

## Questions about the Merger

### ***Why is Standard Register Federal Credit Union and Pathways Merging?***

We are proposing this merger to bring significant new benefits to our members. Partnering with one of the most successful and fastest growing credit unions in Ohio will deliver many more products and services to members, expand our geographic presence, open-up access to a complete digital member experience, and provide additional growth opportunities – all with the same personalized service we've always offered.

### ***Who are we merging with?***

Standard Register Federal Credit Union (SRFCU) will be merging with Pathways Financial Credit Union (Pathways). Pathways is headquartered in Columbus, is federally insured, financially strong, and well capitalized. Pathways has \$410 million in assets, 38,500 members, 12 branch locations in Central Ohio, Dayton and Southwest Ohio.

### ***When will the merger happen?***

The legal merger of the two organizations will be complete on August 31, 2020 pending membership approval.

### ***Can you give some examples of the benefits of merging?***

A merger provides the resources to bring members greater value through additional products/services, advanced technological platform/capabilities, expanded branch/ATM network, and competitive deposit and loan rates.

- Expanding from 1 to 13 full-service branch locations;
- Continued access to the nationwide Shared Branching network;
- Free Swipe2Save Checking with a 10% APY Owner Rewards Savings Account;
- Enhanced Mobile & Web Account Access Options;
- Free online access to your Credit Score and Credit Report;
- 1.5% Cash Back Rewards MasterCard;
- More Consumer and Real Estate Loan options;
- Health Savings Accounts;
- Drive-thru teller service at most branches (not 175 Campbell Street);
- Continued deposit insurance through NCUA and ESI.

### ***Does the leadership of both credit unions support this merger?***

Absolutely. After careful study, deliberation and negotiation, the management teams and board of directors of both credit unions are confident that this merger will benefit our members, employees and both credit unions.

***Will members be required to vote on the merger proposal?***

Yes. Regulations require that all eligible SRFCU members who are in good standing be given an opportunity to vote on the merger. Members will have three (3) ways they can cast their vote.

- Online by visiting [stdregfcu.cuballot.com](http://stdregfcu.cuballot.com).
- By mail. Complete and return the merger ballot so it is received by August 5, 2020. *Note: Branches cannot accept ballots or mail ballots for members.*
- In person by attending and voting during a Special Member Meeting, which will be held at 5:30 p.m. on August 5, 2020, at Standard Register Federal Credit Union branch lobby, 175 Campbell Street, Dayton, Ohio.

***Where can I get additional information about the merger?***

For additional information regarding the merger, please call 937-223-3333 extension 200, e-mail us at [merger@stdregfcu.org](mailto:merger@stdregfcu.org) or visit [www.stdregfcu.org/news](http://www.stdregfcu.org/news).

## Operational Questions

***Will members have to re-apply for membership?***

No. All your account relationships with Standard Register FCU will automatically transfer over to Pathways.

***Will member account numbers change?***

We are pleased to report that the great majority of our members' account numbers will remain unchanged. A small number of members (roughly 40 accounts) will have a slight change to their account number. Members whose account numbers are changing will be notified well in advance of the merger date.

***Do I have to make changes to my ACH deposits and/or payments that I currently have setup?***

No. All your ACH deposits and payments will transfer over to Pathways.

***Who will year-end tax information come from?***

2020 Year-end Tax documents will include activity for the full year and will come from Pathways Financial Credit Union.

***Will the SRFCU branch be closing after the merger?***

There are no plans or discussions to close the SRFCU branch.

***Will the SRFCU membership receive a special dividend payout?***

Yes, the directors of Pathways and SRFCU carefully analyzed the assets and liabilities of each credit union and appraised each credit union's share and loan values. They determined that the net worth of Standard Register Federal Credit Union (merging credit union) is 18.98% as of December 31, 2019. The boards of both Credit Unions wish to recognize SRFCU members for maintaining deposits and loans by distributing \$1.5 million of the equity to those loyal members.

The dividend will be based on the average of members' savings and loan account balances as of December 31, 2018 and December 31, 2019. All closed accounts and negative balance accounts will be excluded from the special dividend. All eligible accounts will receive at least \$25 and the maximum paid to any one account will be \$5,000. If the merger is approved, the special dividend will be distributed into each eligible member's share account prior to the merger effective date.

## Products and Services Questions

***What happens to my deposit accounts?***

Your deposit accounts will continue to be structured as they always have. As in the past, any changes to deposit account dividend rates will be decided upon by credit union management and declared by the credit union's Board of Directors.

***What happens to my Share Certificates?***

All your Share Certificates will have the same rates and terms. The rates on your Share Certificates will not change until they mature.

***Will members have to order new checks?***

No. You can continue to write checks from your current supply of checks just as you have always done.

***How will the merger affect my debit and/or credit card?***

Members will be issued a new Pathways Mastercard Debit Card the week before the official merger date. Your Visa Credit Card will be replaced by a Pathways Mastercard Credit Card later in the year.

***Will deposits still be insured by the NCUA and ESI?***

Yes, the NCUA will continue to provide deposit insurance up to \$250,000 alongside the additional Excess Share Insurance (ESI) protection of an additional \$250,000.

***What happens to loans?***

After the merger, all loans will continue to have the same rates, terms and conditions of the original loan. SRFCU member loan payment preferences will also carry over to Pathways.

***Will my direct deposit be impacted by the merger?***

SRFCU members should not experience any impact in terms of direct deposit, no matter what the source of the direct deposit is.