



National Credit Union Administration

April 18, 2011

Dear Southwest Bridge Corporate FCU Member:

In conjunction with meeting the October 20, 2011, capitalization requirements set forth in the revised Part 704 of NCUA's Rules and Regulations, all undercapitalized corporate credit unions were required to submit a capital compliance plan to NCUA by March 31, 2011. This requirement also applies to the bridge corporate memberships that desire to purchase and assume the bridge assets and liabilities through a merger or a de novo charter. OCCU received all of the applicable plans by March 31st.

The capital compliance plans establish how each corporate credit union will reach the adequately capitalized capital levels by October 20, 2011. NCUA is currently reviewing the plans for reasonableness and transparency. Where necessary, NCUA is working with corporate credit unions and bridge corporate memberships to make appropriate adjustments. The goal remains that all capital compliance plans will be shared with member credit unions by May 31, 2011. The plans will assist credit unions in making a decision as to continuing to support their current corporate, joining another corporate, or seeking services from another party. Such a decision may necessitate capital contributions from member credit unions.

The revised Part 704 will allow corporate credit unions to condition membership, services, or prices for services on a member's ownership of non-perpetual (NCA) or perpetual contributed capital (PCC). However, a corporate credit union must provide members who choose not to contribute the required level of capital at least six months written notice of such changes before they can be implemented. In no case may membership be terminated, or the change in pricing or access to service occur, prior to October 20, 2011. Corporates may provide this notice as a separate document, or may include it within any capital plan or capital offering document, so long as the notice is provided to all members. Notice does not have to wait until the October 20, 2011, effective date of the regulatory capital requirements or the chartering date of a new corporate credit union entity.

Credit unions are encouraged to thoroughly read and understand the business plans and capital offering circulars, as applicable, for any corporate for which they may join or remain a member. Credit unions should be aware of any capital contribution requirements, and the potential ramifications for not contributing the minimum required amount of capital. NCUA does not object to the implementation of pricing, service, or membership changes by corporates placed on credit unions that do not acquire the minimum capital subscriptions.

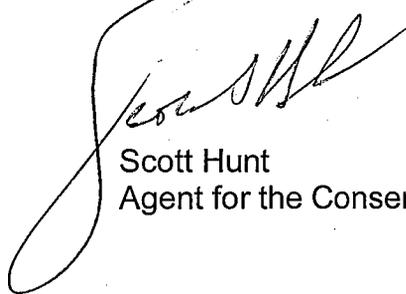
Page Two

For bridge corporates, NCUA has committed from the beginning of the corporate resolution process that there should be a member driven solution to the future of the corporate system. To that end, the member advisory council of your bridge corporate has submitted a plan to transition bridge services, assets, and liabilities to a new entity. The proposed solution may not fit the needs of all member credit unions. Those that want to become a member of the new corporate will be expected to contribute capital. Those who do not support the proposal will need to transition to a new service provider before being subject to membership termination, or changes to fees and services. Such credit unions will be given at least six months notice of any required minimum capital subscriptions (and no changes in membership, pricing or service access may occur prior to October 20, 2011) but they are encouraged to begin a search for a new provider as soon as possible to minimize service disruptions. Further, they should inform the bridge corporate of their plans in an effort to facilitate the transfer of any records or files to the new service provider (e.g., check images).

NCUA recognizes the next few months will require many credit unions to make important decisions about the future of their corporate credit union relationships. Credit unions should explore their options and understand the pros and cons to retaining the status quo, or transitioning to new service providers. All credit unions desiring to remain or become a member of a corporate credit union are encouraged to review the corporate's capital plan and capital offering circular, and attend informational sessions or speak with their assigned representatives to learn more about the future of the corporate.

If you have any questions, please contact the management team at your bridge corporate credit union or the leaders of your member advisory group.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Hunt", written over a large, stylized loop that extends from the signature down to the typed name below.

Scott Hunt
Agent for the Conservator