

Knoxville News Sentinel Credit Union - New South Credit Union Merger

FREQUENTLY ASKED QUESTIONS

After months of preparation, the merger between KNSECU and New South CU will take place effective March 1st. KNSECU members voted unanimously to partner with New South CU. It's exciting when two strong credit unions with loyal members can unite to create an even stronger credit union.

Our goal is to make the transition a smooth one. These pages contain answers to frequently asked questions, links to important websites, and general information related to our merger. We encourage you to contact us if you have any additional questions.

Q. WHY IS KNSECU MERGING?

Due to rapid regulatory changes and increasing expenses in the CU marketplace, KNSECU's ability to expand services, maximize convenience, and meet regulatory requirements was an increasing challenge. In the best interest of the members and to ensure each members' financial services needs are best served it was determined that partnering with another CU was the best solution. A merger provides the capability to offer additional products and services and the ability to leverage operational efficiencies and lower certain operating costs which will directly benefit the entire membership.

KNSECU evaluated several potential partners, and selected New South Credit Union because of its strong financial position, its shared vision, its excellent reputation for member service, and its expansive list of products and services.

Q. WHEN WILL KNSECU BECOME NEW SOUTH CREDIT UNION?

The TN Department of Financial Institutions and the National Credit Union Administration officially recognized the merger on December 31, 2016. **On March 1st, the accounts of KNSECU's members will officially be transferred to New South CU's processing system and all members will officially be a member of New South Credit Union.**

Q. WILL KNSECU'S OFFICE BE CLOSED FOR A DAY SO THE TRANSFER CAN BE COMPLETED?

YES. To make the transition of accounts and computer systems, the KNSECU office will be closed on Wednesday, March 1st. On March 2nd, members will be able to access their accounts and use any of the 4 New South offices.

Q. WILL MY ACCOUNT BE FROZEN DURING THE COMPUTER CONVERSION ON MARCH 1ST?

Yes. All KNSECU accounts must be blocked from any type of transaction from 4:00 pm on February 28th thru 6:00 pm on March 1st to ensure all accounts are accurately transferred. Access to accounts through debit cards, checks, online access, etc. will be frozen.

You should make plans to withdraw any cash that you may need during this brief stoppage before 4:00 pm on February 28th. Again, all access to your accounts will be blocked from 4:00 pm on the 28th until 6:00 pm on the 1st.

Q. WILL THE EMPLOYEES OF KNSECU BE RETAINED?

All employees of KNSECU will become employees of New South CU. Cindy Beck, KNSECU's manager, has expressed a goal of retiring sometime during 2017, but she has agreed to stay for a period of time to ensure the transition is complete. You may temporarily see new faces in the branches as we train the staff and integrate the computer systems.



Q. WILL THE CU OFFICE LOCATED IN THE NEWS-SENTINEL BUILDING REMAIN OPEN?

Yes. While the office space is located inside and is provided by the News-Sentinel, our goal is to keep the KNS branch office open as long as the credit union is permitted to use the space.

Q. WILL I HAVE ADDITIONAL BRANCHES THAT I CAN USE?

Yes. In addition to the current KNSECU office, beginning March 2nd, members can use any of the following locations. The branches offer extended hours, drive thru access, ATMs, safe deposit boxes, and more.

Main Office	News Sentinel Branch	Rutledge Branch	Maynardville Branch
3261 North Mall Rd	2332 News Sentinel Dr	7701 Rutledge Pike	4587 Maynardville Hwy
Knoxville TN 37924	Knoxville TN 37917	Rutledge TN 37861	Maynardville TN 37807
(865) 523-0757	(865) 342-6932	(865) 523-0757	(865) 523-0757
(865) 637-6535 Fax			
Service4u@newsouthcu.com			

Q. WILL THE CREDIT UNION'S HOURS CHANGE?

The hours at the KNSECU office will be expanded. Our other branches already offer extended hours.

Please note - All offices open at 10:00 am on Wednesdays to allow for weekly staff meetings.

News Sentinel Branch		All Other Branches	
M	8:30 – 4:00	M	8:30 – 4:30
T	8:30 – 4:00	T	8:30 – 4:30
W	*10:00 – 4:00	W	*10:00 – 4:30
TH	8:30 – 4:00	TH	8:30 – 4:30
F	8:30 – 4:00	F	8:30 – 5:30

Q. WILL I HAVE ACCESS TO MORE ATMs?

Yes. We will temporarily have to “take down” the ATM located in the News Sentinel building to convert its network. In addition to this ATM, you can use over 25,000 FREE of any withdraw fee. You can use any ATM 1) located in Weigels, 2) owned by any local credit union, any 3) ATM on the MoneyPass network. Our website has an ATM locator for your convenience.

ACCOUNT AND LOAN INFORMATION

Q. WILL MY ACCOUNT NUMBER CHANGE?

No. Members will keep their same account number.

Q. WILL MY DIRECT DEPOSITS/AUTOMATIC DEDUCTIONS/EFTs BE AFFECTED?

No. Direct deposits and electronic fund transfers (EFT) will still continue to be processed as normal. We have made arrangements with the Federal Reserve Bank (FRB) to have and Direct Deposits and EFTs directed to KNSECU's routing number to temporarily be redirected to New South. The FRB will also notify companies of the routing number change.

While items will post using the old KNSECU routing number temporarily, we are asking members to contact any company that is using KNSECU's old routing number to verify they have updated the routing number to New South's after the March 1st cutover date. New South's routing number is 264-279-745.

Any future EFTs that you set up should use New South's routing number. (264-279-745)

Q. WILL MY KNSECU CHECKS STILL WORK?

TEMPORARILY. Checks written on KNSECU checks prior to February 28th will still process and clear your account. Members with active checking accounts will receive a FREE box of New South CU checks prior to the merger date. They should begin using their New South checks on March 1st. Your new, free box of checks provided by the CU will be a base design and you may change your style on your next reorder.

It's very important that you properly destroy any unused KNSECU checks on February 28th and that you do not write any checks on your KNSECU checks after February 28th. After a brief time, any KNSECU checks that attempt to clear will automatically be returned by the Federal Reserve (FRB) because the old KNSECU routing number will be retired.

Q. WILL MY KNSECU DEBIT CARD STILL WORK?

Your KNSECU debit card will work until 4:00 pm on February 28th. After this date and time, the card will not work.

Members who have an active KNSECU debit card will be issued a New South debit card prior to February 28th. The cards will be activated to begin working on March 2nd. They will not work until March 2nd.

We generally don't recommend using your debit cards for recurring charges because card numbers and expiration dates change. New South recommends using our Online Bill Pay to pay bills electronically. This allows you to pay bills electronically when you wish to initiate payment. However, if you wish to have a company transact on your account using your debit card, it's very important that on March 1st you provide them with your new card number and expiration date. Charges that attempt to use your old KNSECU card information will not process after March 1st.

Q. WHAT IF I HAVE AUTOMATIC WITHDRAWALS SET UP ON MY KNSECU DEBIT CARD?

We generally don't recommend using debit card for recurring charges because card numbers and expiration dates change and they can be difficult to stop. New South recommends using our Online Bill Pay to pay bills electronically. Our Bill Pay allows you to pay bills electronically when you wish to initiate payment. However, if you need to have a company transact on your account using your debit card, it's very important that on March 1st you provide them with your new card number and expiration date. Charges that attempt to use your old KNSECU card will not process after March 1st.

Q. WILL MY DEPOSITS BE INSURED BY NCUA AFTER THE MERGER?

Yes. Your deposits will continue to be insured up to \$250,000 by the National Credit Union Administration (NCUA). For additional information regarding federal deposit insurance, you can request a brochure or visit the share insurance section of NCUA's website, www.ncua.gov.

Q. WILL I HAVE ACCESS TO MY ACCOUNT ONLINE AND MY E-STATEMENTS?

Yes. For members using online banking and e-statements, we have set up your New South online access. You should have received an email regarding log-in instructions and other important information. You can access your account and e-statements by logging in at www.newsouthcu.com. Our site is specifically designed to operate on both mobile devices and PCs. For those members that use Remote Deposit, they will need to download New South's Remote Deposit App and request access. **The KNSECU Mobile App and Remote Deposit App will be deactivated at 4:00 pm on February 28th.**

Q. WILL MY DEPOSIT ACCOUNTS BE AFFECTED BY THE MERGER?

New South pays all dividends monthly. All your KNSECU accounts will be paid all dividends due for January and February, and then, monthly thereafter. Members will receive monthly statements on checking accounts only; other accounts will show on your quarter-end statement.

The only other change is in the sub-account numbers. The sub-account number is the number used to help identify the type of accounts you have. The sub-account number and the type of account will be reflected on your statement and online.

Below is a listing of the sub-account numbers and account type:

Primary Savings	S-1	Christmas Club Savings	S-80	IRAs - Traditional	S-800's
Special Savings	S-2 - S-10	Vacation Club Savings	S-85	IRAs - Certificates	S-850's
Money Market	S-50	Certificates	S-500's	IRAs - Roth	S-875
Checking	S-70				

CONTINUED ON REVERSE SIDE

Q. WILL THE RATES OR TERMS CHANGE ON MY CDs OR IRA CERTIFICATES?

No. The rate, term, and maturity date will remain the same. As before, at maturity, the CD will automatically renew for the same term and at the current renewal rate unless you notify us within the renewal grace period.

Q. WILL MY RATES OR TERMS OF MY LOANS CHANGE?

No. The terms and conditions of your loans will remain the same.

Q. WHAT ABOUT JOINT OWNERS AND BENEFICIARIES LISTED ON MY ACCOUNT?

Joint account owners and beneficiaries will remain the same as you designated for your KNSECU accounts. However, we will be asking all members to review your account ownership and payable-on-death (POD) beneficiary information so we can make sure we have the most up-to-date information on your accounts.

Q. WHERE SHOULD I MAIL MY PAYMENTS AND OTHER CORRESPONDENCE?

All payments and other credit union related correspondence should always be mailed to:

**New South Credit Union
3261 North Mall Road
Knoxville TN 37924**

Q. WHAT TERMS/CONDITIONS AND FEE SCHEDULE APPLY TO MY ACCOUNTS?

KNSECU's and New South's membership agreements and rules, conditions, and terms are similar in many areas. However, the rules, conditions, and terms of your accounts will change on the effective date of the merger to reflect the rules, conditions, and terms of accounts available at New South Credit Union. Also, while New South has very few fees, your account will be subject to the Fee Schedule of New South Credit Union on the date of the merger. A copy of the membership agreement and fee schedule, along with all the applicable rules, conditions, and terms that govern your New South accounts will be sent to all members. A copy of important disclosures and the fee schedule can be found at www.newsouthcu.com and within New South's Online Banking. You can request additional copies of the membership and account agreements by contacting the credit union.

Q. WILL MY FAMILY MEMBERS BE ELIGIBLE TO JOIN NEW SOUTH AFTER THE MERGER?

Absolutely! New South membership is not only available to family members, but membership is also offered to your friends, neighbors, extended relatives, and all those that live, work, worship, or attend school in Knox, Union, and Grainger counties.

Q. WHAT ABOUT OTHER QUESTIONS THAT I HAVE?

It is our goal to make this transition as smooth as possible. We have been working diligently over the last several months preparing for the transition. We are very confident the transition will go very well, and we appreciate your patience and understanding of the office closure and the need to "freeze" accounts.

We also realize that whenever a task as complex as merging nearly 6,600 accounts takes place, there may be unique questions that are not addressed in the correspondence. I encourage you call us with any questions that you may have. We will be pleased to answer all of your questions.