



## Notice of Meeting of the Members of Local 520 U.A. Federal Credit Union

The Board of Directors of **Local 520 UA Federal Credit Union** have called a special meeting of the members of this credit union at **Local 520 Union Hall** on **May 16, 2024**, at **6:00pm**. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging **Local 520 UA Federal Credit Union** with and into **Hershey Federal Credit Union** (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the **Local 520 UA Federal Credit Union** will be merged with and into the Continuing Credit Union. All members of **Local 520 UA Federal Credit Union** will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in **Local 520 UA 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 **Local 520 UA 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 **Local 520 UA 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 sign, date and promptly return the enclosed ballot to vote on the proposed merger.

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/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 **Local 520 UA 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, follow as separate documents. In addition, the following information applies to the proposed merger.

**Reasons for merger:**

The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members because **Local 520 UA Federal Credit Union has experienced increased expenses year over year in the requirements of operating a Credit Union. With limited growth opportunities, the ability to provide enhanced services to the members has become costly. Our members will benefit from the merger with more products and loan options available to them, including technology to simplify their needs. The merger with Hershey Federal Credit Union will also provide a growth in staff support for the membership.**

**Net worth:** The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. **Local 520 UA Federal Credit Union** has a higher net worth ratio than **Hershey Federal Credit Union**.

<b>Credit Unions at 09/30/2023</b>	<b>Total Net Worth</b>	<b>Total Assets</b>	<b>Net Worth Ratio</b>
Local 520 UA FCU ( <i>merging</i> )	\$1,376,632	\$7,791,464	17.67%
Hershey FCU ( <i>continuing</i> )	\$8,421,062	\$103,037,452	8.35%
<b>Combined CU</b>	<b>\$9,797,694</b>	<b>\$110,828,916</b>	<b>9.02%</b>

**Share adjustment or distribution:**

**Local 520 UA Federal Credit Union** will distribute a portion of its net worth to its members in the merger. The board of directors has determined that a share adjustment in the amount of \$50 to each member will be distributed.

**Locations of merging and continuing credit union:**

**Local 520 UA Federal Credit Union** 's main office at **7193 Jonestown Road Harrisburg, PA 17112** will **close**. Hershey Federal Credit Union has the following locations that are near **Local 520 UA Federal Credit Union**.

Main Office: 232 Hershey Road, Hummelstown PA 17036 (4.7 miles away)  
Hershey Branch: 904 East Chocolate Ave, Hershey PA 17033 (9.7 miles away)  
Annville Branch: 710 East Main Street, Annville, PA 17003 (18.0 miles away)



Changes to services and member benefits:

***Members will have increased service and product opportunities including mortgages, home equity loans and lines of credit as well as student loan options. Additional savings products, with higher interest rates and digital banking options will also be available.***

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. The following individuals have received or will receive such compensation:

Name	Title	Description of Increase	Amount
Jenna Stabley	CEO	One-time payment for continuing employment for additional 1.5 years past notice given, to ensure completion of merger	70,000
Cathy Steninger	MSR	One-time payment for staying through merger	8,400

Please note that the proposed merger must have the approval of the majority of members who vote.

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 to **Local 520 UA Federal Credit Union, 7193 Jonestown Rd, Harrisburg, PA 17112.**

To be counted, your Ballot must be received by **May 13, 2024, at 4:00pm.**

BY THE ORDER OF THE BOARD OF DIRECTORS:

President

3-15-24

Date



## Ballot for Merger Proposal

Name of Member: \_\_\_\_\_

Account Number: \_\_\_\_\_

Your credit union must receive this ballot by **4pm on May 13, 2024.**

Please mail or bring it to:

**Local 520 UA Federal Credit Union**  
**7193 Jonestown Rd**  
**Harrisburg, PA 17112**

I have read the Notice of Special Meeting for the members of **Local 520 UA Federal Credit Union**. The meeting will be held on **May 16, 2024** 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 and authorize the Board of Directors to take all necessary action to accomplish the merger.

☐ **Do not approve** the proposed merger.

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member Name (printed)