

Saguache County Credit Union Frequently Asked Questions

Is my money safe and secure?

Yes, member accounts at Saguache County Credit Union remain safe and fully insured up to the maximums established in federal law.

The National Credit Union Share Insurance Fund (NCUSIF) insures individual accounts up to \$250,000 and joint accounts up to \$250,000 per member. The NCUSIF also separately protects IRA and KEOGH retirement accounts up to \$250,000.

The Share Insurance Estimator (<http://webapps.ncua.gov/ins/>) allows individuals to estimate their share insurance coverage. Once an individual inputs the required data, the Share Insurance Estimator produces a report with detailed explanations of insurance coverage.

Members with additional questions about their insurance coverage may contact the National Credit Union Administration's Consumer Assistance Center toll free at 800-755-1030. The center answers calls Monday through Friday between 8:00 a.m. and 6:00 p.m. Eastern Daylight Time. Individuals may also visit the [MyCreditUnion.gov](http://www.mycreditunion.gov) website (<http://www.mycreditunion.gov/protect-your-savings/is-my-money-safe.html>) at any time for more information about insurance coverage.

What is the current status of Saguache County Credit Union?

The Commissioner of the Colorado Division of Financial Services placed Saguache County Credit Union into conservatorship on July 22, 2011, and appointed the National Credit Union Administration (NCUA) as conservator.

In conservatorship, NCUA's priority is to protect the assets of the members of Saguache County Credit Union while working to maintain safe-and-sound credit union operations.

What is the National Credit Union Administration?

An agency of the federal government, NCUA, among other things, operates and manages the NCUSIF. The NCUSIF insures accounts at all federal credit unions and most state-chartered credit unions, including Saguache County Credit Union.

What is a conservatorship?

A conservatorship means that, at the request of the Colorado Division of Financial Services, NCUA has assumed control of Saguache County Credit Union in order to ensure the credit union's financial stability and safe-and-sound operation. In a conservatorship, NCUA works to address issues related to a credit union's operations and financial condition while maintaining member service.

Can I still conduct business at Saguache County Credit Union?

Yes, Saguache County Credit Union will remain open during the conservatorship.

What are NCUA's plans for operations at Saguache County Credit Union?

Through a conservatorship, NCUA seeks to fix operating issues at a credit union with a goal of protecting member assets and seeking a resolution to identified problems.

How many members and branches are affected by the conservatorship?

Saguache County Credit Union operates three branch locations, and service to the credit union's more than 3,100 members continues.

What is the field of membership of Saguache County Credit Union?

The credit union has a charter to provide financial services to the residents of Saguache County, Colorado.

How big is Saguache County Credit Union?

The credit union has approximately \$17.7 million in assets according to its most recent Call Report.

How long will this conservatorship last?

In working to resolve the issues affecting Saguache County Credit Union, NCUA's top priority is to protect the interests of the credit union's members. NCUA has no set timeframe for completing this resolution process.

What are NCUA's plans for the future of Saguache County Credit Union?

NCUA has made no decisions about the long-term future of the credit union. Continued credit union service for the members, however, is a priority.



Dora

Department of Regulatory Agencies

Division of Financial Services

Chris R. Myklebust
Commissioner

John W. Hickenlooper
Governor

Barbara J. Kelley
Executive Director

PRESS RELEASE

July 22, 2011

Release Contacts:

Chris Myklebust, Commissioner, (303) 894-2336

For immediate release

The Commissioner of the Division of Financial Services today assumed control of Saguache County Credit Union (Saguache) due to the credit union's deteriorating financial condition. This action was taken to protect and preserve the interests of the members.

The National Credit Union Administration (NCUA) has been appointed as conservator for the credit union, meaning that the organization will operate the credit union for the foreseeable future. All of Saguache's branches will remain open for business as usual. Members can continue to conduct normal financial transactions at each of Saguache County Credit Union's three branch locations during the conservatorship. Member deposits are insured through National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000. The NCUSIF operates like the FDIC's Deposit Insurance Fund for banks.

Saguache has approximately \$17.7 million in assets and serves 3,165 members in the northern part of the San Luis Valley. Continued credit union services for the members are a top priority shared by the Division of Financial Services and the NCUA.

A copy of the Order appointing the NCUA as conservator, a copy of the NCUA's media release, and Saguache County Credit Union FAQ for members and for other interested individuals has been posted on the Colorado Division of Financial Services' website: <http://www.dora.state.co.us/financial-services/homepublic.html>





NCUA Media Release

Saguache County Credit Union Placed under NCUA's Conservatorship

Member Deposits Insured up to \$250,000, Member Services Uninterrupted

ALEXANDRIA, Va. (July 22, 2011) – The National Credit Union Administration (NCUA) today assumed control of the operations of Saguache County Credit Union, a state-chartered, federally insured credit union headquartered in Moffat, Colo.

The Commissioner of the Colorado Division of Financial Services appointed NCUA as conservator for Saguache County Credit Union. The state placed the credit union into conservatorship due to a declining financial condition. While continuing normal member services, NCUA will work to resolve issues affecting the institution's safety and soundness.

Deposits at Saguache County Credit Union remain protected. Administered by NCUA, the National Credit Union Share Insurance Fund (NCUSIF) continues to insure individual accounts at Saguache County Credit Union up to \$250,000. The NCUSIF operates like the FDIC's Deposit Insurance Fund for banks.

A Community Development Financial Institution, Saguache County Credit Union is a full service credit union that serves the residents of Saguache County, Colo. In its last Call Report, Saguache County Credit Union reported \$17.7 million in assets and 3,165 members. Members can continue to conduct normal financial transactions at each of Saguache County Credit Union's three branch locations during the conservatorship.

The Federal Credit Union Act authorizes the NCUA Board to accept appointment as conservator when necessary to conserve the assets of a federally insured credit union, protect members' interests, or protect the NCUSIF. Saguache County Credit Union is the ninth federally insured credit union placed into conservatorship during 2011.

Members who have questions about the conservatorship may review the Saguache County Credit Union Frequently Asked Questions document attached to this release.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

- NCUA -

BEFORE THE STATE COMMISSIONER OF FINANCIAL SERVICES

STATE OF COLORADO

Case No. 11-FS-06

ORDER APPOINTING THE NATIONAL CREDIT UNION ADMINISTRATION AS
CONSERVATOR

**IN THE MATTER OF SAGUACHE COUNTY CREDIT UNION, MOFFAT,
COLORADO**

This matter comes before the Colorado State Commissioner of Financial Services (the "Commissioner") for a determination whether to appoint a conservator for Saguache County Credit Union ("Saguache") pursuant to Section 11-30-120(1.5), C.R.S.

JURISDICTIONAL ALLEGATIONS

1. Saguache is a state-chartered credit union that conducts business at offices located in Crestone, Center, and Moffat, Colorado. Member deposits are federally insured by the National Credit Union Administration ("NCUA").

2. Section 11-30-120(1.5)(a) & (d), C.R.S., state in pertinent part:

(a) The commissioner may appoint himself or herself or a third party as conservator of any credit union and immediately take possession and control of the business and assets of the credit union if the commissioner determines that:

(I) Such action is necessary to conserve the assets of the credit union or to protect the interests of its members;

(IV) The credit union is significantly undercapitalized and has no reasonable prospect of becoming adequately capitalized.

* * *

(d) The conservator shall have all the powers of the members, directors, officers, and committees of the credit union and shall be authorized to operate the credit union in its own name or to conserve its assets as directed by the commissioner. The conservator shall conduct the business of the credit union and make regular reports to the commissioner until such time as the commissioner has determined that the purposes of conservatorship have been accomplished and the credit

union should be returned to the control of its board of directors. All costs incident to the conservatorship shall be paid out of the assets of the credit union. If the commissioner determines that the purposes of the conservatorship will not be accomplished, the commissioner may proceed with the involuntary liquidation of the credit union in the manner described in subsection (1) of this section.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

3. Based upon the Division of Financial Service's regulatory monitoring of Saguache, the Commissioner finds that appointment of a conservator is necessary to conserve the assets of Saguache and to protect the interests of its members. Specifically:
 - a. Saguache is significantly undercapitalized, as defined by Part 702 of the NCUA Rules and Regulations.
 - b. Saguache has made several attempts to explore mergers to stabilize the financial position of the credit union, without success. Therefore, it is the opinion of the Commissioner that Saguache has no reasonable prospect of becoming adequately capitalized.
 - c. Placing Saguache into conservatorship is necessary to conserve the assets of the credit union and to protect the interests of its members.

ORDER APPOINTING CONSERVATOR

4. Effective immediately upon the execution of this Order, the Commissioner appoints the National Credit Union Administration as Conservator of Saguache County Credit Union.
5. The Conservator shall take immediate possession and control of the business and assets of Saguache.
6. The Conservator shall have all the powers of the members, directors, officers and committees of the credit union and is authorized to operate Saguache in its own name, to conserve its assets and to conduct its business.
7. All costs incident to the conservatorship shall be paid out of the assets of Saguache.

8. The Board of Directors, Credit Committee and Supervisory Committee of Saguache shall cease immediately all activity on behalf of Saguache except as authorized in advance by the Conservator.

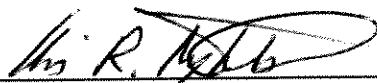
9. Saguache's Board of Directors, officers, employees and agents shall preserve and protect all of its books, records, accounts, documents, attorney work product, assets and property, both real and personal, of every description.

10. Saguache's Board of Directors, officers, employees and agents shall deliver to the Conservator or his agent all of its books, records, accounts, documents, attorney work product, assets and property, both real and personal, of every description upon demand.

11. The Conservator's powers shall include, but not be limited to, all steps necessary to accomplish a purchase and assumption of Saguache's business if it is deemed to be the appropriate course of action.

12. The Conservator shall conduct the business of Saguache in conformity with the applicable statutes and regulations, and the Conservator's actions shall be subject to review by the Commissioner of Financial Services.

DATED AND SIGNED this 22nd day of July, 2011.



CHRIS R. MYKLEBUST
COMMISSIONER OF
FINANCIAL SERVICES