

## Merger Proposal Q & A

### Are we being forced to merge? Is our Credit Union in financial trouble? Why are you proposing we merge?

While there is an increased strain on smaller Credit Unions like us to remain financially strong and keep up with an increased regulatory burden, there is no pressure on us to merge. We are making this recommendation because it is in the best interest of our members, who will benefit from partnering with Members Advantage Community Credit Union. This is an opportunity for two smaller, like-minded Credit Unions to create a strategic alliance that will benefit both fields of membership. Consolidation of the Credit Union industry has been occurring for several years. This strategic decision will ensure long-term stability and the ability to provide you with the highest level of service and benefits.

### Why is Members Advantage Community Credit Union and its membership a good strategic match for us?

There are several reasons why we chose Members Advantage Community Credit Union as a partner. We are geographically aligned throughout Vermont. They have 5 branches that range from Springfield to South Burlington. This partnership will also allow us to seek a statewide field of membership in Vermont and add three counties in New Hampshire. Our philosophical priorities are very similar, and we can create some efficiencies of scale without any staff members losing their job. This partnership will create strategic strength and overall convenience to the entire membership, while providing us a great opportunity to continue growing.

### Can you show me a comparison of the two credit unions?

As we partner with Members Advantage Community Credit Union, you can see we will become a stronger financial institution with a stronger ability to sustain changes in the economic climate.

	<u>River Valley CU</u>	<u>Members Advantage Comm CU</u>
Date of Organization:	1946	1953
Number of Members:	18,540	15,588
Asset Size:	\$129,298,585	\$142,986,532
Total Deposits:	\$117,303,824	\$127,041,856
Total Loans:	\$108,487,432	\$61,866,917

Note: All figures are as of March 31, 2020

### What is the Vermont Department of Financial Regulation's approval process for credit union mergers?

The State of Vermont Department of Financial Regulation has guidelines that indicate the approval of a merger should be conducted in the following order: 1) Approval by both Board of Directors. 2) Approval by the Department of Financial Regulation. 3) Approval by both memberships. We anticipate receiving the preliminary approval from the Department of Financial Regulation within the next month. At that point we will make plans to schedule a special membership meeting to vote on the merger proposal. This will most likely happen in September. We appreciate the trust you have in your Board of Directors and staff, and that you realize we are recommending this merger because of the benefits to the credit union and its membership.

### Will our Credit Union name change?

Yes, we are committed to finding a new name that will best represent the combined organization. We are hoping to have the new name selected by the end of the year. However, the history of the River Valley Credit Union will not be forgotten. While the official name will change, the staff, location, and high level of service will not.

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**Will my account number change? Will I need to order new checks? What about my Debit Card?**

Although operational details are still being developed, we do anticipate there will be some minor changes to your account information. We will try to make the transition as seamless as possible and ensure that your account will not be adversely affected. If changes to your account are necessary, we will plan on giving you ample notice prior to making the change.

**Will loan decisions still be local and quick?**

Yes, and our lending staff throughout Vermont will be increasing with additional lenders to serve you. The same friendly, quick service you receive today will continue. Lending is a major strength of our organization and this will continue. Additional enhancements will be added such as student loans, more home equity loan options and eventually business lending.

**Will I lose the personal service that I currently receive? Will I see different employees? What will happen to current River Valley Credit Union employees?**

You will continue to see and be served by the same friendly employees you see today. No staff member will lose their job because of this merger. We envision this merger will have a very positive effect on our staff. In addition, you will now have ten branch offices to visit or call for your financial needs.

**How will the merger affect the financial strength of the Credit Union? Will my deposits still be federally insured?**

As a combined organization the Credit Union is financially stronger than either credit union individually. This is due to several factors including size, risk, loan demand, and a diversified field of membership. Your deposits will continue to be federally insured by the National Credit Union Administration and backed by the full faith and credit of the United States government to the maximum allowed by law. The current limit is \$250,000.

**What new products and services might we see as a result of the merger? How am I going to benefit as a member? What immediate and long-term benefits are possible?**

You will see several positive outcomes of the merger immediately. Our Credit Union will be able to improve the products and services as the two credit unions unite because we will now have two dedicated organizations partnering to serve you.

Immediate or near future product/service enhancements:

- Ten offices to visit (New offices include: Barre, South Burlington, Springfield, White River Junction, Windsor)
- Increased investment options.
- Reduction in 9-10 fees immediately, with no fee increases.
- More lending options, such as student loans, fixed rate home equities, and business loans.
- Additional Credit Union-owned ATMs
- Enhanced electronic services
- Updated website

In addition to these products and services, you would have more staff members to assist you with your financial needs. Our volunteer structure will be strong, ensuring that all members are represented. It will also provide your Credit Union with long-term sustainability in today's financial marketplace.

If you have any questions, please contact Jeff Morse, CEO at (802) 251-3696 [jmorse@rivercu.com](mailto:jmorse@rivercu.com) or Michael Cooney, Board Chairperson at [mcooney@rivercu.com](mailto:mcooney@rivercu.com).