

## Merger Proposal Q & A

### Why are we proposing a merger? Why is River Valley Credit Union 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 River Valley Credit Union. This is a unique 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. We are geographically aligned throughout Vermont. They have 5 branches that range from Brattleboro to Springfield. 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?

If we partner with River Valley 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. While the official name will change, the staff, location, and high level of service will not.

### Will my account number change? What else may change?

Although operational details are still being developed, no immediate changes to your account will take place. We do anticipate some future account related changes to both memberships as we combine operations.

### 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. Our lending capabilities will improve immediately and we will have a greatly improved mortgage lending program.

### Will I lose the personal service that I currently receive? Will I see different employees? What will happen to current 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 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.