



March 31, 2010

Dear Valued Member,

The year has started out strong for SFCU with continued positive membership growth and positive asset growth. Loan volume has dropped off from last year; however, we still see a steady stream of request coming in to take advantage of our very competitive loan rates. Standard loan rates are discounted using our "IT PAYS TO BE A MEMBER" program. This is just another reason why people choose SFCU for their financial services over other financial institutions.

You will find in this quarterly statement mailing additional information on the back of my president's letter and one additional insert. The information contained in your statement are notices. One is a change in terms dealing with funds availability, the other two are notices you will receive annually from now on. They are the Privacy Notice and the ATM Security Precaution Notice.

Update on our upcoming services. Because of regulatory changes in the credit card industry under the CARD ACT, we will have a delay in rolling out our cost competitive MasterCard credit card program. This program should be coming out during the 4th quarter of 2010. The money order program is currently going through testing and should be available by the end of the 2nd quarter 2010. We were able to add another new service called CU Benefits Express effective March 30, 2010. CU Benefits Express is a discount card program. For more about this program visit our website at www.southlandfcu.com click on WHAT'S NEW or stop by either office.

We are also looking into another new service for members who want an extended warranty on their vehicle and not have to pay the dealer marked up price. Watch for more information on this new service we call Mechanical Repair Coverage. This is just one more service your credit union is looking at offering our members.

Mark your calendars - The 46th Credit Union Annual Meeting is coming! When? Monday, April 19, 2010. Starts at 6:30pm at the Pitzer Garrison Civic Center. We invite you to come out as we will review the financial condition of the credit union, update you on future services and hold board elections for three members of the board who are up for re-election. We will have cookies, coffee, water and sodas for refreshments and door prizes too!

We know you have a choice where you do your banking...."thank you" for using SFCU and telling others about us. It is because of you we are making a difference in the members we serve.

Sincerely,

Jonathan P. Matthews
Chief Executive Officer

7003-0410-PL

"Where People helping People really matters!"
www.southlandfcu.com