

Merger Proposal Q & A

Why are we proposing a merger? Why is Windsor County South Credit Union and its membership a good strategic match for us?

We are making this recommendation because it is in the best interest of our members, who will benefit from partnering with Windsor County South Credit Union. This is an opportunity for two small, 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 help to ensure long-term sustainability and allow us to provide you with the highest level of service possible. There are several reasons why Windsor County South Credit Union is a great partner for us. We are already serving their current field of membership and this merger allows us to have a fifth branch office located in Springfield, VT. This will create a strategic alignment geographically and provide an additional office to support our members in Windsor County. By joining forces, additional efficiencies will be created to provide more value to members and we will be able to improve our products and services over time.

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

	<u>Windsor County South CU</u>	<u>Members Advantage Comm CU</u>
Date of Organization:	1952	1953
Number of Members:	1,087	14,378
Asset Size:	\$8,145,046	\$116,107,514
Total Deposits:	\$7,161,968	\$104,340,941
Total Loans:	\$3,972,479	\$54,027,663

*As of Sept. 30, 2016

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 few weeks. 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 March. 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 name change?

No, we will continue to be Members Advantage Community Credit Union.

Will my account number change? Will I need to order new checks or a new Debit Card?

Although final operational details are still being developed, we do not anticipate any changes being made to your account information.

Will loan decisions still be local and quick?

Yes, all five offices will have multiple loan staff with the authority and experience to meet your borrowing needs. The same friendly, quick service you receive today will continue.

Will I lose the personal service that I currently receive? Will I see different employees?

You will continue to see and be served by the same friendly employees you see today. We envision this merger will have a positive effect on our staff and you will now have five 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.