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Despite Market Woes, CU's Continue to Thrive (Press Release 9/18/08-Harrisburg)

This week has been turbulent for financial markets and financial services companies. In the wake of federal bailouts of mortgage giants Fannie Mae and Freddie Mac; banking and securities firm Lehman Brothers; and insurance giant AIG, the good news is that Pennsylvania's credit unions continue to provide a safe haven for consumers seeking to put their savings or to borrow for personal, student, car, or mortgage loans.

"We understand there is confusion in the financial markets, conflicting news reports, and it is very difficult for consumers to make sense of the turmoil," said Jim McCormack, Pennsylvania Credit Union Association President/CEO. "Yet at the same time, consumers should know that their local credit union is a safe place for their money and for loans."

In a non-scientific poll of credit union leaders, virtually all credit unions are reporting increased inflows of consumer deposits, as well as strong demand for consumer loans. Those same credit union leaders reiterated they have not been adversely affected by problems in the mortgage market and continue to have funds available to make prudent loans to creditworthy borrowers.

"Pennsylvania credit unions have not engaged in the risky lending practices like many other players in the financial marketplace," said Association Chair Diana Roberts, CEO of Hershey Federal Credit Union. "Therefore, we as credit unions have no need to tighten our lending policies since we have always been lending prudently."

All deposits in Pennsylvania credit unions are federally-insured up to at least \$100,000 by the National Credit Union Administration. Deposit insurance coverage for credit unions is the same as FDIC insurance for banks. In addition, Pennsylvania's credit unions are extremely well capitalized at 11.7 percent, well above the federal regulatory requirement of 7 percent.

Christmas Clubs



Your Christmas Club funds will be transferred into your checking account on October 31. If you do not have a checking account, the money will be deposited into your savings account. As of September 30, our members have saved a total of \$896,653.60 in their Christmas Clubs!

Anyone wishing to open a new Christmas Club account for next year may do so on or after November 1. Our rate for the clubs for 2009 will be 2.63% APY. If you already have payroll deduction for your club, you don't need to do anything, your same deduction will continue.

Office Hours

Mon. thru Thurs. 9-5

Friday 9-7

Locations

101 N. 13th Street
Franklin, PA 16323

25 E. 1st Street
Oil City, PA 16301

Holidays

Monday, Oct. 13, 2008

Tuesday, Nov. 11, 2008

Thursday, Nov. 27, 2008

Wednesday, Dec. 24, 2008-
close at noon

Thursday, Dec. 25, 2008

Wednesday, Dec. 31, 2008-
close at noon

From the Desk of the President

Following the collapse of Wall Street and the Great Depression of the 1930s, credit unions were formed to provide affordable financial services to working Americans. Nearly, seventy-five years later, credit unions are still providing these services in their communities all across the United States and Pennsylvania. More importantly, ALL Pennsylvania credit unions are backed by the full faith and credit of the U.S. Government by the National Credit Union Administration (NCUA). The National Credit Union Share Insurance Fund (NCUSIF), which works just like the FDIC, and insures deposits up to at least \$100,000. Detailed information on insurance can be found online at www.ncua.gov in the Share Insurance Toolkit section.

As not-for-profit cooperatives, credit unions exist to serve their members and are well-capitalized at nearly 12 percent. Credit unions have always made prudent lending decisions in making loans, avoiding sub-prime and risky loans. Further, credit unions are still making loans for cars, homes, and higher education to qualified borrowers.

There are no stockholders or outside investors in credit unions, nor are they listed on Wall Street. Credit unions are democratically controlled, so the owners and decision makers are the members, or depositors. Deposits are locally held and loans are made only to those in the credit union's membership. Credit unions are the stewards of their members' hard-earned money and take that responsibility seriously. Investments are made conservatively and credit unions can not be bought and sold as commodities.

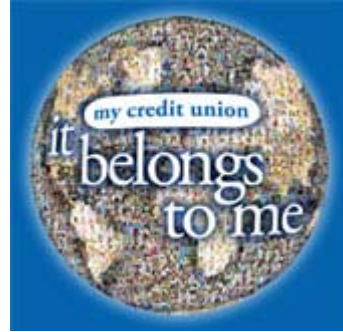
Franklin-Oil Region Credit Union (FOR-CU) was formed in 1974 to serve the employees and families of Franklin Steel. Over the years the credit union has expanded and now serves individuals who live, work, worship, attend school, or own a business in Venango County. FOR-CU serves more than 6,000 members with \$26 million dollars in assets, and has 18 employees. Members are afforded a full-range of services from savings accounts; certificates of deposit; IRAs; checking; credit and debit cards; vehicle loans; home equity; personal; and mortgages.

The credit union is governed by a volunteer Board of Directors, all of whom are members of FOR-CU. In addition a Supervisory Committee also provides oversight to the activities of FOR-CU. FOR-CU remains committed to serving the financial need of its members now and in the future.

Regards,

Brenda Wenner, President/CEO

International Credit Union Day



Thursday, October 16th, is International Credit Union Day! There are more than 170 million members in 97 countries that belong to thousands of credit unions just like ours.

Through loyalty and pride in ownership, these members have demonstrated the true cooperative spirit of the credit union movement. Join all members worldwide in celebrating our accomplished history, shared values, and bright future on International Credit Union Day!

To show our appreciation for your continued support and faithfulness, we will have cookies and apple cider in our lobbies on this day. Also, be sure to sign up for your chance to win a \$50 Visa gift card! We will give one away at each office.

So remember Thursday, October 16, stop in and say "hello" and enjoy some refreshments!

Governmental Affairs Conference

Sandy Saunders and Judy Groner attended the 2008 Pennsylvania Governmental Affairs Conference held at the Hilton Harrisburg on September 16th and 17th. There were approximately 63 officers and directors representing 39 credit unions from across the state in attendance.

Among the speakers were: Representative Dave Levdansky (D-Allegheny, Washington Counties), who is Chairman of the Finance Committee; Tom Gannon, a Senior Legislative Representative at CUNA who works with House Financial Services Committee Members to craft legislation that will have a positive impact on credit unions; James Lee, President of Susquehanna Polling and Research, who is a political analyst, commentator, and official pollster for WHTM Channel 27 News; and Dr. Terry Madonna, Director of the Center for Politics and Public Affairs, who is a regular analyst for WGAL-TV and a panelist on WPVI's-TV commentary program *Inside Story*.

The gentlemen spoke about current Credit Union issues and also the upcoming Presidential election. They explained their thought as to why the race is so close and the effects of John McCain's choosing Sarah Palin as his running mate. Everyone left the conference energized with anticipation for the coming weeks leading up to the presidential election.

In conjunction with the Governmental Affairs Conference, a reception was held at Scott's Grille for all the Credit Union leaders to meet with their respective State Representatives.

