

## MEMBER Q&A

### **1. Why is Prospectors Federal Credit Union merging with Certified Federal Credit Union?**

The Board of Directors concluded that the proposed merger is desirable and in the best interest of members because it allows for a consolidation of energy and resources of the two credit unions to better serve the members in a competitive and secure environment.

### **2. Who is Certified Federal Credit Union?**

Certified has been serving its members which includes our Southern California Grocery service workers, since 1949!

In addition to Grocery Service Workers, they also serve anyone who lives, works, attends school or worships in the areas of El Monte, South El Monte, Monrovia, Irwindale, Temple City, Arcadia, Granada Hills, Commerce, parts of the City of Industry and San Diego.

Just like us:

- They believe in the Credit Union philosophy, “People Helping People”
- They believe their people are their greatest asset.

Integrity, Quality, Member Satisfaction, a Strong Team and Sound Financial Principles are Certified’s guiding principles.

### **3. Are both Credit Unions strong?**

Our Board of Directors faced a critical and challenging decision to ensure our continued growth in members and services in an increasingly competitive landscape. As a smaller entity, it’s difficult to maintain our position without adapting to the changing environment. By taking proactive steps now, we strengthen our ability to serve our members and align ourselves with the evolving market dynamics. This merger is a strategic move to achieve the asset growth and expansion of services to members that we need to thrive in the future.

Both Prospectors and Certified are safe and strong. Both have capital (or a rainy-day fund) exceeding the regulatory standard for “well-capitalized” credit unions and continually operate within the regulatory definition of “safe and sound” practices. Both Credit Unions also have a strong liquidity position and maintain a balanced loan-to-deposit ratio. Both credit unions' strong safety and soundness only reinforced the Board’s and leadership’s interest in pursuing this opportunity.

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We believe that we are “Better Together.”

### **4. How will Prospectors members benefit?**

This opportunity will provide the resources to significantly enhance our services to better serve your financial needs. You can look forward to additional branches, over 5,600 shared branches nationwide, well-developed online and mobile technologies, new products and services, and highly competitive rates. This will mean we can better anticipate and meet all your financial needs, offering you a more local comprehensive and convenient banking experience.

### **5. Will Prospectors offices remain open?**

Yes! Our Diamond Bar Branch and West Covina Branch will remain open, and Prospectors staff will continue to serve you at our branches.

### **6. What will happen to Prospectors staff?**

Prospectors staff will retain employment with Certified and will continue to deliver the personalized service you have come to expect!

### **7. What services will be available to me through Certified?**

This opportunity is filled with many service benefits to our members!

- A total of 11 Branches
- Access to 5,600 Shared Branches worldwide
- Updated Mobile Banking Service, free Bill Pay, estatements
- Discounted tickets to various SoCal Theme Parks
- All of the loan products we offer today plus 30-year mortgages, VISA Credit Cards with Rewards
- All deposit products we offer today but with additional capabilities such as digital wallet.

### **8. Will my membership status change?**

No. Prospectors has the philosophy “once a member, always a member.” As long as your account is in good standing, you will continue to enjoy all the benefits your credit union account provides today.

### **9. How will the merger affect my account?**

Your account will remain insured and the terms of your account and existing loans will not change.

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While we cannot relay specifics regarding accounts and loans at this early stage, please be assured that we will bring forward the best product offerings from both credit unions. Fortunately, Prospectors and Certified use the same core processing system, making this process more efficient. One positive that we can share is that your term shares and IRA products could experience a bump in their rate if Certified's rate is higher than the rate Prospectors is paying you on your applicable share.

Your Prospectors accounts will be integrated with Certified February 1, 2025. Certified will communicate with Prospectors members of any changes they can anticipate resulting from the system merger.

### **10. Will my accounts still be insured by NCUSIF? ASI?**

Yes, your deposits will continue to be federally insured by the NCUA, meaning you will still have up to \$250,000 in protection for an individual membership. The NCUA provides additional, separate insurance coverage for deposits in different ownership categories, such as individual accounts, joint tenancy accounts, Individual Retirement Accounts (IRAs), and trust accounts. Additionally, we are pleased to inform you that we will continue to extend additional insurance through American Share Insurance for an additional \$250,000 in coverage.

### **11. Can I still use my debit card?**

You can continue to use your debit card and checks. We will be merging our data processing systems February 1, 2025. If we anticipate any changes, we will communicate with ample time on how you may be affected.

### **12. Will I need to change my automatic payments or direct deposit?**

No. Not at this time.

### **13. Will I still be able to access my accounts through mobile banking and online?**

You can continue using the Prospector's online banking and mobile app. After the merger and conversion of systems on February 1, 2025, you will be notified to switch to Certified's online banking and mobile app with detailed instructions and support available if needed.

### **14. Can I start using Shared Branching and their branches right away?**

We are excited to have you enjoy the additional access of shared branches and Certified branches. However, access to these branches will be available after Prospectors and Certified merge their data processing systems on February 1, 2025.

### **15. Do I have to vote?**

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The Prospectors Federal Credit Union Board of Directors unanimously voted to move forward with this merger believing it to be in the best interest of members and staff.

Your vote is how you share your voice in this crucial decision. To stay relevant to current and future members and to continue fulfilling our mission and vision, we see a strategic opportunity to join forces with Certified. This merger will significantly improve our ability to serve existing members through new branch locations, extended service hours, and new products and services. All of this will be available much sooner than if we didn't merge. So, it is in all our members' best interests to vote in favor of the merger.

### **16. How do I vote? When is the voting deadline?**

**Any time before Wednesday, October 16, 2024 at 5:00 p.m.**

- *By Mail* - Complete your paper ballot and mail it using the business reply envelope from your merger packet. Paper ballots must be received no later than 5:00 pm on **October 16, 2024**.
- *In Person* - Or, come to the Special Meeting on **Wednesday, October 16, 2024**, at 5 p.m., so you can hand deliver your paper ballot.

### **17. I can't find my ballot. How do I get a ballot?**

For a replacement ballot, you can visit one of our branches and ask for a ballot.

### **18. When is the vote?**

The vote will take place on Wednesday, October 16 at 5:00 pm.

### **19. Who will get a bonus dividend? When will I receive my bonus dividend?**

A bonus dividend will be paid to members in good standing who maintain a share account with Prospectors as of the merger date, October 16, 2024. The dividend is based on 1.59% of total shares held in member accounts as of 12/31/2023.

### **20. What will happen to my account number?**

Your membership number and routing number will continue to work after the merger.