

Turning Risk Into Growth: How Pima Federal Retained Millions During a Bank Acquisition

Retained millions in deposits during bank acquisition

Transitioned accounts in minutes with ModernFi's seamless process

Laid the groundwork for ongoing account transitions and new relationships

About Pima Federal

Founded in 1951 by a group of Tucson teachers, Pima Federal Credit Union has grown to serve over 68,000 members across Arizona, with more than \$1.5 billion in assets. Pima Federal's mission is rooted in helping people and communities thrive through accessible, innovative financial solutions.



The Challenge: Retaining Large Depositors Post Bank Acquisition

The acquisition of Republic Bank of Arizona (RBAZ) marked a major expansion for Pima Federal, bringing new locations, new commercial relationships, and new operational complexities. As part of the transition, some of RBAZ's largest depositors relied on extended insurance products from a legacy provider. With this provider set to discontinue coverage after the acquisition, millions in deposits were suddenly at risk.

These were not just any accounts—they were large, sophisticated depositors whose continued relationship with Pima Federal would demonstrate the credit union's ability to serve high-value members at the level they expected.

Retaining these accounts was critical. As Katelyn Brown, VP Accounting & Finance, explained:

“When we first entertained the acquisition, one of our immediate considerations was how to maintain the level of deposit insurance coverage that Republic Bank of Arizona had in place through alternative providers. From an operational and member trust perspective, it was clear that continuity in coverage would be critical. These accounts represented important funding for the economics of the acquisition, and the credit union's ability to retain and service these accounts to the level these new members expected was vital.”

The Solution: ModernFi's Tailored Solution and Seamless Transition

To solve this challenge, Pima Federal evaluated multiple vendors. Most solutions were either not designed for credit unions, lacked reciprocal coverage, or imposed restrictive insurance limits. ModernFi stood out for its deep credit union expertise, ability to keep deposits on balance sheet, and hands-on partnership throughout the transition.

Christine Haugen, CFO, recalled, “Other solutions were a one-way sweep, did not offer the reciprocal deposits that were important to us to maintain liquidity nor were the per member insurance limits sufficient to cover some of our relationships. ModernFi’s insurance limits stood out while allowing funds to be insured and reciprocated through credit unions.”

ModernFi worked closely with Pima Federal to:

Design a custom, seamless transition plan:

Collaborated to map out timing, procedures, and member communications before go-live

Support relationship managers:

ModernFi provided templates, training, and direct support to ensure there would be no lapse in coverage for these key accounts

Deliver a hassle-free onboarding:

“It took less than 10 minutes to get these accounts onboarded and ready to go,” Katelyn noted. “The onboarding process was very easy, very seamless. It didn’t take a lot of time out of our day.”



Christine Haugen
CFO

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“ModernFi went above and beyond in coming up with different solutions and alternatives for us to consider. It was a really smooth experience, with options provided and logistics explained. The partnership aspect really stood out from day one.”

The Impact: Retained Deposits, Member Trust, and Growth

After partnering with ModernFi on the transition plan, the results for Pima Federal and its newly transitioned members were immediate and impactful:

- **Retained millions in deposits:** Across multiple key accounts, Pima Federal avoided deposit runoff during the transition
- **Empower staff for future growth:** Pima Federal’s team can now confidently offer extended insurance, supporting both retention and expansion as they continue to grow
- **Strengthen competitive positioning:** “As we grow in Tucson and Phoenix, being able to provide insurance on deposits is a really good selling point,” Katelyn said. Christine added, “It sets us apart... and is a great resource for deposit gathering.”

Looking Ahead: Enabling Confident Transitions and Future Growth

With ModernFi in place, Pima Federal Credit Union is now fully equipped to service future account transitions with confidence. The team feels empowered to smoothly migrate large, sophisticated accounts while minimizing deposit runoff and member disruption. This capability not only strengthens retention, but also positions Pima Federal to deepen relationships, win new members, and expand their impact across Arizona.

Learn more about how ModernFi CUSO can support you and your members

ModernFi.com