

## **Frequently Asked Questions about Santa Monica City Employees Federal Credit Union's (SMCEFCU) Proposed Merger with Southland Credit Union**

Following is information about the proposed merger between SMCEFCU and Southland CU, and the great opportunities and benefits it will offer our members.

### **Who is Southland Credit Union?**

Headquartered in Los Alamitos, Southland Credit Union ([www.southlandcu.org](http://www.southlandcu.org)) is a full-service \$502 million credit union serving over 41,000 members in Los Angeles and Orange Counties. Like SMCEFCU, Southland is a trusted, long-time member of our shared community, with a 75-year history of providing excellent, personalized service to its members. Southland is an excellent fit as a merger partner for us, and can provide us with a larger variety of products, greater value, conveniences and enhanced service levels.

### **Are both credit unions in favor of a partnership?**

Yes. Both Boards of Directors, who are elected by the membership, have unanimously approved a merger of the two credit unions. Planning for the merger has been in process for many months.

### **Why are the credit unions merging?**

We are confident that a combined credit union will bring much greater strength and competitive advantages that will better serve our members and communities. Both credit unions are financially sound and healthy today. This partnership will help ensure continued financial stability in these uncertain economic times and better position the credit union for future growth. It would take SMCEFCU well over a decade to grow to the point where we could provide you the added value of partnering today with Southland. In addition, industry data clearly reflects that larger credit unions offer greater and more competitively priced benefits.

### **How will I benefit?**

This partnership is designed to benefit you in many ways:

- In addition to our current branch, you will have access to two branches in Los Angeles, a branch in Garden Grove, Downey and Los Alamitos.
- You will be able to use twelve additional proprietary ATMs throughout LA and Orange Counties. And, you will have access to 28,000 CO-OP Network ATMs, including over 5,500 participating 7-Eleven stores.
- Additional products and services will be provided to you.
- The economies of scale resulting from this partnership will help provide the resources to offer competitive rates and provide additional branches convenient to you.
- As a combined credit union with over \$528 million in assets, you will have greater access to current and burgeoning technologies.

### **Who will be the CEO of the new organization?**

Southland's current President and CEO, Ferris Foster, will lead the new combined organization.

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

Yes. The name of the combined credit union will be Southland Credit Union.

**Will the merger affect the membership eligibility of my co-workers and neighbors?**

No. Upon completion of the merger, the combined credit union will continue to serve all of the organizations, companies and communities we now serve.

**How will my accounts be impacted?**

We anticipate no immediate changes. However, if changes need to be made, we will work to ensure a seamless integration so you can conduct business as you always have.

**Is my money safe?**

Yes. Your accounts will remain safe, sound and insured. Your savings will continue to be federally insured through the National Credit Union Share Insurance Fund (NCUSIF), a U.S. Government Agency, to at least \$250,000 (please visit [www.ncua.gov/shareinsurance](http://www.ncua.gov/shareinsurance) for more information).

**Are both credit unions financially sound?**

Yes. Both credit unions are financially strong, and have capital in excess of what is required by regulatory agencies.

**When will the merger be complete? What happens next?**

The Boards of Directors of both credit unions have approved the merger, but the merger is still subject to approval by the federal and state regulatory agencies and then an approval vote of SMCEFCU's Membership. We do not have control over either the state or federal Regulatory approval process and is difficult to predict if or when that might be approved. Even upon the approval of the regulatory agencies, the proposed merger will then have to be taken to the SMCEFCU membership for their vote of approval.

Only after the approvals of the regulatory agencies and the vote of the SMCEFCU membership, then could the proposed merger become official. Due to the number of approvals required, it is estimated that it would be at least mid-2012 at the earliest for the required approvals could be obtained. After the approval process, the two organizations would then begin the process of integrating their operations.

**What if I have additional questions?**

You may still call, contact or visit your local team at the Santa Monica branch for any additional questions. For general information about Southland, you may visit [www.southlandcu.org](http://www.southlandcu.org) or call 800.426.1917