

- NEWS RELEASE -  
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## **Crescent Financial Corporation Has No Investment in Fannie Mae or Freddie Mac Stock**

CARY, N.C. – On September 7, 2008, the United States Department of Treasury and the Federal Housing Finance Agency (“FHFA”) announced that Freddie Mac and Fannie Mae were being placed under conservatorship, that control of their management was being given to their regulator, the FHFA, and that Fannie Mae and Freddie Mac were prohibited from paying dividends on their common and preferred stock. As a result, the value of common and preferred shares for both government sponsored enterprises (GSE) have been severely impaired. This impairment may result in “other than temporary impairment” write-downs during the third quarter for those financial institutions that held these shares in their investment portfolios. Crescent Financial Corporation (NasdaqGM: CRFN) and its wholly owned subsidiary Crescent State Bank did not invest in any equity shares of either GSE and therefore is not exposed to any potential charge to third quarter earnings.

Crescent State Bank is a state chartered bank operating thirteen banking offices in Cary (2), Apex, Clayton, Holly Springs, Southern Pines, Pinehurst, Sanford, Garner, Raleigh, Wilmington (2) and Knightdale, North Carolina. Crescent Financial Corporation stock can be found on the NASDAQ Global Market trading under the symbol CRFN. Investors can access additional corporate information, product descriptions and online services through the Bank’s website at [www.crescentstatebank.com](http://www.crescentstatebank.com).

Information in this press release may contain "forward-looking statements." These statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, the risks of changes in interest rates and the effects of competition. Additional factors that could cause actual results to differ materially are discussed in Crescent Financial Corporation’s recent filings with the Securities Exchange Commission, including but not limited to its Annual Report on Form 10-K and its other periodic reports.