



FREQUENTLY ASKED QUESTIONS STATE TO FEDERAL CONVERSION

GECU, is the largest locally-owned financial institution with 400K plus members. Its Operations Center, state-of-the-art Data Center, and 31 branch and service locations are in El Paso, Texas. GECU employs 850+ employees and is organized as a not-for-profit, state-chartered Credit union. GECU pays city, county, and state sales, property and payroll taxes. GECU does not pay federal income taxes.

What is GECU's current membership eligibility under a state charter?

Our current membership eligibility includes El Paso County and Hudspeth County in Texas, and parts of Dona Ana County, Sunland Park, and Santa Teresa, New Mexico that are within 25 miles of our Helen of Troy and Resler neighborhood branch.

Why is GECU proposing this change?

For nearly 90 years, GECU has practiced its people helping people philosophy. During the last decade, GECU has grown to over 400K members, saturating our current marketplace. GECU's Board of Directors and Executive Leadership Team recommend changing to a federal charter to grow the credit union. Our future growth is entirely dependent on our ability to serve an expanded geographic area. With a federal charter, GECU will be able to expand our membership eligibility and services across state lines into our neighboring state of New Mexico, and into additional urban and rural communities in Texas. We will continue to live our people helping people philosophy.

Are there any member benefits of converting from a state chartered credit union to a federally chartered credit union?

Updating our charter will not impact individual members. GECU is part of the fabric of our community and expansion will help us serve more people and communities.

Why is a federal charter better for GECU than a state charter?

GECU's Board of Directors and Executive Leadership Team recommends this change because it will provide the flexibility for GECU to serve more members by adding additional geographic territories in Texas and across state lines to New Mexico while retaining 100% of our current membership.

What is the difference between a state and federal chartered credit union?

Federal chartered credit unions are regulated by the National Credit Union Administration (NCUA) and a Texas state chartered credit union is regulated by the Texas Credit Union Department. As a federally insured credit union, GECU is currently subject to examinations from both the Texas Credit Union Department and the NCUA. Most credit unions operating in El Paso are federally chartered credit unions.

Do members have to approve the change from a state to a federal charter?

Yes, each eligible GECU member has one vote.

If approved, when will the conversion take place?

The NCUA will determine the actual date of the change. A conversion to a federal charter will not impact our current membership.

Will GECU accounts still be federally insured?

Yes, your deposit accounts will continue to be federally insured by the NCUA.

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

Your account numbers and services will remain the same.

Will the credit union's name change?

No, GECU will continue as GECU. However, GECU will utilize "GECU Federal Credit Union" in communications with the NCUA and other government agencies and in any documents that purport to bind GECU to legal responsibilities or obligations.

Will converting to a federal charter require any changes to the Board of Directors or management team?

No. GECU's Board of Directors and management team will continue to fill their respective duties in serving members. The Audit Committee will become the Supervisory Committee and the makeup of the committee will need to change.

What are the financial impacts of the charter change?

The Board of Directors and management is confident that the short-term and long-term growth, profitability, and community opportunities associated with this proposed change will be positive for our members and the communities that we serve.