

March 11, 2015

UPDATE TO MEMBERSHIP OF EAGLE RIVER CREDIT UNION LIMITED

In relation to closure of Cartwright Branch

The operation of our Credit Union is governed by Federal & Provincial Legislation and by the Provincial Credit Union Regulators. Under *Section 47 of Newfoundland and Labrador Credit Union Act* our Credit Union must operate under sound business practices and financial practices. Our Credit Union is also required by the Federal Legislation (Criminal Code) and Provincial Legislation (WHSCC) to insure safety of our employees in the work place.

Your Board of Directors is responsible under law for supervising the management of Eagle River Credit Union business. The Board of Directors has the statutory authority and obligation to protect and enhance the assets of the organization in the interest of all shareholders. Although directors may be elected to bring special expertise, points of view, or regional perspectives to Board deliberations, they are not chosen to represent a particular constituency. Eagle River Credit Union Directors are solely accountable to Eagle River Credit Union in their capacity as a Director.

In relation to the Cartwright Branch Closure we summarize the situation as follows:

- The branch in Cartwright, currently open 2.5 days a week, will close effective March 20, 2015.
- While Eagle River Credit Union is profitable, the Cartwright Branch has incurred a major accumulated deficit over 25 years.
- Membership meetings were held in the town of Cartwright on September 14, 2013 and October 29, 2013 in which our Credit Union provided members with information regarding recruitment challenges as well as the financial status of the branch.
- Despite numerous attempts to recruit employees for the branch over the past three years, the Credit Union has not been successful.
- A membership meeting was held in the town of Cartwright on February 12, 2015 at that time which we announced the decision to close the branch for business as of March 20, 2015
- Since February 12, 2015 we have contacted approximately 50% of the active members of the branch to discuss how the Credit Union might be able to continue to service financial needs going forward. Our Credit Union will continue with our efforts to speak with each member.
- The Board and Management of Eagle River Credit Union remain committed to the members and welcome the opportunity to work together to continue to meet the financial needs of our active members.
- Members served by this branch will continue to be served by Eagle River Credit Union through our on-line banking, available 24 hours a day, seven days a week; from either of our alternate branch locations; the primary branch to be determined by individual members; free assistance will be provided to individuals who wish to avail of the service in setting up pre-authorized bill payments, direct deposits, etc.; and, members will be provided with a free chequing package for a three month transition period following the closure of the branch (i.e. April – June, 2015).

If you have any questions, please feel free to contact Alvina O'Brien, CEO at aobrien@ercu.ca or by telephone at 709-927-5001 or toll free at 1-877-377-3728.



Bert Belben, Chair
Board of Directors