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June 12, 2009

Dear Member,

Last December, Members United made the difficult decision to undergo our first ever reduction in force not connected to a merger. Since then, the corporate credit union world as we knew it has changed dramatically. Therefore, your corporate is implementing a second reduction in force, and other structural changes, designed to curtail costs and ultimately build capital.

Details concerning today's announcement

- The current reduction in force (RIF) will involve 39 employees. Separation dates will occur throughout 2009.
- Affected employees will be treated equitably and with respect.
- After a one-time charge in June for severance and other benefits, the RIF and other changes will result in ongoing savings to our operations of \$6.5 million per year (\$5.9 million of this will be realized in 2010).
- When fully implemented, and added to the reductions made last December, Members United will have reduced its workforce by 38%, and will realize an ongoing operational cost savings of \$18.9 million per year.
- Reductions have occurred at all levels of the organization. The following chart depicts reductions in staff by classification and time:

Reductions in Staff Levels									
Period	Number of Staff by Classification					Change in Staffing Levels			
	Other		Mgrs	Staff	Total Staff	Period-to-Period		Oct '08 to Period	
	Exec	Officers				Nbr	Pct.	Nbr	Pct.
11/30/08	18	24	41	244	327				
12/31/08	9	30	31	193	263	-64	-20%	-64	-20%
4/30/09	8	28	27	180	243	-20	-8%	-84	-26%
7/1/09	8	24	23	166	221	-22	-9%	-106	-32%
12/31/09	5	22	23	154	204	-17	-8%	-123	-38%
Change from Oct 2008 to Dec 2009:									
<i>Number:</i>	-13	-2	-18	-90	-123				
<i>Percent:</i>	-72%	-8%	-44%	-37%	-38%				

In concert with these staffing changes, Members United will reduce the size of our office space in Massachusetts and Indiana, and will close our office in Minnesota. This is not a change in our commitment to our relationships or member service in those important markets. Rather, by taking advantage of improved telephony and computer technology, our local staff will be able to work seamlessly out of home offices. This results in improved availability to you (due to shorter commute times) and significant cost savings for the organization. The space reduction in Massachusetts will occur later this year, with the other changes occurring in 2010.

Our immediate short-term plan calls for strict cost control, meeting liquidity demands, concentration on core markets and businesses, high quality member service and transparency. Today, we are on-track with each of those goals. The actions I am announcing today are a further extension of that plan.

More importantly, these actions are central to positioning your corporate to implement its evolving mid-term strategic plan (2010-2012). With a focus on profitability to grow retained earnings and thereby achieve a 5% capital ratio, that plan seeks to rebuild Members United to fit the new market realities. You will see a smaller, leaner Members United. Products and services will undoubtedly change, and the manner in which they are delivered will evolve as well. But our commitment to transparency, member service and the relationships we cherish with our members will be unwavering.

Coming Months

The world has changed, and we recognize that we must change with it. Our mid-term strategic plan will be finalized within the coming months, and submitted to the Board of Directors for approval. In the meantime, we will not stand still. We must continue to lay the foundation to rebuild your corporate, and these latest actions are another step in that rebuilding. At each step along the way, we will share our progress with you.

Finally, during the past several months we have asked you to assist our liquidity needs by keeping your deposits with us. You have responded, and we deeply appreciate it. Thank you for supporting our efforts as we rebuild together for the future.

Sincerely,

Joseph P. Herbst
Chief Executive Officer