

March 13, 2023

RE: Credit Union Safety & Soundness

Dear Member,

As you may be aware, the failure of three major banks has been making headlines over the weekend and may be causing you some concern about how safe your money is. As information is shared, let us understand what caused Silicon Valley Bank, Silvergate Bank, and Signature Bank to collapse and why your money is safe at CalCom Federal Credit Union.

Silicon Valley Bank specialized in serving a niche technology industry with majority being start-up companies and venture capital firms. Given the current interest rate environment and the stagnant growth within the technology industry, Silicon Valley Bank became financially unstable and insolvent. Silvergate Bank and Signature Bank both heavily invested within the cryptocurrency market which became unstable with a dramatic decline in cryptocurrency values paired with the collapse of exchanges, such as FTX.

As a Credit Union, we stand apart from banks and we are here to serve you. These are the reasons your money is safe with us:

- We have been serving individuals like you, not businesses, since 1968.
- We do not invest or participate in cryptocurrency.
- Credit unions are member owned, not-for-profit institutions and not subject to big-profit pressures from outside investors.
- Your money is federally insured up to at least \$250,000 by the National Credit Union Share Insurance Fund. Please go to [NCUA.gov](https://www.ncua.gov) for more information.
- We have over 13% in capital compared to the 6% required by the Regulators.
- We have positive return on assets year after year. Please go to calcomcu.org/annual-reports for more information.
- We have a 5-Star Rating by the Bauer Financial Group. Please go to bauerfinancial.com/star-ratings for more information.

If you have further questions regarding this matter, please contact Johnny Lee, Vice President, at jlee@calcomcu.org.

On behalf of the Board of Directors, Committee Members, Management, and Staff thank you for your continued support and for allowing us to serve your financial service needs.



Sincerely,



Jon Hernandez
Chief Executive Officer