



Roanoke Postal Employees' Federal Credit Union

Our Members. Our Strength. Our Future.

New Managed Risk Lending Program

Dear Members,

In an effort to expand our ability to make more loans, RPEFCU will be adopting a “**Managed Risk Lending Program**”. This new program will allow rates that are charged on new and refinanced loans to be determined by a borrower’s credit risk. This type of loan pricing is known as risk based pricing, and it involves setting a tiered pricing structure that assigns loan rates based upon an individual’s credit risk. Through a carefully planned managed risk lending program, RPEFCU will be able to make loans to more “credit challenged” borrowers, while at the same time offering the most competitive rates to all borrowers with all types of credit. RPEFCU recognizes managed risk lending as being critical to our continued growth and success.

By adopting managed risk based pricing, RPEFCU will become the lender of choice for all its members by offering the best possible rate based upon each individual’s credit history. “Credit challenged” members benefit by qualifying for a loan with their credit union instead of resorting to higher cost alternatives such as finance companies or other predatory lenders. Members with good credit history may qualify for lower rates at RPEFCU and choose to borrow here rather than seek preferential rates from other financial institutions.

It is the philosophy of RPEFCU to help as many of our members as possible with their credit needs. **Managed Risk Lending** will make more loans available to a broader member base and will greatly improve our competitive advantage. Our credit union believes in relationship lending. Our mission is to counsel our members regarding their credit scores and to show them how to dramatically improve their credit scores, thus qualifying for lower loan rates. We want to show our members how to pay us less.

We are looking forward to being able to offer more borrowing opportunities to all members, with all types of credit, at the most competitive rates available. Our goal is to be able to meet all of your credit needs. Please give your credit union a chance to earn your business before you borrow from someone else. We anticipate a September 1, 2008 effective date; however, the date is subject to change.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Thompson'.

Jeff Thompson, CEO