

Annual Report
08



STRENGTH
GROWTH &
STABILITY

COMPARATIVE BALANCE SHEET

Balances as of December 31,

ASSETS	2008	2007
Unsecured Loans	5,085,192	4,444,349
Mortgage/Home Equity Loans	11,949,860	10,429,249
New and Used Vehicle Loans	16,456,915	18,233,688
Other Secured Loans	329,463	420,191
TOTAL LOANS	\$ 33,821,430	\$ 33,527,477
Allowance for Loan Losses	(291,078)	(195,312)
NET LOANS TO MEMBERS	\$ 33,530,352	\$ 33,332,165
Cash & Investments	36,902,583	35,833,431
Accrued Income Receivable	345,217	323,846
Land & Building	3,810,772	3,890,127
Other Fixed Assets	788,332	1,039,792
Other Assets	3,037,307	2,986,965
TOTAL ASSETS	\$ 78,414,563	\$ 77,406,326

LIABILITIES & EQUITY

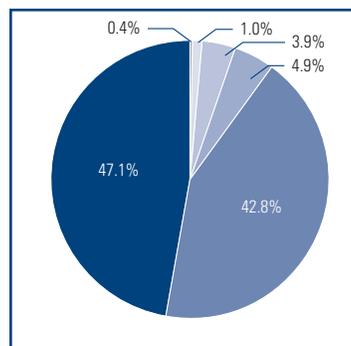
Accounts Payable/Accrued Expenses	1,141,868	1,345,748
Member's Accounts	57,848,741	56,715,157
Reserves and Undivided Earnings	19,423,954	19,345,421
TOTAL LIABILITIES & EQUITY	\$ 78,414,563	\$ 77,406,326

COMPARATIVE STATEMENT OF INCOME

For the year ending December 31,

	2008	2007
Interest and Fees on Loans	2,368,636	2,416,863
Interest on Investments	1,278,134	1,887,298
Other Income	3,218,759	3,269,883
TOTAL REVENUE	\$ 6,865,529	\$ 7,574,044
Operating Expenses	5,671,540	5,806,589
Provision for Loan Losses (Recovery)	270,956	61,162
Gain/(Loss) on Disposition of Assets	153,839	0
Dividends Paid to Members	1,073,972	1,187,008
ADDITIONS TO RESERVES & UNDIVIDED EARNINGS	\$ 2,900	\$ 519,285

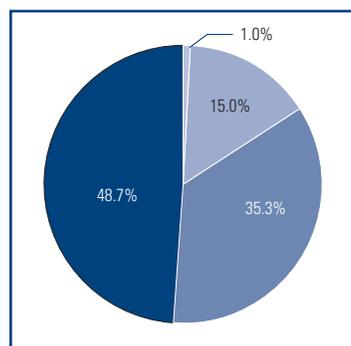
ASSET COMPOSITION



Total Assets \$78,414,563 as of December 31, 2008

- Cash & Investments
- Net Loans
- Land & Building
- Other Assets
- Other Fixed Assets
- Accrued Income Receivable

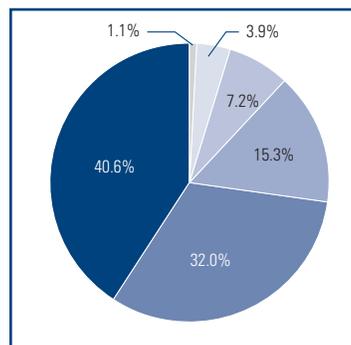
LOAN PORTFOLIO



As of December 31, 2008

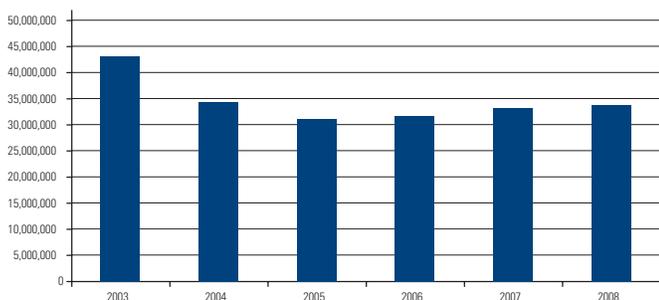
- New & Used Vehicles
- Mortgage/Home Equity
- Unsecured
- Other Secured Loans

DISTRIBUTION OF 2007 REVENUES

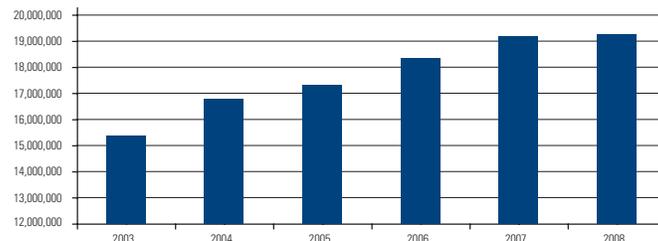


- Personnel
- Office Operations
- Dividend
- Office Occupancy
- Net-Charge Offs
- Other Expense
- Undivided Earnings

LOAN BALANCES



RESERVES & UNDIVIDED EARNINGS



Note: The financial statements presented in this annual report are for informational purposes only. Copies of the completed audited financial statements will be made available per member request.

Message from Chairperson & CEO

Strength, Growth & Stability

We are pleased to report that in 2008 Market USA Federal Credit Union experienced a year of improving financial strength, continued high quality service and growth for our valued members. Our success during the past year is an achievement given the challenges facing the financial industry as a whole. Market USA Federal Credit Union continues to be a sound financial institution with an extremely strong reserve position. As of December 2008, our net worth to assets ratio was in the top 1% for U.S. credit unions with assets greater than \$50 million. That means that Market USA Federal Credit Union is one of the safest financial institutions around. In addition:

- We have never engaged in any sub-prime real estate lending
- We adhere to sound financial underwriting practices
- We are audited regularly by an independent auditing firm and examined periodically by the National Credit Union Administration
- Deposits are insured by the National Credit Union Administration, a U.S. Government Agency up to \$250,000

Strength: The power of responsible lending

A healthy loan portfolio is a key component of any financial institution. While the "credit crisis" made lending difficult at other institutions, Market USA Federal Credit Union continued to help members buy cars, move into new homes, and accomplish other financial goals.

We developed some innovative loan programs in 2008 which were very successful:

- Our "Fuel Assistance Loan" was developed and implemented this past fall. This product offered members a low interest loan while making it easy to pay their high heating and fuel bills.
- The Spring and Fall Visa promotions increased our credit card portfolio by 57% in 2008.
- Our "Keep your Ride, Cut your Payment" campaign generated many new auto loans that were refinanced from other financial institutions.
- We also implemented a Pay-by-Phone program making it more convenient for members to pay their delinquent loans.

While working diligently to help our members with their borrowing needs, we have also maintained a low delinquency ratio of 0.40%, compared to the industry peer average of 1.27%. With our members' best interests in mind, in 2008 we worked with CUNA Mutual Insurance to develop an enhanced loan payment protection product which included involuntary unemployment protection as well as life and disability protection coverages. The new loan payment protection program became available to members in March 2009.

Growth: The power of service

As a cooperative, not-for-profit financial institution, Market USA Federal Credit Union has a well-defined mission: To serve the diverse financial needs of its members throughout their lifetimes. This mission takes many different forms over the course of a year, as we communicate with current and prospective members, listen to your concerns, and respond with relevant products, services and programs.

In 2008, we launched a Fresh Start Checking Program, designed to allow members who normally would not be permitted to open a checking account to open one and receive financial education on how to manage their money. A Certificate Premium Program to reward members who have additional products and services with the Credit

Union was also introduced. Members with e-statements and direct deposit of net pay receive a .35% premium on their certificate rates. We implemented two major services for your convenience. Our Internet Banking now has a new feature which displays holds on accounts. We have added a solution to sending loan documents securely through email which decreases processing time and quickly puts loans in our members' hands.

In 2008, we implemented the Check 21 program where paper checks are replaced with substitute checks created from electronic images of the paper checks. With Check 21, check processing is faster, more efficient and helps the environment by reducing energy consumption. We also continued to promote Internet Banking and e-statements, not just as increased convenience for members but also terrific services which help the environment. We had many members take advantage of our e-alerts which can be received as text messages or e-mails.

Throughout 2008, we found unique ways to support and interact with local communities. We supported many community and charitable events including the Stop & Shop Scholarship Program, the Latino Professional Networking Reception and the Lewis G. Schaeenman, Jr. Memorial Scholarship Foundation, Inc. In addition, we raised over \$1,300.00 for the Children's Miracle Network.

In 2008, we began working on enhancing our checking products and in March of 2009 launched two great new checking accounts: a high interest VIP Checking Account and a RockStar Checking Account where members earn i-Tunes credits. Our members will now have an opportunity to receive what may potentially be the best Checking account products in the industry.

Stability: The power of trust

In the midst of great uncertainty in the financial markets, Market USA Federal Credit Union served as a shelter from the storm. As a member, you can save with confidence, knowing that Market USA Federal Credit Union's reserves are extremely strong and your deposits are federally insured to an increased level of \$250,000 per depositor through the end of 2009. You can also use our online services with confidence, knowing that your transactions are protected by multiple layers of security. When you have questions, concerns or other financial needs, you can turn to us with confidence knowing that we truly care about your financial well being.

On behalf of the staff, management and Board of Directors, we want to thank you for playing a central role in the ongoing success of your Credit Union. We look forward to serving your needs in the years to come.

Sincerely,



Walter Lutman
Board of Directors Chairperson



Robert C. McClosky
President and CEO

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee, appointed by the Board of Directors, is charged with the responsibility of overseeing Market USA Federal Credit Union's management and financial records to ensure the institution's financial condition is fairly presented.

An integral part of ensuring the fair presentation of financial condition is the execution of the annual independent audit. This year we appointed the firm of LarsonAllen LLP to fulfill that responsibility. We are pleased to report their audit resulted in an unqualified opinion. The Supervisory Committee has reviewed all recommendations made by LarsonAllen that are designed to strengthen the Credit Union's operating procedures. Additionally, we reviewed

the National Credit Union Administration's examination report. The Supervisory Committee, Board of Directors and Credit Union Staff are addressing all recommendations made.

The Supervisory Committee looks forward to continuing to serve the Board and all the Members of our Credit Union in this oversight capacity.



Steve Marks
Supervisory Committee Chairperson

SAVING & CHECKING

Savings Accounts

When your membership is processed, a Membership Savings Account is opened for you. With Direct Deposit or Payroll Deduction, you can conveniently build your savings. Enjoy no monthly maintenance fees, no minimum balance requirement (above \$5.00 opening deposit), ATM access, unlimited deposits and dividend rates paid monthly.

Checking Account

All of our checking accounts offer FREE checking with no monthly maintenance fees and no minimum balance requirements. We have recently expanded our checking account options to better serve you and now offer a high yield VIP Checking Account and a RockStar Checking Account which pays i-Tunes credits. All accounts offer access to 28,000 surcharge-free Co-Op ATMs throughout the U.S and accounts with direct deposit offer access to an additional 37,000 nationwide surcharge-free Allpoint ATMs.

All accounts also offer the convenience of our free VISA Check Card and a variety of Overdraft Protection options.

Money Market Accounts

Our Money Market Account puts your excess savings at work. The minimum balance is just \$2,000 and tiered rates mean that as your balance grows, so will your earnings. You may make up to six withdrawals per month, including three by check. Maintain liquidity while you enjoy no monthly maintenance fees*, unlimited deposits and competitive rates.

Certificates

For members who want a guaranteed investment with safe returns, our Shared Certificates offer a variety of terms with excellent rates. With only a \$500 minimum balance, you're sure to find a certificate to fit your needs. In addition, by enrolling in direct deposit and e-statements, you can earn an additional .35% to the regular rate of any new Certificate. We also offer an Accumulator Certificate with a minimum balance of \$100. With the convenience of our Automatic Renewal Service, you will receive a notification prior to your renewal date.

IRAs

IRAs are tax-deferred savings plans designed to help you reach your retirement goals. Choose from Traditional or Roth IRAs and Coverdell Education Savings Accounts. As you have come to expect from Market USA FCU, we offer competitive rates and highly personalized service.

REMOTE BANKING

Internet Banking

www.marketusafcu.com

You can access your account(s) via the Internet. It's free, secure and allows you access to your account 24 hours a day – transfer funds between your Market USA FCU accounts, open new accounts, view current account activity and much more!

Optional Internet Bill Pay Service

Our Bill Pay service allows you to pay recurring bills with the click of your mouse. Optional Internet Bill Pay is free if you pay at least two bills per month (otherwise a low fee of \$1.95 per month).

Telephone Banking

Telephone Banking allows you to access your account(s) from any touch-tone phone. Issue stop payments, request copies of checks, obtain balance information, transfer funds between your Market USA FCU accounts and more – just call 301-586-3450 or 800-764-4268.

National Shared Branches

As part of the National Shared Branch Network, you gain access to over 3,600 shared branch locations throughout the nation. At these locations you can make deposits, request withdrawals, make loan payments and more depending on the location.

E-Statements and E-Alerts

Why wait for your paper statement when you can receive your e-statement much quicker than through regular mail? You will receive an email notification when your e-statement becomes available. Plus with e-statements, you can sign up for e-alerts and receive important account status emails or text (ie: when your balance drops below a certain amount).

To sign up, log onto Internet Banking and access the e-statement/e-alerts tab.

LENDING

Auto Loans

We finance new and used automobiles at attractive rates and terms, usually better than those of banks and finance companies. We offer terms of up to 84 months* on new vehicles, 72 months* on used cars. Finance up to 100% of the Black Book Retail Clean value on used cars.

Signature Loans

Our signature loans provide you with funds to get the things you want and need – as well as pay for other unexpected costs. Qualified borrowers may borrow up to \$20,000 with terms up to 48 months*, with no collateral required.

First Mortgage Loans

Market USA FCU makes your home ownership dream come true. We offer competitive rates, expert knowledge and personalized service. Whether you are financing your first home or your next, we work with all types of buyers as well as provide financing for secondary homes.

Home Equity Loans

When used properly, the equity in your home can be a powerful tool – excellent for making major purchases. Borrow up to 90% of the equity in your primary residence or up to 80% on secondary home. Your interest is often tax deductible (consult tax advisor), making this a highly attractive loan option.

Home Equity Line of Credit

Home Equity lines are readily available sources of cash. You can borrow up to 85% of the equity in your home and we offer flexible repayment terms. The interest you pay may be tax deductible (consult your tax advisor). Access funds by check, Internet or phone. We also offer no closing costs if the initial advance is at least \$10,000 and your account remains open for 24 consecutive months.

Credit Cards

Equipped with a possible credit line of up to \$20,000, your Market USA FCU Visa® Card will be the most powerful piece of plastic in your wallet. Enjoy the savings of no annual fee for Classic, Platinum Visa® or Platinum Visa® with Rewards and low introductory and variable rates. Platinum Visa® with Rewards earns points, which can be redeemed for hotel stays, merchandise, air travel and more! And with a Credit Card from Market USA FCU, you are protected from identity theft through fraud detection software and Verified by Visa®.

Fresh Start Loan

The Fresh Start Loan is designed to help members who have challenged credit develop credit worthiness while learning to save money. The Fresh Start Loan allows you to borrow \$500 without a credit check and to take up to 10 months to repay.

INVESTMENTS

Online Brokerage Services

Market USA FCU has partnered with CUNA to bring you Online Brokerage Services. Your start-to-finish resource for researching, tracking and trading stocks is right at your fingertips. CUNA Brokerage provides the tools necessary for you to make informed investment decisions.

My Financial Center

Connect with a network of financial solutions that make managing, maintaining and protecting your finances a snap. Trade online, research data, consult financial articles, get quotes and information on insurance products and sign up for your personalized page for tracking news, stock and mutual funds.

INSURANCE

Through your membership with Market USA FCU, you can access valuable MEMBERS Insurance products. Auto, Home Owners, Long Term Care, AD & D and Life insurance policies are available. MEMBERS Insurance offers competitive group rates and online quotes you can access any time in the privacy of your home.

Important information:

*Money Market Account- Monthly Maintenance Fee of \$2.50 applies if your average daily balance falls below \$2,000. Auto Loans: Payments at 4.25% for 60 months are approximately \$18.76 per \$1,000. Signature Loans: Payments at 10.24% for 48 months are approximately \$25.49 per \$1,000.

Branch Offices

Laurel

8871 Gorman Road, Suite 100 • Laurel, MD 20723

Hours: M/T/W/F 9:00 a.m. – 5:00 p.m.

Th 9:00 a.m. – 6:30 p.m.

Landover

8200 Professional Place, Suite 105 • Landover, MD 20785

Hours: Monday – Friday • 9:00 a.m. – 5:00 p.m.

Mauldin

201 BI-LO Boulevard • Greenville, SC 29607

Hours: Monday – Friday • 8:30 a.m. – 4:00 p.m.

Quincy

1211 Hancock Street • Quincy, MA 02169

Hours: Monday – Friday • 9:00 a.m. – 5:00 p.m.

Find a branch near you:

ATM/Branch locator

www.marketusafcu.com

Internet Banking:

www.marketusafcu.com

Member Service Call Center:

(301) 586-3400 (800) 914-4268

Hours: M/W/F 8:30 a.m. – 5:00 p.m.

Tu 9:00 a.m. – 5:00 p.m.

Th 7:15 a.m. – 6:30 p.m.

Telephone Banking:

(301) 586-3450 (800) 764-4268

Over 3,600 Branches to Serve You

***Access to over 65,000
surcharge-free ATMs.***

***CO-OP Network ATMs are
surcharge-free for all members.
Select CO-OP ATMs even take deposits.***

***Allpoint Network ATMs are surcharge-free
for members with Direct Deposit of net pay.***



Financial Solutions For Life