

## **Frequently Asked Questions**

### **Your experience as a HFCU Member:**

Unlike banks, credit unions are cooperatives, owned and operated by the customers they serve (i.e., the “members” of the credit union). We are confident that you will enjoy excellent service and competitive products as a member of Heritage Federal Credit Union (“HFCU”). We understand that you may have some additional questions about HFCU’s acquisition of The Elberfeld State Bank (“ESB”). Please review the Frequently Asked Questions (FAQs) below and contact us if you have additional questions.

### **About the Acquisition**

#### **Why is ESB being acquired by HFCU?**

The transaction benefits the customers, shareholders/members, employees and communities of both companies. ESB and HFCU share a focus of providing consumers with resources to make confident decisions and plans for their financial future. ESB is pleased to have found a partner in HFCU that will continue to provide you with this level of commitment and support. HFCU is poised for growth; and the geographic location of the ESB branches aligns with HFCU’s growth plans. The teams at ESB and HFCU are committed to ensuring this transition results in added value for you, our customer.

#### **Who is HFCU and where are they located?**

HFCU is a federally chartered community credit union, headquartered in Newburgh, Indiana, with over 60,000 members and 10 office locations (currently located in Posey, Vanderburgh, and Warrick Counties in Indiana, and Henderson County, Kentucky – see specific locations below). HFCU cares about the communities it serves. The credit union focuses on community support through volunteering and charitable donations. For more information visit <https://www.hfcu.info>.

<b>Branch Name</b>	<b>Address</b>
Main Branch	5388 Old State Rd. 66, Newburgh, IN 47630
Bell Oaks	8266 Bell Oaks Dr., Newburgh, IN 47630
Vogel Road	4920 Vogel Rd., Evansville, IN 47715
Boonville	966 IN-61, Boonville, IN 47601
Henderson	2011 US-60 E, Henderson, KY 42420
First Ave	3540 First Ave., Evansville, IN 47710
Northfield	331 E. Boonville-New Harmony Rd., Evansville, IN 47725
West Side	5343 Pearl Dr., Evansville, IN 47712
Mt. Vernon	321 N Main St, Mt. Vernon, IN 47620
Washington Ave	2350 Washington Ave, Evansville, IN 47714

### **About the People**

#### **What will happen to the current staff?**

HFCU intends to maintain the same friendly staff you have come to know and trust at ESB.

#### **Will there be any changes to the Board of Directors?**

Following the transaction, ESB will have no material operations and its corporate existence will be terminated. As a result, the ESB Board of Directors will cease to exist and will be relieved of their duties.

#### **Who will lead the credit union?**

David Milligan is the current CEO of HFCU and will hold that position after the acquisition.

### **About the Future**

#### **Where will the credit union headquarters be located?**

HFCU headquarters are located at 8266 Bell Oaks Drive, Newburgh, IN 47630. We will maintain a strong local and community presence in every community we serve.

**When will I see signage begin to change at the acquired locations?**

Signage will change on or after the closing date.

**About My Accounts****How will this affect my rates and service charges/fees?**

Following the closing of the transaction, the rates and fees convert to HFCU's structure. The timing for rates varies according to the product or service:

- Deposit accounts, other than ESB Certificates of Deposit (CDs), will automatically begin earning interest at HFCU's rates following the closing of the transaction.
- CDs (referred to as "certificates" by credit unions) will continue to earn interest at the rate contracted with ESB until the maturity date. If a certificate is renewed following the closing of the transaction, HFCU's rates will apply.
- Loan interest rates remain as currently defined in your loan agreements unless the loan is refinanced.

Further information will be communicated closer to the conversion date. Learn more about HFCU's products and services at <https://www.hfcu.info>.

**Will my deposits continue to be federally insured?**

Yes. HFCU is insured by the NCUA (National Credit Union Administration) through the NCUSIF (National Credit Union Share Insurance Fund). Your deposits will continue to be federally insured to the maximum amount available – currently to at least \$250,000 per member and backed by the full faith and credit of the United States Government. Please see the helpful comparison guide included along with these FAQs to review differences between NCUA and FDIC insurance.

**Will my account number change?**

Yes, in some cases, your account number will change. While we will attempt to convert existing account numbers wherever possible, in the case of duplicate numbers or in certain other limited situations, customers will be issued new account numbers.

An important step in integrating ESB accounts with HFCU's banking system is the electronic transition of accounts, which we expect to occur on May 31, 2021. Until this system conversion is completed, customers will continue to use their existing account numbers. See below for more information on using current checks and debit cards.

HFCU will keep the transition to credit union membership as simple as possible and will continue to keep you updated. Watch for additional communications from HFCU.

**How will I be able to access my account?**

You will continue to have access to your account at the current branch offices and ATM locations of ESB. Following the closing of the transaction, you will have access to all of HFCU's branch office locations and ATMs. Once the system conversion is completed (i.e., May 31, 2021), you will also gain access to approximately 6,000 credit union branch locations across the United States through the CO-OP Shared Branching Network, and access to nationwide ATMs through HFCU's membership with the Alliance One ATM Network. Through the Alliance One Network, members will have access to approximately 4,900 surcharge-free ATMs across the United States. Visit [www.AllianceOne.Coop](http://www.AllianceOne.Coop) to find a location near you. You will also maintain access to your account via the HFCU Online Banking portal. However, until the electronic system conversion has been completed (see discussion above under "Will my account number change?"), HFCU's website will direct you to the ESB legacy system.

**Will I still be able to use my current checks?**

Yes, you will be able to use your current checks for a period of time. As we get closer to the system conversion date (i.e., May 31, 2021), you will be issued new checks by HFCU which will contain HFCU's routing number and your new account number, if applicable. Your initial checks will be automatically ordered

for you at no cost and mailed to the address listed on your account. If you currently have more than one box of checks in your supply, we're happy to replace those as well. Simply bring in your supply of ESB checks, and we will reorder a similar quantity. HFCU will continue to honor ESB checks for several months following the system conversion. More details regarding checks will be provided in a future mailing.

**Will I still be able to use my debit card?**

Yes, you will be able to use your current debit card until we complete the electronic transition of accounts (i.e., the system conversion), which we expect to occur on May 31, 2021. In advance of that transition, you will receive a new HFCU debit card. More details regarding debit cards will be provided in a future mailing.

**How will Online Banking be affected?**

All of your accounts will be transitioned to the HFCU Online and Mobile Banking systems as part of the conversion process. Until that time, HFCU's website will direct you to the ESB legacy system. HFCU will communicate the details of this service transition well in advance and will include clear instructions for accessing and using our Online Banking portal. You can also call HFCU's Information Center for assistance at (812) 253-6928 or toll free at (800) 858-1693.

**What are HFCU's policies on privacy?**

As a credit union, HFCU is subject to the federal Gramm-Leach-Bliley Act of 1999 just like ESB. This law requires each financial institution to tell its customers about the kinds of information it collects and the types of businesses that may be provided that information. This disclosure, called the privacy notice, is intended to help you decide whether you are comfortable with that information-sharing arrangement. A copy of HFCU's privacy notice has been included with these Frequently Asked Questions.

**When the acquisition is complete, will my direct deposit still work?**

Your direct deposit and automated regular withdrawals will continue to work without interruption.

**What is HFCU's website?**

The website is <https://www.hfcu.info>. Visit the website to learn more about HFCU and to view their products and services. You may also access Online Banking through the website on or after closing of the transaction.

**Will there be changes to office hours?**

The hours will remain the same (see below). HFCU representatives are also available by phone through the HFCU Information Center at (812) 253-6928 or toll free at (800) 858-1693.

**Elberfeld State Bank:**

Lobby Hours:

Mon – Thurs: 9:00 a.m. – 3:00 p.m.

Fri: 9:00 a.m. – 5:00 p.m.

Drive-Thru Hours:

Mon – Thurs: 8:30 a.m. – 3:00 p.m.

Fri: 8:30 a.m. – 5:00 p.m.

Sat: 8:30 a.m. – 12:00 p.m.

**Evansville State Bank:**

Lobby Hours:

Mon – Fri: 9:00 a.m. – 5:00 p.m.

Drive-Thru Hours:

Mon – Fri: 9:00 a.m. – 5:00 p.m.

Sat: 9:00 a.m. – 12:00 p.m.

**Haubstadt State Bank:**

Lobby Hours:

Mon – Thurs: 9:00 a.m. – 4:00 p.m.

Fri: 9:00 a.m. – 5:00 p.m.

Drive-Thru Hours:

Mon – Thurs: 8:30 a.m. – 4:00 p.m.

Fri: 8:30 a.m. – 5:00 p.m.

Sat: 8:30 a.m. – 12:00 p.m.

**Will there be any changes to my account notices and statements?**

All your account notices and statements will be updated to HFCU's user-friendly format once the system conversion is complete (i.e., statements and notices mailed after May 31, 2021 will reflect the updated format). In the meantime, you will receive a final statement from ESB reflecting activity through the closing date and transitional HFCU notices and statements until the system conversion date. All transactions occurring after the closing date will be reflected on statements from HFCU.

**Will I still be able to conduct banking transactions by mail?**

Yes. You will be able to mail HFCU deposits, loan payments and other notices via U.S. mail or overnight delivery service by sending such deposits, checks and other correspondence to the appropriate address identified in the membership materials being provided to you.

**How will I receive additional information about this acquisition?**

You will receive mailings and have access to updates at the local branch offices. We also send periodic emails with all of our updates and important notices, so please take this opportunity to update your email address on file. For more information about HFCU, please visit <https://www.hfcu.info> today!

**What steps will I need to take in order to become an HFCU member?**

With certain limited exceptions, it is expected that all ESB customers will be eligible for HFCU membership. In order to consent to joining HFCU and to begin enjoying the full benefits of being an HFCU member upon completion of the transaction, ESB customers will need to complete and return the Membership Opt-in Agreement enclosed with these Frequently Asked Questions. **We urge you to complete and return the Opt-in Agreement as soon as possible, but it must be received no later than February 28, 2021.**

You may receive more than one copy of these FAQs and the Opt-In Agreement (e.g., if you have multiple accounts with ESB, or you have your own account and are also an authorized representative for one or more organizational accounts). While you may sign and return every Opt-In Agreement you receive, please note that signing and returning just a single Agreement will be sufficient to elect HFCU member status for each account owned or represented by you (in each case, to the extent the account owner is within HFCU's field of membership).

As a requirement of credit union membership, new members are required to maintain a share savings account (i.e., a membership account). For any ESB customers who are within HFCU's field of membership but do not have a deposit relationship with ESB, HFCU will open a membership account for you and make the first \$5.00 deposit in that account to secure your lifetime membership. Accordingly, there will be no additional deposit or membership fee required in order to establish your membership at HFCU, and you will automatically become a member of HFCU upon completion of the acquisition, simply by completing and returning the enclosed Opt-In Agreement.

As a designated "low income" credit union, HFCU is permitted to accept and retain deposits of persons who are not members of HFCU (including those who do not qualify for membership as a result of being outside the field of membership), and it intends to do so indefinitely, without regard to the failure of an ESB depositor to complete and return the Opt-In Agreement, subject to any applicable regulatory approval. This authority to accept certain accounts will not, however, apply to loans of ESB borrowers who do not become members of HFCU. As a result, the loans of ESB borrowers who do not complete and return the Opt-In Agreement will be transferred to another organization promptly upon closing the transaction.

**Will there be any impact on my safe deposit box?**

No. So long as you consent to joining HFCU by completing and returning the enclosed Membership Opt-In Agreement, there will be no changes to your safe deposit box arrangements and procedures. However, if you choose not to become a member of HFCU by returning the Opt-In Agreement by February 28, 2021, we will contact you to discuss options available for you to make a smooth transition of your accounts, including removal of the contents of any safe deposit box you maintain.

**What if I want to keep my accounts with ESB?**

Following the transaction, ESB will no longer conduct banking activities and its corporate existence will be terminated. While we sincerely hope that you will stay with HFCU, you can transfer your accounts to any other financial institution. Please call ESB at (812) 983-2541 for more information.

**Who do I contact if I have additional questions?**

If you have questions, please call Curtis Ritterling, President & CEO of ESB, at (812) 437-2262, or the HFCU Information Center at (812) 253-6928 or toll free at (800) 858-1693, or contact your local branch location:

<b>Branch Name</b>	<b>Address</b>	<b>Telephone</b>
Elberfeld State Bank	55 Main Street, Elberfeld, IN 47613	(812) 983-2541
Evansville State Bank	3403 N. Green River Rd, Evansville, IN 47715	(812) 437-2262
Haubstadt State Bank	803 E. Hwy 68, Haubstadt, IN 47639	(812) 768-5800