

## **Frequently asked questions about the merger**

### **How do Farmers members vote for the merger?**

Each primary member of Farmers Credit Union will receive a ballot by mail. These ballots will be due back to the vote auditor, J. Tenbrink and Associates, CPA, 11272 South Ridgeview Road, Olathe, KS 66061, by Monday, May 23, 2022. Each primary member will have one vote.

### **How do Farmers members comment on the merger?**

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA), Office of Credit Union Resources and Expansion at <https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers> or 1775 Duke St., Alexandria, VA 22314. The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

### **What has been proposed to take place between Farmers Credit Union and Heartland Credit Union?**

After extensive discussions, the Boards of Directors of Farmers Credit Union and Heartland Credit Union have determined that a merger between the two institutions would provide benefits to both memberships. Farmers Credit Union members will have access to more and improved financial products and services, better technology and digital banking services, longer service hours, a 24-hour ATM at the Hays location, and a larger network of branches across central Kansas. Heartland benefits by expanding their branch network in a vibrant, university town, that will provide for future growth opportunity. The combined credit union will operate under the Heartland Credit Union name and leadership team.

### **Will my branch remain open?**

Yes, the Farmers Credit Union branch in Hays will remain open. Service will be expanded with a 24-hour drive-thru ATM. Members will also have expanded service hours by phone until 6 pm on weekdays and 8 am – 1 pm on Saturdays.

### **Why have the two credit unions proposed a merger?**

As the need to provide more financial products, better technology and more convenient services grew, it became clear to the Farmers Board that a partnership with a larger credit union would be the best path to achieving those goals for our members. Heartland's wide range of products and services, enhanced technology, and their commitment to excellent member service made them the clear choice for a merger partner. As Heartland's membership continues to expand in central Kansas, this provides members in the area with a convenient branch location, as well as their young members that attend Fort Hays State University.

### **How will member accounts be impacted?**

In the short term, Farmers members will experience no impact to their accounts or account numbers. Following approval by regulators and members, they will be converted to Heartland accounts and members will then have access to even more products and services. This is expected to take place in summer of 2022. It is too soon to know if account numbers will change following the conversion; however, if it is feasible, we will try to maintain current account numbers.

**What will happen to the current staff of Farmers Credit Union?**

Current Farmers Credit Union staff will continue to serve the membership. President/CEO Guy Forell had decided to leave the credit union prior to merger discussions, to take a coaching position with the Fort Hays State University Rodeo Team. Farmers and Heartland will enter into a Management Agreement and a Manager will be hired to lead the credit union. The Agreement will also give Farmers members access to Heartland's staff of experts. Once the merger is complete, branch staff additions will include a Real Estate Lending Consultant to serve the growing real estate market in Hays.

**What is the proposed merger process and timeline?**

Both credit unions are performing extensive due diligence. Following due diligence, regulatory approval and an affirmative vote by the members of both credit unions must be achieved before the merger can proceed. The vote is expected in the 1<sup>st</sup> quarter of 2022. Conversion to the Heartland Credit Union system would tentatively happen during the summer of 2022.

**Does Farmers Credit Union support this partnership?**

Yes! The Boards of both credit unions are very excited about the partnership and the benefits it will deliver to both members and their communities. The Heartland leadership team is ready to get to work supporting Farmers members.

**Will the credit union be financially strong?**

Yes, the combined credit union will have a strong balance sheet, wider product offerings, and a vibrant member base. The credit union's net worth exceeds requirements and is considered "well capitalized" by government regulators.

**Will the merger affect membership eligibility?**

Once a member, always a member. There will be no effect on membership eligibility and the combined credit union will continue to serve all groups and areas under each credit union's existing charter.

**Will the credit union continue to do Ag lending?**

Yes, there will be a team dedicated to Commercial and Agriculture lending.

**Will loan decisions be made locally?**

The Branch Manager in Hays will have lending authority on a limited basis. Most loans will be underwritten in the central office in Hutchinson. The Underwriting department consists of four staff members to ensure timely loan decisions.