

FREQUENTLY ASKED QUESTIONS ABOUT THE PROPOSED MERGER

Q: What is the purpose of the upcoming merger meeting?

A: Members will be voting on whether to merge Tesoro Northwest Federal Credit Union (TNWFCU) with North Coast Credit Union (NCCU). Your Board of Directors has unanimously approved the merger subject to an affirmative vote by the membership. Your Board is asking for your support.

Q: Why is TNWFCU merging with NCCU?

A: Your Board has a responsibility to take actions that are in the best interest of the membership. It has become apparent in the last few years that TNWFCU needs a strategic reset to adequately meet the financial needs of our members. Merging with NCCU provides the best path forward to meet those needs. By merging we can leverage the greater size of North Coast to provide better services and products for our members. The Credit Union and the financial industry are becoming increasingly competitive. The partnership with North Coast is a proactive step by two financially sound institutions to capitalize on our strengths and position your Credit Union to meet the current and future needs of all members.

Q: What is the benefit to members by approving the merger?

A: Members will have access to many new financial products and services that are currently unavailable from TNWFCU. For example, members will be able to access home mortgage loans, checking accounts and debit cards. In addition to our Anacortes branch, members will be able to obtain service at all NCCU branch offices located throughout the county. The expanded branch locations will allow members to do their banking where many of our members live. This added convenience will supplement the great personal service members have come to expect from TNWFCU.

Q: How does the merger impact future growth prospects for the credit union?

A: This is an important issue for our Credit Union. Our federal charter, which dates back many decades, allows only employees of Tesoro (now Marathon) and their families to be members of the Credit Union. This constrains the Credit Union from adding new members from our community and, thus, limits our ability to grow. Our current membership is aging and deposits, which provide capital for our operations, may decline as more members utilize their savings for retirement and other needs. By merging with NCCU, which has a community charter that allows anyone in the community to join, all residents of Anacortes will now be able to join.

Q: Will the current office be closed?

A: While the feasibility of all operations must continually be reviewed, we will continue to provide services at the current Anacortes branch location for the immediate future and members will have access to NCCU branches which will provide additional locations for our members to access services. We will remain committed to providing services to our members in Anacortes.

Q: Is my money safe?

A: Yes. Your funds continue to be federally insured by the National Credit Union Administration, an arm of the federal government. Each account is insured up to \$250,000. That does not change.

Q: Will there be layoffs of the current staff?

A: No layoffs are anticipated. Current Credit Union employees will be retained and receive very competitive benefits including some benefits employees do not currently have. They will also have increased advancement opportunities because of the merger.

Q: Will the merger change the way the credit union operates?

A: No. We will remain a not-for-profit, member-owned financial cooperative and serve members in the traditional credit union manner, including community-based service.

Q: Will my account number(s) change because of the merger?

A: There will not be an immediate change in your account numbers. However, once the computer systems of the two credit unions are combined, there may be a change in some of the account numbers. Those members with accounts that are affected will be contacted well in advance of the changes and will be implemented as seamlessly as possible.

Q: When will I be able to start using North Coast branches?

A: It will be necessary to convert all current branches to the same data processing system before members can begin using all NCCU branches. This is planned to be completed as quickly as practicable after the merger is finalized and more information will be shared with you as that event nears.

Q: Do I have to attend the merger meeting to vote?

A: No. Each member is being sent a merger meeting notice and a ballot. You may cast your ballot and return it by mail by the due date. Members who do not cast a ballot by mail may still vote in person at the merger meeting. We understand the concerns members have with the current COVID pandemic and want to give each member a choice on how they wish to participate. Your Board sincerely hopes all members will participate in voting, either by mail or in person.