



# WARWICK BEACON

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## **Credit union members vote to weigh Anchor to ride the Wave**

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By JOHN HOWELL

After working together for a number of years and facing similar issues as smaller credit unions, it only seemed natural that the Anchor and the Wave become one.

On May 15 with 87 percent of 500 members casting favorable votes, Warwick-based Anchor Federal Credit Union voted to merge with Wave Federal Credit Union by Aug. 31. The resulting institution under the banner of the Wave will have more than \$95 million in assets and 9,000 members, making it by Rhode Island standards a mid-sized credit union.

The merger will give Wave three Warwick offices in addition to one already in Pawtucket. It will also retain the Anchor office operated at Stanley-Bostitch in East Greenwich. The existing staffs of both credit unions will be retained for a total workforce of 32.

Anchor's president and CEO David Dupere and Wave's president and CEO Paul Archambault say the merger was a natural, calling it a win-win for members of both institutions.

A lot of smaller credit unions are finding it difficult with all the new regulations, says Dupere. Anchor, which got its start 62 years ago as the Warwick Municipal Employees Credit Union, has grown over the years with the merger of Bayside and Stanley-Bostitch Credit Unions. Nonetheless, it has remained comparatively small. It has 3,500 members.

It's more of a partnership, says Archambault. He observes size of an institution can be restrictive, limiting what it can do for members and its ability to compete in the marketplace. Facilitating the proposed merger, the two credit unions use many of the same vendors and their data processing systems are identical, eliminating the need to acquire additional equipment, software or to train personnel.

This merger is more of a strategic alliance combining two well-capitalized credit unions with a long history of similar membership groups and cultures, Dupere writes in a letter sent to Anchor members following the May 14 vote. He goes on to say the two institutions "share a strong commitment to member services and to our communities, particularly Warwick." He notes the merger will give Anchor members two additional branch locations and access to a larger surcharge-free ATM network.

As many Wave members also have homes in Florida, Archambault observed that Wave has made arrangements for surcharge-free ATM service throughout the country.

The merger has undergone a three-step approval process that started when the Anchor board voted in favor of the merger this February. That was followed on April 25 with National Credit Union Association approval and then the Anchor membership vote.

Both credit unions have converted to community charters enabling them to serve individuals and businesses in Kent County as well as Providence, Pawtucket, Cranston, West Greenwich, North Kingstown and South Kingstown.

Wave, which moved into new \$3 million corporate headquarters on Greenwich Avenue opposite St. Paul 's Lutheran Church in 2006, was founded in 1938 to serve the needs of Narragansett Electric Employees. In 2003 Hasbro Employees Federal Credit Union merged into Wave. Wave has grown to more than \$67 million in assets and has a capitalized position of greater than 18 percent.

As a result of the merger, which does not require state approval, as both institutions are federal credit unions, current Anchor members gain access to a number of new services. They include financial planning and investment services, which Wave recently started to offer its members, expanded first mortgage and homebuyer programs, national shared branching, expanded business accounts and a national surcharge-free ATM network.

Under the terms of the merger, three of the existing Anchor board will serve on the 9-member Wave board. Archambault will remain as Wave's president and CEO and Dupere will become executive vice president/COO.

Dupere said the merger made the most sense to gain more of the services sought by Anchor members as well as providing economies of scale that would not have been possible now.