Union is open to anyone who lives, works, worships or goes to school in San Francisco. If you, a friend, neighbor or family member is looking for a safe financial institution, I personally encourage you to call upon us by phone at 415-775-5377, option 4 or by visiting a branch today. Our branches are located at: 770 Golden Gate Avenue, 2645 Ocean Avenue, and 4375 Geary Boulevard.

San Francisco Federal Credit Union is your trusted financial institution.

We look forward to serving your needs now and in the future.

Best regards,

A handwritten signature in dark ink that reads "Steven Stapp".

Steven Stapp
CEO/President

