

Greenbelt

Federal Credit Union
Serving Greenbelt Community since 1937

Dear Valued Member,

Earlier this year, Greenbelt Federal Credit Union agreed to explore a merger with Prince George's Community Federal Credit Union, headquartered in Bowie, Maryland. The decision to proceed with the merger was the result of extensive assessment and research by each credit union and a desire to provide the members of both institutions with the best financial services possible. The National Credit Union Administration has approved the merger and the final step for the merger to take place is approval from you, the member.

Notice of Special Meeting of Members and Merger Ballot

Enclosed, please find a Notice of Special Meeting of Members and a Merger Ballot. You are invited to attend this special meeting on Wednesday, December 13, 2023 at 7:00 PM at the Greenbelt Community Center at 15 Crescent Road, Room 201, Greenbelt, MD 20770.

The purpose of this meeting will be to discuss the benefits and opportunities the merger with Prince George's Community Federal Credit Union will bring. It is the recommendation of your Board of Directors that you vote "Yes" on the merger with Prince George's Community Federal Credit Union.

Why is Greenbelt Federal Credit Union pursuing a merger with Prince George's Community Federal Credit Union?

While our credit union is financially strong, the opportunities and efficiencies afforded by merging with a larger organization are undeniable. A merger with Prince George's Community Federal Credit Union would create a combined organization of over \$289 million in assets with 4 branch locations to serve you. In addition, Greenbelt Federal Credit Union and Prince George's Community Federal Credit Union have a shared history of serving the community.

About Prince George's Community Federal Credit Union

Prince George's Community Federal Credit Union was founded in 1967 to serve the employees of Prince George's County in Maryland. Now, PGCFCU offers financial solutions for everyone who lives, works, worships, volunteers or attends school in Prince George's County, Maryland. PGCFCU has made significant strides to build an outstanding workforce that seeks to assist every member with effort and appreciation. At PGCFCU, members can expect to have continual access to a wide range of deposit and loan products through their digital banking platform, four branch locations, and a partnership with a shared network of branches and ATMs.

PGCFCU's mission is to help their community achieve financial success. They have held strong to that goal since 1967. Now, over 17,000 members depend on the credit union to manage their day-to-day banking as well as to achieve their long-term financial goals.

Currently, Prince George's Community Federal Credit Union has over \$252 million in assets and serves more than 17,000 members throughout Maryland. Membership is open to anyone who lives, works, worships, volunteers or attends school in Prince George's County, Maryland. Once the primary membership is established, immediate family members are welcome to take advantage of membership benefits as well.

What are the benefits of a merger between Greenbelt Federal Credit Union and Prince George's Community Federal Credit Union?

- **Convenience:** The Greenbelt Federal Credit Union main office branch location will remain open, and members will now have access to a total of 4 branch locations. At our combined size, we would be able to consider expanded branch operations in the area and other improvements to be more convenient for our members.
- **Member Service:** As a larger organization, we will be able to invest more in providing even better service for our members.
- **Expanded/Improved products and services:** Our larger size will allow us to consider many new and expanded products and services. **In addition, the combined organization will continue to serve as a Greenbelt Homes Inc. approved lender and continue to offer Greenbelt Homes Inc. cooperative 'share loan' mortgages and home equity line of credit (HELOC) financing.**
- **Technology:** Improved technology through the latest offerings in online and mobile banking.
- **More competitive loan and deposit rates for members:** By taking advantage of economies of scale on operating expenses, we will be able to pass those savings along to you, the members, through higher dividends, lower loan rates, and reduced fees.
- **Employee Opportunities:** All employees will be retained, and employees will benefit from greater career growth opportunities, training resources, and competitive employee benefits as part of a larger organization.

When might this merger occur?

If approved by the majority of the members who vote, the date for the merger would be on or before **December 31, 2023**.

We are excited about this opportunity and appreciate your support and trust. Please rest assured that we are committed to ensuring this transition process goes smoothly for you and to supporting you every step of the way. We look forward to seeing you on Wednesday, December 13, 2023 at 7:00 PM at the Greenbelt Community Center at 15 Crescent Road, Room 201, Greenbelt, MD 20770.

Sincerely,



Ed James, Board Chairperson
Greenbelt Federal Credit Union



Nicole Velasquez, Interim Manager
Greenbelt Federal Credit Union



NOTICE OF SPECIAL MEETING OF THE MEMBERS OF GREENBELT FEDERAL CREDIT UNION ON PROPOSAL TO MERGE

On April 20, 2023, the Board of Directors of Greenbelt Federal Credit Union approved a proposition to merge with Prince George's Community Federal Credit Union. To vote on this proposition, the Board of Directors of Greenbelt Federal Credit Union has called a Special Meeting of the Members at:

**Wednesday, December 13, 2023 at 7:00 PM
Greenbelt Community Center
15 Crescent Road, Room 201
Greenbelt, MD 20770**

The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Greenbelt Federal Credit Union with and into Prince George's Community Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of Greenbelt Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Greenbelt Federal Credit Union will become members of the Continuing Credit Union and will be entitled to receive shares in the Continuing Credit Union for the shares they own in Greenbelt Federal Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of Greenbelt Federal Credit Union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Greenbelt Federal Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to complete and return the enclosed ballot to vote on the proposed merger.

Your Greenbelt Federal Credit Union Board of Directors recommends that you vote "Yes" (Approve) on the merger with Prince George's Community Federal Credit Union.

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If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at:

<https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>

or mail to:

NCUA - Office of Credit Union Resources and Expansion
1775 Duke Street
Alexandria, VA 22314
RE: Member-to-Member Communication for Greenbelt Federal Credit Union

The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of the continuing credit union, can be found at the end of this notice. In addition, the following information applies to the proposed merger.

Reasons for Merger

The Board of Directors of Greenbelt Federal Credit Union and Prince George's Community Federal Credit Union believe that this partnership will create a credit union that offers its members even more value than they have today. The credit unions believe the proposed merger will benefit their memberships by achieving operational cost savings and combining the strengths of each credit union to form a stronger, more efficient and competitive Continuing Credit Union. Both feel an increased amount of pressure from increased regulations and more non-traditional banking competitors. As both credit unions operate in nearby geographic areas and have a shared history of serving the community, it is an ideal partnership.

Net Worth

The net worth of a merging credit union at the time of the merger transfers to the continuing credit union. Greenbelt Federal Credit Union does not have a higher net worth ratio than Prince George's Community Federal Credit Union. As of March 31, 2023, Greenbelt Federal Credit Union's net worth ratio is 9.51% and Prince George's Community Federal Credit Union reported a net worth ratio of 12.03%.

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Share Adjustment or Distribution

To recognize the contributions that Greenbelt Federal Credit Union members have made to the organization, Greenbelt Federal Credit Union has made a one-time member dividend equal to 99% of the total amount of deposit interest that has been paid into each deposit account at Greenbelt Federal Credit Union beginning on January 1, 2023 through September 30, 2023, including savings, checking, certificates, IRAs, and money market accounts. The one-time member dividend was calculated by applying 99% to the total dividend interest paid in each eligible deposit account in question as of September 30, 2023. The one-time member dividend was distributed into member's deposit accounts on October 1, 2023 and totaled \$58,325.39.

Branch Locations

Greenbelt Federal Credit Union's main office location at 112 Centerway, Greenbelt, MD 20770, will remain open. The Continuing Credit Union's main office after the merger will be located at 15201 Hall Road, Bowie, MD 20721. All branch locations of both credit unions will remain open.

Prince George's Community Federal Credit Union has three (3) full-service branch locations:

MAIN OFFICE (BOWIE BRANCH):

15201 Hall Road, Bowie, MD 20721

- Deposit-Taking ATM
- Surcharge Free ATM

Lobby & Drive-Thru Hours

- Monday – Friday: 9:00 a.m. to 5:00 p.m. ET
- Saturday: 9:00 a.m. to 1:00 p.m. ET
- Sunday: Closed

BELTSVILLE BRANCH:

6985 Muirkirk Meadows Drive, Beltsville, MD 20705

- Deposit-Taking ATM
- Surcharge Free ATM
- Walk In

Lobby & Drive-Thru Hours

- Monday – Friday: 9:00 a.m. to 5:00 p.m. ET
- Saturday - 9:00 a.m. to 1:00 p.m. ET
- Sunday: Closed

LARGO BRANCH:

9201 Basil Ct., Largo, MD 20774

- Deposit-Taking ATM
- Full Service
- Accessible
- Walk In
- Accepts Cash Deposit

Lobby Hours

- Monday – Friday: 9:00 a.m. to 5:00 p.m. ET
- Saturday – Sunday: Closed

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Greenbelt Federal Credit Union has one (1) full-service branch location:

MAIN BRANCH:

Roosevelt Center, 112 Centerway, Greenbelt, MD 20770

- Member Services
- ATM
- Accepts Check Deposits
- Walk-up

Lobby Hours:

- Monday – Thursday: 8:30 a.m. to 3:00 p.m. ET
- Friday: 9:00 a.m. to 7:00 p.m. ET

Changes to Services and Member Benefits

To the extent reasonably possible, the Continuing Credit Union shall provide its existing products and services on the same terms to all members of the combined credit union and shall modify any differences in product or service offerings that exist as of the Merger Effective Date. All branch and ATM locations will remain open so members will continue to have the same level of physical access. **The Continuing Credit Union will continue to serve as a Greenbelt Homes Inc. approved lender and continue to offer Greenbelt Homes Inc. cooperative 'share loan' mortgages and home equity line of credit (HELOC) financing.**

Merger-related financial arrangements

NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. As a thank you for their continued commitment to the credit union and integral role in the success of Greenbelt Federal Credit Union both before the merger and if approved, during the merger, the credit union would like to show their appreciation by awarding three key employees with the following compensation arrangements:

In recognition of the additional work required during Merger Integration and their loyalty provided, Nicole Velasquez (*Interim-Manager*), Christina Doss (*Assistant Manager, Operations, and Administration*) and Allisa Tomblin (*Lead Teller*), will be eligible to receive a one-time bonus of Five Thousand Dollars (\$5,000) to be paid within one (1) week of the Merger Effective Date. Provided that these three key GFCU employees are still employed by PGFCU one (1) year after the Merger Effective Date, each employee would be eligible to receive an additional one-time bonus of Five Thousand Dollars (\$5,000) to be paid within one (1) week of the 12-month anniversary from the Merger Effective Date.

In addition, the Continuing Credit Union will offer employment to Nicole Velasquez, the current interim manager of Greenbelt Federal Credit Union, for a period of at least two (2) years following the Merger Effective Date, in a comparable position at or above her current salary level. All other employees of Greenbelt FCU will be offered employment for a period of at least one (1) year following the Merger Effective Date, in a comparable position at or above their current salary level.

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A Combined Statement of Financial Condition of Prince George's Community Federal Credit Union and Greenbelt Federal Credit Union reflecting the proposed Merger is attached (using March 31, 2023 reporting).

	PGCFCU	Greenbelt FCU	Combined
Assets			
Cash & Other Deposits	\$53,974,576	\$27,073,738	\$81,048,314
Investment Securities	\$ -	\$ -	\$ -
Other Investments	\$897,797	\$137,977	\$1,035,774
Loans	\$179,528,058	\$10,053,759	\$189,581,817
ALLL/ACL	(\$872,245)	(\$79,089)	(\$951,334)
Foreclosure/REPO	\$ -	\$ -	\$ -
Land & Building	\$8,086,614	\$ -	\$8,086,614
Other Fixed Assets	\$86,702	\$44,045	\$130,747
NCUA SIF	\$2,148,256	\$334,661	\$2,482,917
Other Assets	\$8,393,218	\$110,604	\$19,204,100
Total Assets	\$252,242,976	\$37,675,695	\$289,918,671
Liabilities			
Accounts Payable	\$1,348,415	\$48,756	\$1,397,171
Borrowings	\$ -	\$9,937	\$9,937
Member Shares	\$220,555,703	\$34,035,421	\$254,591,124
Undivided Earnings	\$28,915,629	\$3,581,581	\$32,497,210
Other Reserves	\$1,423,229	\$ -	\$1,423,229
Gain/Loss Investments	\$ -	\$ -	\$ -
Total Liabilities/Shares	\$252,242,976	\$37,675,695	\$289,918,671
Income Statement			
Loan Interest	\$2,237,267	\$139,421	\$2,376,688
Investment Income	\$137,040	\$164,620	\$301,660
Dividends Paid	(\$160,421)	(\$11,928)	(\$172,349)
Interest on Borrowed Funds	(\$456)	\$ -	(\$456)
Net Interest Income	\$2,213,430	\$292,113	\$2,505,543
Provision/Credit Loss	\$ 79,579	\$ 24,212	\$103,791
Fee Income	\$ 425,508	\$ 33,548	\$459,056
Other Income	\$ 1,461,973	\$ 476	\$1,462,449
Gain/Loss	\$ -	\$ -	\$ -

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	PGCFCU	Greenbelt FCU	Combined
Non-Interest Income	\$1,887,481	\$34,024	(\$1,109,978)
Comp & Benefits	(\$1,005,570)	(\$104,408)	(\$53,782)
Travel, Conference	(\$53,528)	(\$254)	(\$200,457)
Office Occupancy	(\$185,888)	(\$14,569)	(\$574,545)
Office Operations	(\$527,720)	(\$46,825)	(\$58,995)
Educational & Promotional	(\$57,328)	(\$1,667)	(\$122,615)
Loan Servicing	(\$111,961)	(\$10,654)	(\$475,939)
Professional, Outside Services	(\$448,790)	(\$27,149)	(\$12,038)
Operating Fees	(\$10,500)	(\$1,538)	(\$25,992)
Miscellaneous	(\$20,511)	(\$5,481)	(\$1,109,978)
Non-Interest Expense	(\$2,421,796)	(\$212,545)	(\$2,634,341)
Net Income	\$1,599,536	\$89,380	\$1,688,916
ROAA	2.55%	0.95%	2.33%
Net Worth	12.03%	9.51%	11.70%
Delinquency	0.18%	0.13%	0.177%
Charge Offs	100,887	10,359	111,246
Recoveries	41,443	2,608	44,051
Net Charge Offs	0.132%	0.308%	0.142%
ALLL/Delinquency \$	\$872,245	\$79,089	\$951,334
ALLL/Delinquency %	0.48%	0.79%	0.50%
Operating Expense	\$2,421,796	\$212,545	\$2,634,341
Members	16,995	2,576	19,571
Shares per Member	\$12,978	\$13,213	\$13,009
Borrowers	10,227	748	10,975
Loans per Borrower	17,554	13,441	17,274
Loan to Share Ratio	81.40%	29.54%	74.47%
Cash & ST Inv/Assets	13.35%	47.37%	17.77%




In Conclusion

Your vote is important, and we urge you to take a minute to complete and return the enclosed ballot. The proposed merger must have the approval of a majority of Greenbelt Federal Credit Union members who vote on the proposal.

Enclosed with this Notice of Special Meeting is a **Ballot for Merger Proposal**. If you cannot attend the meeting, please complete the ballot, and return it in the included postage paid envelope **must be returned no later than midnight December 8, 2023, in order for your vote to be received and counted by the meeting** on Wednesday, December 13, 2023 at 7:00 PM at the Greenbelt Community Center at 15 Crescent Road, Room 201, Greenbelt, MD 20770.

As always, we are here to answer any questions you may have.

BY THE ORDER OF THE BOARD OF DIRECTORS



Ed James, Board Chairperson
Greenbelt Federal Credit Union

October 23, 2023
Date





BALLOT FOR MERGER PROPOSAL

Name of Member: _____

Account #: _____

Greenbelt Federal Credit Union must receive this ballot by Wednesday, December 13, 2023 at 7:00 PM at the Greenbelt Community Center at 15 Crescent Road, Room 201, Greenbelt, MD 20770 (date for vote). You may return the ballot in the envelope provided or mail it to:

CliftonLarsonAllen LLP
901 N Glebe Rd Ste 200
Arlington VA 22203-9904

I have read and understand the Notice of Special Meeting for the members of Greenbelt Federal Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice.

I vote on the proposal as follows (check one box):

- ☐ **APPROVE** the proposed merger; authorize the Board of Directors to take all necessary actions to accomplish the merger.
- ☐ **DO NOT APPROVE** the proposed merger.

Signature: _____

Date: _____

Important Note! For your vote to count, either return this ballot in the envelope provide or mail this completed ballot to Greenbelt Federal Credit Union, c/o CliftonLarsonAllen LLP 901 N Glebe Rd Ste 200, Arlington VA 22203-9904 or bring it to the Special Meeting to be held on Wednesday, December 13, 2023 at 7:00 PM at the Greenbelt Community Center at 15 Crescent Road, Room 201, Greenbelt, MD 20770.