

## **FREQUENTLY ASKED QUESTIONS**

### **What is the purpose of the merger?**

- The credit union world is becoming increasingly competitive and consolidated. This combination is a proactive step by two financially sound institutions to capitalize on their strengths, and position the new organization to move into the future.
- Our credit unions share similar attributes and values. Both organizations are founded and managed to serve the needs of members. We both take pride in our expertise in offering financial services and we share a unified commitment to deliver the best credit union experience.
- Diversifies membership base and broadens economic and geographic footprint.
- Provides the size and resources to ensure long term viability and the ability to further our presence in and around our communities (additional branches and ATM's).

### **Why did the two credit unions decide to consolidate?**

- Both credit unions are financially strong, healthy organizations and both credit unions are succeeding independently. Because we share similar business and service philosophies, we can be even more successful joining forces. Consolidation makes good business sense. Larger credit unions have more attractive results – a larger asset base allows the credit union to spread out costs, which ultimately result in expanded services, more competitive pricing, and improved convenience for MEMBERS.

### **When will the merger officially take place?**

- The merger is anticipated to be complete September 1, 2008.

### **How large will the merged credit union be?**

- Approximately \$350 million in assets;
- More than 60,000 members;
- 10 offices;
- 34 ATM's.

### **Will the credit union's name change?**

- The credit union's name will change to Security Credit Union.

**Where will the credit union's main office/headquarters be located?**

- Security's main office, 3801 W. Boulevard Drive, Flint, MI.

**Why will the name change?**

- The merger transaction technically converts Security from a federal charter to a state charter. The boards felt the Security name best represented the expanded field of membership that will be serviced by the new combined organization. There are currently about 233 state chartered credit unions in Michigan vs. about 140 federally chartered.
- Members will continue to enjoy all the products and services currently offered by Lapeer.

**Will member accounts continue to be federally insured?**

- Yes. Their deposits will continue to be federally insured by the National Credit Union Administration, the same government agency that insures their accounts today. Member accounts will continue to be federally insured up to \$100,000 and IRA's up to \$250,000.

**Will any branches be closed or consolidated?**

- No. No branches will be closed.

**Will the business hours be changed?**

- The business hours will continue to remain the same.

**Why is this good for members?**

- Expanded branch locations (5);
- More ATM's (22);
- Enhanced products, services, and convenience;
- Ability to have your 1<sup>st</sup> mortgage processed through the credit union;
- Business services and loans will be available through the new organization;
- Continued financial safety, stability, and soundness;
- Same high-performing employees – no layoffs.
- A credit union well positioned for the future.

**Is the decision to merge final?**

- Not yet. Following lengthy and deliberate fact finding and analysis, the partnership was unanimously approved by the Board of Directors from each credit union. Some additional regulatory requirements must be met before the merger is finalized.

**How will the integration of the two credit unions be managed?**

- The credit union is currently developing a well defined process for managing the integration; based on industry best practices. While integration planning has begun, integration implementation will not begin until September 1, 2008. For the time being, it's business as usual and we will continue to operate independently until we receive regulatory approval. Beginning September, 2008 operations will combine slowly over a period of about 12 months. Members will be kept informed of changes and new opportunities as they become available.