

# America's Credit Unions Proposed Merger

## Frequently Asked Questions

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### General

#### Why are CUNA and NAFCU merging?

Both CEOs and Board members believe this action is in the best interests of the industry and its members. While both organizations are vibrant and doing very well today, the industry is evolving, and the associations need to evolve to meet the needs of members in the future. This merger will increase the associations' value and efficiency for an industry that continues to consolidate.

Teams from both organizations will follow a disciplined process to ensure products, services, events, processes, and cultures are reflected in the transformation process and the America's Credit Unions is a brand-new association – not a CUNA 2.0 or NAFCU 2.0.

#### How did both organizations come to this decision?

The two organizations have been collaborating for more than a year, and this was a natural evolution. Both CUNA's and NAFCU's Boards and Executive Committees were engaged throughout the process, which included many thoughtful, thorough, and productive discussions, and signed a Letter of Intent to merge the two organizations in May 2023.

#### Why should CUNA and NAFCU members vote in support of this merger?

This merger will take the industry into the future. It will consolidate and strengthen the efforts of CUNA and NAFCU into a single, powerful entity that will efficiently and effectively represent and successfully serve the industry. The new association will bring together the best of both organizations to offer exceptional services to credit unions so they can best serve American families and small businesses. Make no mistake, this new organization will not lose sight of the importance of strong advocacy – job number one – as well as responsiveness to members, compliance assistance, events, and education.

### **Who will be the President and CEO of America's Credit Unions?**

Jim Nussle will serve as President and CEO of America's Credit Unions. This was a collaborative process with input from Jim Nussle, Dan Berger, board members, senior executives of both CUNA and NAFCU, and external consultants. Dan Berger, who tendered his resignation to fulfill family obligations and pursue other opportunities, will remain at NAFCU until the end of 2023, working to bring the two organizations together and to ensure the merger is a success.

### **What are the long-term strategic goals and vision for America's Credit Unions?**

By combining the best of both organizations into a single, powerful entity, we will be able to serve our credit union members more efficiently and effectively, without redundancies. The vision is for America's Credit Unions to have a stronger voice and greater impact on federal and state advocacy and maximize value by aligning products, services, and events. Working together, we will identify new opportunities for innovation and lead our industry into the future.

Jim Nussle recently shared his five pillars for the success of America's Credit Unions, which are focused on:

1. Federal advocacy with support and collaboration at the state level
2. A clear, united voice that's representative of the entire industry
3. Strong compliance assistance
4. Education and cooperative networking
5. Member engagement with an increased focus on responsiveness

### **How will America's Credit Unions work with the Leagues?**

The Leagues will continue to be valued partners and will have membership status as part of America's Credit Unions. As part of this process, League presidents signed a resolution of support for the proposed merger, as members of the American Association of Credit Union Leagues. In their resolution, they stated they believe the merger is best for credit unions and their members as a superior model for a national trade association, advocacy and support, and feel one voice is essential for credit union movement growth and success.

They further recognized that ongoing credit union system evolution is necessary and a rich source of opportunity for system growth, strength and resilience, and noted ever stronger advocacy for credit unions and their members at the national and state levels is a highest-priority outcome.

## Voting Process and Timeline:

### What is the timeline of the merger?

Now that a CEO has been designated, members of both organizations have the opportunity to vote in support of the merger. The voting period opened on August 28, and will close at 5 p.m. Eastern on November 1. If you are a CEO of a member credit union and have not received information on how to cast your vote, please reach out to CUNA's Greg Michlig at [gmichlig@cuna.coop](mailto:gmichlig@cuna.coop) or NAFCU's Catherine Porterfield at [cporterfield@nafcu.org](mailto:cporterfield@nafcu.org).

### When will America's Credit Unions officially launch?

If the merger is approved, we intend to legally launch America's Credit Unions no sooner than January 2024, and intend to be fully operational by early 2025. This means that we will be working through the merger process and making operational decisions – from events, to products to personnel – throughout 2024 to ensure a solid foundation for the new organization in 2025.

### How will CUNA/NAFCU ensure a smooth merger and launch of America's Credit Unions?

Leading the Transformation Steering Group for the proposed America's Credit Unions, CUNA's Jill Tomalin and NAFCU's Anthony Demangone have been hard at work building teams comprised of both CUNA and NAFCU employees who will work together to support the integration of both organizations, should you vote in favor of the merger.

These teams will oversee specific workstreams to ensure the best of both organizations' products, services, events, processes, and cultures are reflected in the transformation process. Following a disciplined management process to ensure success, team members will not only work together, but hold each other accountable while remaining focused on you, your needs, and your desire to see a brand-new organization – *not* a CUNA 2.0 or NAFCU 2.0.

More information on who is leading the workstream teams [can be found here](#).

## Membership Participation and Dues

### How will member feedback and input be considered throughout the merger process?

Your feedback and ideas are critical in helping America's Credit Unions best serve your credit union and your members. We want to hear from all our members throughout this process. Members have the ability to complete a survey, attend virtual forums and meet with Jim or Board Members directly to share your feedback and ask questions about the merger:

**Survey:**

We encourage credit union CEOs to share their feedback via a recent survey that was sent via email to all credit union CEOs on Friday, September 22. The survey was sent from a third-party vendor with the email address of [mailer@euro.confirmit.com](mailto:mailer@euro.confirmit.com).

**CEO Forums:**

Each forum will include a brief update on the merger followed by a question-and-answer session. Questions will be collected during the forum registration process.

- September 27, 2:00 PM ET – CEO Forum: NAFCU-Only Members
- October 4, 2:00 PM ET – CEO Forum: CUNA-Only Members
- October 11, 2:00 PM ET – CEO Forum: Dual Members of NAFCU and CUNA

**1-1 Meetings or Calls:**

Our team is happy to coordinate either a call, virtual meeting or in-person meeting with you and Jim Nussle or a member of the Transition Board.

If you'd like to schedule a meeting or call, or have questions about the survey or CEO forums, please reach out to Catherine Porterfield at [cporterfield@nafcu.org](mailto:cporterfield@nafcu.org) or Jessica Hrubes at [jhrubes@cuna.coop](mailto:jhrubes@cuna.coop).

**How will the merger impact our participation in committees or working groups?**

Your involvement in committees, working groups, networks or councils is key to our successful advocacy operation. You will be notified in due course of any changes in future participation.

**As a CUNA-only member, what will my dues be going forward?**

There will be no change in the methodology used to calculate dues for CUNA-only members in 2024, 2025 and 2026. Membership dues for 2027 will be determined by the America's Credit Unions Transition Board of Directors, should the merger be approved. See details in chart below.

**As a NAFCU-only member, what will my dues be going forward?**

There will be no change in the methodology used to calculate dues for NAFCU-only members in 2024, 2025 and 2026. Membership dues for 2027 will be determined by the America's Credit Unions Transition Board of Directors, should the merger be approved.

**If I'm a member of both CUNA and NAFCU, what will my dues be going forward?**

For current joint members of CUNA and NAFCU, we ask that you continue to pay both sets of member dues in **2024 ONLY**. We are grateful for your support, as this will ensure we can provide the level of products and services that you deserve as we work to transform into America's Credit Unions and become fully operational in 2025. Credit unions will receive invoices from both CUNA and NAFCU for 2024 dues using the current dues formula.

For membership years 2025, 2026, and 2027 credit unions will receive only one invoice, representing whichever value is greater. Membership dues for 2028 will be determined by the new America's Credit Unions Transition Board of Directors, should the merger be approved.

**Why will dual members pay two invoices for one association in 2024?**

Just as you've supported CUNA and NAFCU for many years – to strengthen our advocacy, compliance, and educational offerings – we humbly ask you to support us during this transformation. While America's Credit Unions will be a new legal entity in January, we will not be fully operational until 2025 and need to ensure your needs are being met as we merge our two organizations throughout 2024.

**If I am not currently a member of either organization, what dues will I pay?**

Credit unions that choose to join America's Credit Unions in 2024, 2025, or 2026 will receive one dues invoice, which will be equal to the greater of the dues that would have been paid using CUNA's current methodology or NAFCU's current methodology, as of December 31, 2023. Credit unions that join after January 1, 2027, will be invoiced for dues calculated by the new America's Credit Unions dues structure, as determined by the Board of Directors.

**When will I be invoiced for 2024 membership dues?**

We felt it was imperative to allow you to vote on the merger before CUNA and NAFCU sent dues invoices to members for 2024. You will receive your dues invoice from both organizations soon after the voting period closes on November 1, 2023.

*Note: CUNA dues invoices will be sent from your state League unless you are a CUNA-only member.*

## **Board Governance and Structure**

**How was the proposed Transition Board selected?**

The proposed Transition Board of Directors is comprised of current, senior members of both CUNA's and NAFCU's Boards of Directors. Having been previously elected by their respective memberships, these credit union leaders are committed to their volunteer roles and have tremendous leadership qualities, institutional knowledge of CUNA and NAFCU, and strategic insights that will be critical in successfully guiding the transformation to America's Credit Unions, should members approve the merger.

They each bring a unique perspective and are passionate about the credit union industry – they firmly believe America's Credit Unions is what's best for the future of the industry.

## **How does the Transition Board intend to focus on increasing diversity on the Continuing Board?**

It's incredibly important to have diversity of thought, background, and experience on the Board of any organization. This mindset has not and will not change for the future of America's Credit Unions. Each Board member is committed to building a Continuing Board that is truly representative of the industry, and recruitment for future Board members will focus on diversity, including race, gender, geography or regional location, and credit union asset size. The structure of the Continuing Board is reflective of this commitment.

## **What is the Proposed Board structure?**

There will be a Transition Board slate voted on by members as part of the merger vote. After its three-year transition term, board members will be elected annually by the members.

### ***Transition Board:***

- The Transition Board will consist of 15 voting members and 1 nonvoting member, the CEO of America's Credit Unions.
- The voting members will include 9 from CUNA's current board (including 2 from Leagues), and 6 from NAFCU's current board.
- The Transition Board executive committee officers will be a Chair, Vice Chair, Treasurer, Secretary, and the America's Credit Unions CEO.
- The officers will include two members from CUNA and two members from NAFCU.
- Only directors from natural person credit unions and the CEO will be allowed to hold officer positions.

### ***Continuing Board:***

- The Continuing Board will consist of 15 voting members and 2 nonvoting members, the CEO of America's Credit Unions, and the past Chair.
- There will be four classes of members, Geographic (9 directors), At-large (4 directors), League (2 directors) and Nonvoting (2 directors).
- Each Geographic class will be represented on the Continuing Board; there will be 3 small, 3 medium, and 3 large credit unions seats.
- At-large members of the Continuing Board will be elected from all credit unions.
- Nonvoting Continuing Board seats will be held by the America's Credit Unions CEO and past Chair.
- Continuing Board executive committee officers will be Chair, Vice Chair, Treasurer, Secretary, and America's Credit Unions CEO.
- Only directors from natural person credit unions and the CEO will be allowed to hold officer positions.

## Events, Product, and Service

### **Will there be any changes to provided services, resources, or benefits?**

Access to advocacy and compliance teams and tools, educational opportunities, and research offerings will remain the top priority for America's Credit Unions when serving our members. The specific services, resources, and benefits that America's Credit Unions will offer you will be communicated over the course of the merger.

### **What products, services, and resources will be offered in 2024?**

Certifications and designations will be honored in 2024 as will any existing product or service contracts. Many of the events and conferences you recognize are already in development and will continue to be offered. Details will be communicated online and directly to each respective audience. 2024 will be a foundational year for America's Credit Unions and will be an opportunity to strategize how to best meet your needs going forward. We will also use 2024 to enhance and streamline our advocacy, compliance assistance, research, communications, and more. Your ongoing support will allow us to build the best trade association for credit unions without sacrificing service.

## Partners

### **What will happen to our partnership with CUNA/NAFCU?**

You have always been a valued partner to our credit unions, and we look forward to our continued friendship and partnership in the years ahead. We will keep you updated on developments. If you have specific questions, please contact CUNA's Greg Michlig [gmichlig@cuna.coop](mailto:gmichlig@cuna.coop) and NAFCU's Randy Salser at [rsalser@nafcu.org](mailto:rsalser@nafcu.org).

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