

# Notice of Meeting of the Members of Telco Roswell NM Federal Credit Union

The Board of Directors of Telco Roswell New Mexico Federal Credit Union have called a special meeting of the members of this credit union at on December 27, 2024, at 4:00 pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Telco Roswell New Mexico Federal Credit Union with and into Roswell Community Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the Telco Roswell New Mexico Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Telco Roswell New Mexico 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 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 Telco Roswell New Mexico 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 Telco Roswell New Mexico 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 Telco Roswell 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 Telco Roswell New Mexico Federal Credit Union 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 Telco Roswell New Mexico Federal Credit Union's modest resources limit its ability to invest in products, services, and technology that members, especially younger members, demand, and because it has experienced challenges with attracting and retaining talent. For many reasons the Telco Roswell New Mexico Federal Credit Union Board of Directors selected Roswell Community Federal Credit Union as its merge partner including that Roswell Community Federal Credit Union is a local financial service provider where all decisions are made locally, the fact that our fields of membership are fully overlapping which will ensure a smooth transition from

both a cultural and administrative viewpoint, and most importantly, we believe that the significant number of enhanced services will improve the financial well-being of existing members. Enhanced services include competitive savings and loan rates, checking accounts, debit cards, credit cards, real estate loans, ATM access, extended hours of operation, drive-thru service, full-service online banking, and mobile banking. Roswell Community Federal Credit Union has the financial capacity and personnel expertise, including retention of our one remaining staff member, to accommodate the 885 new members that it would gain through this merger.

*Net worth:* The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Telco Roswell New Mexico Federal Credit Union has a higher net worth ratio than Roswell Community Federal Credit Union.

*Share adjustment or distribution:* Telco Roswell New Mexico Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The Board of Directors has determined a share adjustment, or other distribution of Telco Roswell New Mexico Federal Credit Union's net worth is unnecessary because of the benefits gained by members which it would not be able to obtain on its own, and which are necessary for growth.

*Locations of merging and continuing credit union:* Telco Roswell New Mexico Federal Credit Union's office is located at 110 N. Washington Ave, Roswell, NM. Roswell Community Federal Credit Union's office is located at 2514 N Main Street, Roswell, NM 88201. This location has an ATM and is conveniently located on the main throughfare in Roswell. It is 2.2 miles from Telco Roswell New Mexico Federal Credit Union's current location.

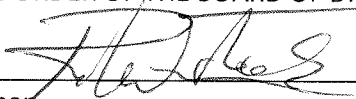
*Changes to services and member benefits:* As soon as practicable, Telco Roswell New Mexico Federal Credit Union members will begin to receive services from both the Telco Roswell New Mexico Federal Credit Union space inside Roswell Community Federal Credit Union location. This will include access during the extended hours of 8:30 am to 5:30 pm, as well as drive-thru service for basic deposit, withdrawal, and loan payments. Telco Roswell New Mexico Federal Credit Union's current location will remain open with limited hours of operation for the foreseeable future. Checking accounts, debit cards, credit cards, real estate loans, ATM access, online banking, and mobile banking will automatically become available to Telco Roswell New Mexico Federal Credit Union members upon completion of the merger, expected to be January 1, 2025.

*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. There are no merger-related financial arrangements to be disclosed.

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 110 N Washington Ave, Roswell, NM 88203. To be counted, your Ballot must be received by December 27, 2024 at 4:00 pm.

BY THE ORDER OF THE BOARD OF DIRECTORS:

  
Chairman

10/23/24  
Date