

NEWS RELEASE

BRUCE BEAUDETTE

*President/CEO
Sunmark FCU
1 Broadway Center, 8th Floor
Schenectady, NY 12305*

ELLE BURKETT

*Economist
California Credit Union League
9500 Cleveland Ave., Suite 200
Rancho Cucamonga, CA 91730*

BOB BURRELL

*EVP/Chief Investment Officer
Western Corporate FCU
924 Overland Court
San Dimas, CA 91773*

DAVE COLBY

*AVP/Corporate Economist
CUNA Mutual
5910 Mineral Point Road
Madison, WI 53705*

DAVE DICKENS

*SVP/Asset & Liability Mgt.
US Central CU
9701 Renner Blvd., Suite 100
Lenexa, KS 66219*

BRUCE FOX

*SVP/Senior Investment Officer
Southwest Corporate FCU
7920 Belt Line Rd., Suite 1100
Dallas, TX 75254*

SCOTT MAINWARING

*EVP/CFO
Vystar CU
P.O. Box 45085
Jacksonville, FL 32232*

BRIAN MCVEIGH

*SVP/CFO
State Employees CU
501 South Capitol Avenue
Lansing, MI 48933*

JEFFRY TAYLOR

*Senior Economist
NAFCU
3138 10th Street North
Arlington, VA 22201*

TUN WAI

*Director of Research/Chief
Economist
NAFCU
3138 10th Street North
Arlington, VA 22201*

Contact:

Rick Uhlmann, CUNA Mutual Group, (608) 231-8940, rick.uhlmann@cunamutual.com
John Zimmerman, NAFCU, (703) 522-4770, jzimmerman@nafcuhq.org
Roger Dick, U.S. Central Credit Union, (913) 227-6000, rdick@uscentral.org

Editor's note: Photos attached

April 7, 2004

CREDIT UNION ECONOMISTS MEET WITH S.F. FED BANK CHIEF *Credit Union Economics Group Provides Robert Parry with CU Perspective*

SAN FRANCISCO – A group of leading credit union economic observers on Monday provided an overview of credit unions' consumer finance role in a meeting with officials of the Federal Reserve Bank of San Francisco.

Participating in the two-hour meeting with the Credit Union Economics Group (CUEG) was Robert Parry, president and CEO of The Federal Reserve Bank of San Francisco. He was joined by 12th Federal Reserve District staff members Elizabeth Laderman, an economist, and Fred Furlong, vice president of financial and regional studies.

San Francisco is home to one of 12 Federal Reserve Banks nationwide that, together with the Fed's Board of Governors in Washington, D.C., serve as the country's central bank.

"Clearly, the credit union industry benefited by having central bankers made more aware of the critical role credit unions play in their local communities and in the overall banking system," said Tun Wai, NAFCU's director/research and chief economist, and a member of CUEG. "We believe CUEG provided president Parry and his staff with some insights they might not otherwise receive about the consumer force of credit unions. And the 12th Federal Reserve District is a good example."

The 12th Federal Reserve District is home to 1,235 of the nation's credit unions, 29 of which have \$1 billion or more in assets. There are nearly 18 million credit union members in the 12th District.

Among the topics the six CUEG economists discussed during the informal, yet interactive, session were: credit unions' preparedness for changes in the interest rate environment, the role of depository intermediaries and financial literacy. The economists informed Parry, Laderman and Furlong that credit unions have historically been at the forefront of consumer education. And they emphasized the need for consumer education is growing due to easy access to credit for those who are unprepared to use it.

CREDIT UNION ECONOMISTS MEET WITH S.F. FED BANK CHIEF

APRIL 7, 2004

Page 2

CUEG member Bob Burrell told Parry and his staff that credit unions are prepared for a changing rate environment. "Credit unions have exceptional liquidity position, so they are well prepared for a change in the interest rate environment," Burrell told the group. Burrell is executive vice president and chief investment officer of Wescorp, San Dimas, CA.

On depository intermediaries' role, Dave Colby, CUNA Mutual chief economist, said credit unions are very capable of helping baby boomers transition into retirement. "Just as credit unions have provided a competitive alternative to consumer banking and borrowing, the need for broad competition will also exist in addressing retirement needs."

Jeff Taylor, NAFCU's senior economist, gave the central bankers an overview of credit unions' operating efficiency. "Credit unions have improved efficiency in a tougher, more competitive marketplace," Taylor said. "Much of that is due to productivity gains from Y2K investments, expanded use of technology and internet delivery, and innovative lending channels."

The Federal Reserve Bank of San Francisco serves the largest Fed district. It covers nine Western states and several Pacific Islands, including Hawaii.

CUEG meets periodically with government entities to exchange information and discuss financial and economic topics of mutual interest. In April of 2003, the credit union economists met with Mark Olson, a Governor on the Federal Reserve Board in Washington, D.C.

CUEG members who participated in Monday's meeting, included:

- Bob Burrell, executive vice president/CIO, Western Corporate FCU, San Dimas, CA;
- Dave Colby, assistant vice president/corporate economist, CUNA Mutual Group, Madison, WI
- Dave Dickens, senior vice president, asset/liability Management, U.S. Central CU, Lenexa, KS
- Mark Del Pezzo, senior portfolio manager, Vystar Credit Union, Jacksonville, FL
- Jeff Taylor, senior economist, NAFCU, Arlington, VA
- Tun Wai, director research/chief economist, NAFCU, Arlington, VA

The Credit Union Economics Group (CUEG) is a non-affiliated working group of credit union officials dedicated to the current and future financial well-being of these non-for-profit cooperatives. CUEG's objective is to provide credit unions with consensus macroeconomic forecasts and industry trend analyses that will be helpful in day-to-day operations.

#



From left to right: Bob Burrell, Mark Del Pezzo, Tun Wai and Robert Parry



From left to right: Jeff Taylor, Bob Burrell and Mark Del Pezzo



From left to right: Robert Parry and Dave Colby



From left to right: Tun Wai, Mark Del Pezzo, Robert Parry, Fred Furlong, Dave Colby, Elizabeth Laderman, Dwight Johnson (Wescorp), Jeff Taylor, Bob Burrell, Graham Breakwell (Wescorp) and Dave Dickens