

CURRENT RATES

The current investment rates for Series 3 and Series 4 Corporate Notes issued by KH Funding Company, effective as of December 16, 2008. Rates are subject to change without prior notice.

Series 3 Senior Secured	Annual Percentage Rate	Annual Percentage Yield
Daily liquidity	4.50%	4.60%
30 Day liquidity	4.75%	4.86%
1 Year Fixed	5.75%	5.92%
3 Year Fixed	6.10%	6.29%
5 Year Fixed	6.35%	6.56%

Series 4 Subordinated	Annual Percentage Rate	Annual Percentage Yield
1 Year Fixed	6.50%	6.72%
3 Year Fixed	6.75%	6.98%
5 Year Fixed	7.25%	7.52%

Jumbo Account Bonus Interest: Accounts over \$ 250,000 - Add .15% to APR
(Fixed term accounts only) Accounts over \$ 500,000 - Add .25% to APR
 Accounts over \$1,000,000 - Add .40% to APR

Interest is Compounded Daily, can be Accrued, Paid Monthly or Quarterly.
Some restrictions may apply.