

FREQUENTLY ASKED QUESTIONS

The Credit Union has applied to federal and state regulators to convert from a federal to a state charter. Final conversion is pending completion of the application process between the Credit Union, California State Department of Business Oversight, and the National Credit Union Administration. Additionally, a vote of the membership will take place and be announced at a special membership meeting at a date and time to be determined. When the new charter is approved, our new name will be 1st Northern California Credit Union. Membership will be open to individuals who live, work, or worship in Contra Costa, Alameda, or Solano County.

Why is the Credit Union changing its charter and expanding its field of membership?

We are changing the charter to solidify our commitment to serving the residents of the East Bay for the foreseeable future. The opportunity provides long-term financial well-being and security to the Credit Union, provides current and potential members increased access to our products and services, and helps reduce expenses over time by creating efficiencies through economies of scale.

The new state charter will benefit communities and the membership in the following ways:

- Future enhancements to products and service delivery
- Assisting more members throughout the three county area
- Potential expansion of branches, ATMs, and lending services

What is the difference between a state and a federal charter?

A federal charter means the credit union is regulated by the National Credit Union Administration (NCUA). A state charter means the credit union is regulated by the credit union division of the California State Department of Business Oversight, which regulates state-chartered credit unions and other financial institutions for compliance with the laws and regulations of the state of California, as well as appropriate rules and regulations of federal agencies.

Is it common to convert from a federal to a state charter?

Yes. Approximately 40% of credit unions in California and nationwide are state chartered. In many states, including California, the state charter is more flexible than a federal charter regarding field of membership expansion.

Will the Credit Union and my money be as secure as it has been?

Yes. In fact, the federal and state reviews are nearly identical. All state-chartered credit unions are examined on a twelve to eighteen-month time frame. Additionally, third-party audits are performed year-round to ensure compliance with federal and state regulations.

When can I expect the charter conversion to happen?

The conversion date will be shortly after the special membership meeting and vote.

Will the Credit Union's name change?

If the request is accepted, the word "federal" will be removed from the name, and we will be known as 1st Northern California Credit Union ("1st Nor Cal").

What other changes will take place?

Membership will be expanded to individuals who live, work, and worship in Contra Costa, Alameda, and Solano Counties.

Will new Credit/Debit/ATM cards be issued with the new credit union name?

We will not reissue new cards at the time of the conversion. As cards expire, new cards will be issued with the new name. You can continue to use your checks and cards with the Contra Costa FCU name until you need a reorder.

Does this impact federal insurance coverage?

No. **Credit Union deposits will continue to be federally insured by the NCUA, meaning you have up to \$250,000 in protection for an individual account.** The NCUA provides separate insurance coverage for deposits held in different ownership categories such as individual accounts, joint tenancy accounts, Individual Retirement Accounts (IRAs), and trust accounts. This insurance is identical to the banks' FDIC insurance.

Will there be any changes to my accounts or to the services I use?

This will be a seamless transition to our members. Account numbers and passwords will not change, and our existing branch network and business hours will remain the same. It will be business as usual for all members.

Will the Credit Union grow so large that I will not receive the same service I expect?

Definitely not. The Credit Union has always had controlled growth to ensure members are receiving the same exceptional service they are currently receiving.

Is the Credit Union doing this in preparation for a buyout or merger?

No. We are extremely well-positioned and strong, with no intention to merge or convert to a bank.

Under a state charter, can you still be a member if you move outside of the eligible service areas?

Yes, you can still be a member if you relocate outside of 1st Nor Cal's field of membership. Once a member, always a member.

Will any branches and ATMs close or relocate?

No branches will close, but a branch or ATM may occasionally relocate to better serve members in a particular area. Financial institutions routinely close or relocate branches over a period of time as the population shifts. The Credit Union has always limited branch and ATM relocations unless absolutely necessary and based on member input.

Are there plans to build more branches?

That is yet to be determined. We will be reviewing our branch plan and available sites in the future.

We will update this web page with current information regarding the state charter conversion as it becomes available. If you have further questions, please contact our President/CEO, David Green, directly by phone at (925) 335-3802 by e-mail at dgreen@contracostafcu.org , or stop by the main office at 1111 Pine Street in Martinez. Thank you for your support and for being a valued Credit Union member.