



MSUFCU / CBCCU Merger FAQs

We are excited to announce that a merger between Michigan State University Federal Credit Union and Clarkston Brandon Community Credit Union (CBCCU) has been approved by our Board of Directors and the NCUA.

Answers to Frequently Asked Questions regarding this merger may be found below. If you have any additional questions, please feel free to stop by any branch, or contact us at 517-333-2424, 800-678-4968, or www.msufcu.org.

Why did MSUFCU approve the merger?

MSUFCU is excited for the opportunity to serve the CBCCU members and looks forward to fulfilling the credit union philosophy of “people helping people.” With this merger, we are helping a community-focused credit union and its members by providing an enhanced offering of financial products and services, thousands of ATMs through the CO-OP ATM network, and expanded technological offerings including mobile banking and eDeposit. Also, by merging with CBCCU, MSUFCU is able to better serve its 34,000 existing members living in the counties served by the CBCCU branches. This opportunity also allows MSUFCU to potentially grow its membership in the five counties served by CBCCU.

When does the merger take effect?

March 25, 2016

How will the merger impact MSUFCU members?

Within the year, after all systems are fully converted, MSUFCU members will have access to 2 established branch locations in Clarkston and Ortonville, as well as to 3 additional ATMs. The 2 branch locations are approximately 7 miles apart, and are approximately 12 and 19 miles, respectively, from the our Auburn Hills branch. These additional branch locations will allow us to better serve and provide additional convenience for our existing membership in the five counties currently served by CBCCU.

How will the merger impact CBCCU members?

CBCCU members will be able to continue using the current branches in Clarkston and Ortonville, and will also enjoy the many additional benefits of MSUFCU.

These benefits include:

- Continued service at CBCCU’s current Clarkston and Brandon branches
- Upon full integration of our systems:
 - Expanded service:
 - 2 additional Oakland County branch locations plus 13 branch locations in the Lansing area
 - Access to over 5,000 shared branches
 - Extended hours
 - Additional services available via telephone and online
 - A wider range of products and services will be available, including:
 - eDeposit

- Mobile banking
- iOS and Android mobile apps
- Live chat
- In-house call center with extended hours (7a – 9p M-F; 9a – 3p Sat)
- Loan decisions typically made within 10 minutes
- In-house mortgage department
- Business services and loans
- Continued exceptional member service and a commitment to the financial success of members and employees

We truly believe this merger will be in the best interest of CBCCU members, and we're excited for CBCCU members to have access to all the benefits available to MSUFCU members!

Will MSUFCU members' accounts/cards/rates be impacted by this merger?

No. MSUFCU member accounts will not be impacted by the merger. Existing numbers, cards, checks, and rates will not change for MSUFCU members as a result of this merger.

Can MSUFCU members conduct business at CBCCU's branches now?

As a result of this merger, once all systems are fully converted, you will have access to two branch locations in Oakland County – one in Clarkston and the other in Ortonville, Michigan, as well as to three additional ATMs. The two branch locations are approximately seven miles apart, and are 12 and 19 miles, respectively, from our Auburn Hills branch. Both CBCCU branches will become part of MSUFCU, and will be dual-branded as MSUFCU and OU Credit Union.

Will MSUFCU's name change?

No, as of March 25, 2016, CBCCU is now MSUFCU. Their branch, cards, etc. will transition over to the MSU Federal Credit Union or Oakland University Credit Union name and logo based on the member's brand preference. Over time, the branch locations in Clarkston and Ortonville will be dual-branded to serve both MSUFCU and OU Credit Union members.

How do I know if my funds are fully insured?

The National Credit Union Share Insurance Fund is the federal fund created by Congress in 1970 to insure member's deposits in federally insured credit unions. Administered by the National Credit Union Administration, it provides members with at least \$250,000 of insurance at a federally insured credit union. The Share Insurance Fund is backed by the full faith and credit of the United States. Credit union members have never lost a penny of insured savings at a federally insured credit union. You may access the NCUA's Electronic Share Insurance Calculator (E-Calculator) to determine your insurance coverage: <http://webapps.ncua.gov/ins/>.

Will this merger impact MSUFCU's financial security?

Although there are costs associated with any merger, CBCCU is a well-run organization with loyal members and they have continued to grow in both assets and member size over the past several years, as well as in the past several months. There will be ongoing investments in regards to the merger as MSUFCU will renovate the branches in Clarkston and Ortonville and will make additional upgrades to systems. However, these costs are lower than if MSUFCU were to build new branches in those locations. The opportunity for future growth and for immediate income from CBCCU's operations will help offset any costs associated with the merger. Our board of directors and management have carefully reviewed

the financial aspects of this merger and anticipate the merger will help MSUFCU gain business and continue its healthy growth.

Why is MSUFCU adding a branch in Clarkston instead of in Grand Rapids/St. Johns/etc.?

Expanding our branch locations in the surrounding Auburn Hills area was a strategic growth initiative that we had been considering for our next branch location due to the number of existing members in the region and the opportunities for further growth the area provides. We currently have fewer than 10,000 members who live in the greater Grand Rapids area. Prior to the merger, 34,000 MSUFCU members lived within the area served by CBCCU. As anyone who lives, works, worships or attends school in any of the five counties served by CBCCU is eligible to become a member of MSUFCU, there is much potential for growth. We regularly evaluate different areas to determine the locations in which a new branch will best benefit MSUFCU and its members.

Why is MSUFCU spending money on this merger instead of raising dividend rates?

The funds MSUFCU allocates to branches are separate in our budget from the funds allocated to providing dividends, and are an investment in MSUFCU's continued growth and stability. Regardless of the merger, MSUFCU could not remain financially sound long term if we raised dividend rates higher than their current levels. Dividend rates continue to be low (at MSUFCU and elsewhere) due to the federal government's strategy of setting low interest rates to encourage economic activity. Savings and loan rates are heavily influenced by the federal funds rate, which is set by the Federal Reserve. Due to the current economic environment, the federal funds rate is extremely low. This low rate means that funds invested by financial institutions receive a very low rate of return and, in turn, financial institutions must then lower the rates they offer to members in order to remain financially stable. Because of this, rates on both savings and loans are low. MSUFCU evaluates rates on a weekly basis, and we keep our rates as competitive as possible while still making choices that allow the Credit Union to remain financially sound and provide members with other benefits. MSUFCU provides rates that are competitive and do not put our long-term financial stability in jeopardy. This strategy has allowed MSUFCU to remain financially sound despite the recent economic downturn.

Will CBCCU employees be laid off because of the merger?

Positions at both branch locations will be filled based on the skills, interests, and abilities of the individuals who currently work at the two CBCCU locations. The merger provides additional career opportunities for both CBCCU and MSUFCU staff.

General information about Clarkston Brandon Community Credit Union

Founded in 1957, CBCCU is a state-chartered credit union headquartered in Clarkston, MI. They have service philosophies and business practices that are very similar to those of MSUFCU, and they believe in providing superior service to their members, and in supporting the communities in which they operate.

CBCCU by the numbers

- 1 branch located in Ortonville, Michigan
- 19 employees
- Approximately 8,500 members
- \$41 million in assets

CBCCU field of membership is as follows:

- If a person lives, works, worships, attends school, or has a business located in the counties of Oakland, Genesee, Lapeer, Livingston or Macomb, he/she is eligible to join CBCCU. Additionally, immediate family members of the above, and any person who receives an annuity, pension, social security, or similar retirement payment from a private or governmental source and who lives in these counties or in any contiguous county, and any spouse of a deceased member, if accepted into membership prior to remarriage, is also eligible to join CBCCU.