



Real People. Reliable Service. Right in Your Backyard.

October 2016



### Merger Information for Members

This merger will combine the branches, operations, people and products of Mendo Lake Credit Union (MLCU), headquartered in Ukiah, and Community First Credit Union (CFCU), headquartered in Santa Rosa. We are in separate but contiguous counties, with no overlap. Therefore, every branch, ATM, manager and employee will be needed!

In general, we will choose the best rate, fee, product, program and employee benefit between the two financial cooperatives. This "best of" blend will make us better for Members, our local communities, and employees alike.

Together, the combined credit union will be stronger, more adaptive, and have economies of scale that will allow us to do more with technology—without losing any of our local decision making or lessening support to the local communities where we do business!

For employees there will be more diverse opportunities for career advancement, as well as financial stability.

Who, What, Where, When, Why ...	
topic	explanation
who?	Both organizations were founded by local teachers and have grown to meet the needs their communities. CFCU is slightly smaller than MLCU in assets (\$198M vs. \$225M) and has a significantly smaller membership (18,900 vs. 29,000+), while CFCU has a larger loan portfolio (\$149M vs. \$145M). MLCU was founded in 1959, CFCU in 1961.
what?	Combined we will have just under \$425 million in assets and about 48,000 Members. CFCU will add six branches to MLCU's four branches. Together, we will have 10 branches in four counties — and a BIG footprint, stretching from the North Coast to the eastern edge of Wine Country.
where?	With MLCU's CEO, Richard Cooper, retiring prior to the completion of the merger, CFCU CEO Todd Sheffield will be the CEO of the combined financial cooperative. Thus, the main administrative office will be in Santa Rosa.
when?	To make the merger official requires a favorable vote of the CFCU membership before the end of 2016 and approval by the California Department of Business Oversight and the National Credit Union Administration. We hope and expect to merge in early 2017.

<b>why?</b>	Four main reasons: <ol style="list-style-type: none"> <li>1. economies of scale to offer better technology;</li> <li>2. more conveniences and better products for Members;</li> <li>3. financial security and more career opportunities for employees;</li> <li>4. with CEO Cooper's retirement, MLCU needed an experienced and seasoned leader</li> </ol>
<b>whose charter?</b>	Only one charter can go forward. MLCU's charter includes community development and low-income designations, and therefore has advantages to serving diverse communities. Since the ongoing cooperative will use the MLCU charter, the CFCU membership will need to vote to adopt it.
<b>whose name?</b>	With the service area expanding, the name of the combined credit union will be Community First Credit Union. MLCU has always put our community first; now it will be our name!

<b>What Does This Mean for ME?</b>	
<b>topic</b>	<b>Explanation</b>
<b>loans and deposits, and their rates</b>	We are taking a "best of" approach. If MLCU is better in a product or rate, we keep. If CFCU is better, we adopt.
<b>fees</b>	Same as above.
<b>unique products</b>	Both organizations currently provide a number of unique products to serve local community members. MLCU offers Manufactured Home loans, Second Chance checking accounts, and Secured Visa cards. MLCU will maintain those products. CFCU's signature products include 0% loans to local AG students, YouthSaver accounts, and Local Advantage PLUS checking that pays users three ways—all of which will also remain unchanged. CFCU also offers an expanded array of mortgage products. Therefore, the merger will result in additional services and products for the combined membership.
<b>technology</b>	MLCU will migrate to CFCU's more up-to-date technology, including home banking, mobile banking, and core technology. That migration will take place in 2017, and won't be completed before August 2017. MLCU will give members plenty of notice regarding upcoming changes, and make the process as easy as possible. Our goal is to offer more advanced technology with as little inconvenience as possible to our members.
<b>employees</b>	MLCU and CFCU are in different counties. There is no overlap. <b>All employees will be needed.</b> You will still be served by friendly LOCAL faces!
<b>culture</b>	Our roots (teachers), institutional age (57 and 55 years, respectively) brand (LOCAL!), markets (rural, agrarian counties) and corporate cultures (Member-centric management, with employee-centric Boards) are identical. In almost all ways, MLCU and CFCU are mirror images of each other.