

SLFCU Pays \$10 Million Special Dividend in December

We are pleased to announce that SLFCU members in good standing who have received dividends in the past year are sharing a \$10 million special dividend. The amount each member will receive will vary based on the dividends already earned on all deposit accounts, including IRAs, for the past 12 months. Special dividend deposits are being made to each member's primary share savings account on December 2, 2016.

President/CEO Robert Chavez said, "SLFCU has weathered the tough economic times of the last several years and has built its reserves beyond the point of what's needed for adequate safety and soundness, so we're returning a portion of the reserves back to our members. Our strength and stability is largely due to our members' loyalty and fiscal responsibility. The beauty of the member-owned model of a credit union is that when the credit union does well, its members do well. Since SLFCU is governed and managed locally, the \$10 million directly benefits the people in the communities we serve."

From all of us at Sandia Laboratory Federal Credit Union, thank you for your membership.



Apple Pay®, Android Pay™, and Samsung Pay Now Available

Apple Pay is available for SLFCU debit cards and Visa Signature® and Platinum® credit cards. Android Pay and Samsung Pay are available for SLFCU Visa Signature and Platinum credit cards.

What are Apple Pay, Android Pay, and Samsung Pay?

Mobile wallets like Apple Pay, Android Pay, and Samsung Pay let you store your qualifying credit and debit cards securely in your smartphone, tablet, or computer, allowing you to use that device to make purchases in select stores, mobile apps, or online. When you make a payment, your card information is not shared with the store, website, or app - a code unique to that transaction is used to complete your purchase instead.

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SLFCU and Kirtland Federal Credit Union Announce Merger Plans



David Seely, President/CEO of KFCU; Michael Chase, KFCU Board Chair; Tazmin Ralph, SLFCU Board Chair; and Robert Chavez, President/CEO of SLFCU, sign the merger agreement.

Sandia Laboratory Federal Credit Union and Kirtland Federal Credit Union have announced that they are seeking a merger of the two institutions. Both boards of directors have approved a resolution to merge and we will now begin a more in-depth process to evaluate the possibility of combining our two organizations. Kirtland is a \$760 million credit union with 42,000 members, 130 employees, and four branches all located here in Albuquerque.

Here are answers to questions you may have. More questions and answers are available at www.slfcu.org/MergerFAQ.

Why are we considering this merger?

Both institutions are financially strong and well managed. Although slightly different, both of our organizations serve members who have a connection related to national defense, with Kirtland Air Force Base and Sandia National Laboratories. Kirtland's values are consistent with ours, their focus on service is consistent with ours, and we're both competitively priced.

When and if the merger is consummated, members of both institutions will benefit from the size and scale of an even larger organization and our ability to offer more attractive products and services. At over \$3 billion, our combined organization will be about the 43rd largest credit union in the United States based on year-end 2015 numbers.

When will it happen?

The in-depth due diligence process to evaluate the possibility of combining our two organizations will probably take about six months. Once the due diligence process is complete, the possible merger will require regulatory approval by the NCUA as well as the approval of Kirtland's membership. Sandia Laboratory Federal Credit Union members are not required to vote since SLFCU will retain the surviving charter. Even after Kirtland's members vote to merge, there will be some time before Kirtland's systems are merged into SLFCU's.

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Apple Pay, Android Pay, and Samsung Pay Now Available

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What are the benefits of using Apple Pay, Android Pay, or Samsung Pay?

Your card information is stored securely on your device, and your authentication with a fingerprint or code is required to make purchases. And because your card information is never shared with sellers when you make a purchase, mobile wallets can help prevent fraud on your credit or debit cards.

In addition, transactions process quickly, and many people find accessing their phone is easier than reaching for a card in a wallet.

Apple Pay

To add your SLFCU debit card or Visa Signature or Platinum credit cards to Apple Pay, open the Wallet app and follow the instructions. Some members may need to call a phone number to verify their identity. Apple Pay can be used in select stores, apps, and websites and is available for most iPhones® and iPads® with Touch ID®, on Apple Watches®, and on some Mac® computers. Visit www.slfcu.org/ApplePay for more information including how to find out which stores and apps accept Apple Pay.

Android Pay

To add your SLFCU Visa Signature or Platinum credit cards to Android Pay, install the Android Pay app and follow the instructions. Some members may need to call a phone number to verify their identity. Android Pay can be used in select stores and apps and is available for all NFC-enabled Android™ devices running KitKat 4.4 and newer. Visit www.slfcu.org/AndroidPay for more information including how to find out which stores and apps accept Android Pay.

Samsung Pay

To add your SLFCU Visa Signature or Platinum credit cards to Samsung Pay, open or install the Samsung Pay app and follow the instructions. Some members may need to call a phone number to verify their identity. Samsung Pay can be used in most stores and is available on Galaxy S6, S7, and Note 5 devices. Visit www.slfcu.org/SamsungPay for more information.

By Nicole Riner

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Get more with SLFCU's new Visa Signature® or Visa Platinum® credit card.

- ▶ Low rates
- ▶ Higher rebates
- ▶ New shopping and travel benefits

Visit www.slfcu.org.

SLFCU/KFCU Merger Plans

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How will this impact employees of both credit unions?

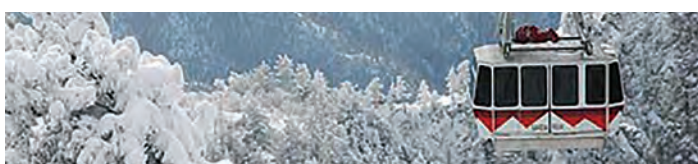
All employees of both credit unions will continue to be employed – there will be **no** layoffs as the result of this merger.

Until the due diligence is complete and the regulatory approval and Kirtland membership vote are obtained, which is expected to be a full year from now, it will be business as usual. **Our employees are aware of how important it is that we continue to provide the high level of service that you, our members, have come to expect.**

If you have questions regarding the planned merger, please feel free to contact us at 505.293.0500, 800.947.5328, or via email at ebranch@slfcu.org.

Discounted Sandia Peak Tramway Tickets

Members can purchase discounted passes from SLFCU for \$40. Each pass allows up to four people to ride. Availability is limited; to reserve your tram pass, send a secure email within CU@home® Online, call 505.293.0500 or 800.947.5328, or visit any branch.



RATES AS LOW AS
2.25% APR
NEW & USED AUTO LOANS
ALL TERMS
OFFER ENDS DECEMBER 31, 2016.
APPLY NOW AT WWW.SLFCU.ORG
OR CALL 505.293.0500 OR 800.947.5328.

Available rate is based on credit history and may be higher than rate listed here. Offer applies only to loans new to SLFCU. Not everyone will qualify for the lowest rate. Qualified borrowers may defer payments for 90 days after loan origination. Interest will continue to accrue. Rate and special offer subject to change without further notice. Annual Percentage Rate effective 11/21/2016.

CO-OP ATMs at 7-Eleven Stores Will Stop Accepting Deposits

Effective December 31, CO-OP ATMs located within 7-Eleven stores will no longer accept deposits. The change impacts 2,000 such ATMs that had deposit capabilities. The 8,000 CO-OP ATMs located in 7-Eleven stores nationwide will continue to provide surcharge-free withdrawals, inquiries, and transfers.

Visit www.slfcu.org/Locations to find your nearest surcharge-free ATM.

Our *lowest* home loan rates ever!

2.99% for first 5 years* **3.90% APR**

1ST SMARTVALUE™ 5/5 ADJUSTABLE RATE HOME LOANS

Apply online at www.slfcu.org/HomeLoans.



Rate effective 11/21/2016. Offer valid for adjustable rate first mortgages for owner occupied properties. Construction loans and mobile home loans are excluded from this offer. *Rate for the remaining term adjusts every five years and is based on the then-current index plus margin, rounded to the nearest eighth of a percentage point, and is subject to the floor rate of 4.000%. The index for the future is unknown, but the current index plus margin, rounded to the nearest eighth of a percentage point, is 3.500%. A \$25 initial credit report fee applies to all loans. If loan does not close, fees incurred will be charged to the member. All loans subject to credit approval. Rates subject to change without further notice. Contact SLFCU for details.



IRA Contribution Limits

Make the most of your retirement savings by contributing the maximum yearly limit to your IRAs. For the 2016 tax year, you can contribute a combined total of \$5,500 to your Traditional and Roth IRAs. If you are over the age of 50, you may contribute an additional \$1,000, known as a “catch-up” contribution. IRA contributions for 2016 can be made up until the tax filing date in April 2017.

Please contact your tax advisor or financial advisor with questions about your individual tax circumstances.

Since the IRS requires signatures on contributions, we recommend members submit their IRA contribution in advance of April 15 to allow plenty of time to complete the necessary paperwork.

NMCUEF Scholarship Opportunity

The New Mexico Credit Union Education Foundation (NMCUEF) is accepting applications for scholarships for the 2017-2018 school year. Applicants must be New Mexico residents with a minimum 2.8 GPA and enrolled full-time as an undergraduate at an accredited institution in New Mexico.

The scholarship application is available at www.cuanm.org. Completed applications must be submitted and postmarked to the NMCUEF, not to SLFCU, by February 24, 2017.

Get help with college debt.
Consolidate your federal or private student loans.
 Visit www.slfcu.org or call 800.947.5328.

Savings Yields

	DR	APY
Share Savings & Checking		
Share Savings \$100 - \$9,999	0.20	0.20
IRA Share Savings \$5 - \$9,999	0.20	0.20
Savings & IRA Share Savings \$10,000 to \$49,999	0.30	0.30
Savings & IRA Share Savings \$50,000 or more	0.40	0.40
Money Manager \$500 or more	0.15	0.15
Money Market Savings		
\$2,500 - \$9,999	0.35	0.35
\$10,000 - \$24,999	0.40	0.40
\$25,000 - \$49,999	0.45	0.45
\$50,000 and over	0.50	0.50
Term Share Certificates* 6 to 11 months		
\$1,000 minimum balance		
\$1,000 - \$49,999	0.40	0.40
\$50,000 - \$99,999	0.50	0.50
\$100,000 - \$199,000	0.60	0.60
\$200,000 and over	0.70	0.70

	DR	APY
Term Share Certificates* 18 month bump rate		
\$2,000 minimum balance		
\$2,000 - \$49,999	0.60	0.60
\$50,000 - \$99,999	0.70	0.70
\$100,000 - \$199,000	0.80	0.80
\$200,000 and over	0.90	0.90
36 months		
\$1,000 minimum balance		
\$1,000 - \$49,999	1.45	1.46
\$50,000 - \$99,999	1.55	1.56
\$100,000 - \$199,000	1.65	1.66
\$200,000 and over	1.75	1.77
48 month variable rate		
\$1,000 minimum balance		
\$1,000 - \$49,999	0.90	0.90
\$50,000 - \$99,999	1.00	1.01
\$100,000 - \$199,000	1.10	1.11
\$200,000 and over	1.20	1.21

Loan Rates

New Vehicles			
Term	Rate (1 st 5 Years)	APR	Current Calc. of Rate Remain. Term [†]
All terms up to 84 months	2.99%	3.90%	As low as 2.25%
Used Vehicles			
Term	Rate (1 st 5 Years)	APR	Current Calc. of Rate Remain. Term [†]
All terms up to 72 months	2.99%	3.90%	As low as 2.25%
<i>Vehicles from the current or two previous model years and mileage = <25,000 qualify for new car rates.</i>			
SmartValue™ 5/5 Adjustable Rate First Mortgages - Owner Occupied			
Term	Rate (1 st 5 Years)	APR	Current Calc. of Rate Remain. Term [†]
30 yr	2.99%	3.90%	4.000%
Jumbo SmartValue™ 5/5 Adjustable Rate First Mortgages - Owner Occupied			
Term	Rate (1 st 5 Years)	APR	Current Calc. of Rate Remain. Term [†]
30 yr	2.99%	3.90%	4.000%

Rate, DR (dividend rate), APR (annual percentage rate), and APY (annual percentage yield) as of 11/21/2016. Subject to change without further notice.

*Penalty may be imposed for early withdrawal.

**Non-variable rate loans, 100% financing available including tax, title, license and extended warranties. Available rate is based on credit history and term and may be higher than rates listed here. All loans subject to credit approval. Rates subject to change without notice.

†Rate and payments adjust only once every five years. The current calculation of the rate for the remaining term is based on the current index plus margin, subject to the floor rate of 4.00%, and rounded to the nearest eighth of a percentage point; however, the index for the future is unknown. The current index plus margin, rounded to the nearest eighth of a percentage point, is 3.500%. Maximum loan-to-value is 80%. Construction loans and mobile home loans are excluded from this offer. A \$25 initial credit report fee applies to all mortgage loans. If loan does not close, fees incurred will be charged to the member. All loans subject to credit approval. Rates subject to change without further notice. Contact SLFCU for details.

For concerns regarding policies/procedures, conflicts of interest, or fraud: SLFCU Supervisory Committee, PO Box 13045, Albuquerque, NM 87191

Federally insured by NCUA



Holiday Help for Those in Need

Roadrunner Food Bank

SLFCU is partnering with Roadrunner Food Bank to collect non-perishable food for New Mexico families in need. Visit any New Mexico branch through December 24 to make a food donation, or make a monetary donation online at www.rafb.org.

Shoes for Kids

Sandia National Laboratories has been buying shoes for children in Albuquerque for more than 50 years. Make a monetary donation at any branch or by calling 505.293.0500 or 800.947.5328.

CLNkids

SLFCU is helping CLNkids to collect warm clothing for families with children who are experiencing homelessness in the Albuquerque metro area. Make a donation of new or gently used clothing for children five and under at any branch or call 505.293.0500 or 800.947.5328 to make a monetary donation.



PO Box 23040, Albuquerque, NM 87192

Dollars & Sense

\$10 Million Special Dividend

*SLFCU and Kirtland Federal Credit Union
Announce Merger Plans*

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2017 Seminar Schedule

SLFCU's 2017 Seminar Schedule is now available. Upcoming seminars include Basic Budgeting, Saving and Spending for Teens, Home Buying in New Mexico, and Starting a Business. There is no cost to attend any SLFCU seminar.

Register online at www.slfcu.org/Events or call 505.293.0500 or 800.947.5328 and press star, zero, one, star (*01*) to speak to a representative.

On the Calendar

Christmas Day - Observed

Monday, December 26 • All Branches Closed

Additional Holiday Hours

December 27 - 30 • Kirtland, Livermore East Reduced Hours
Visit www.slfcu.org/Events for details.

Credit Union Used Vehicle Sale

Monday, Dec. 26 - Saturday, Dec. 31 • 9:00 a.m. - 6:00 p.m.
CU Auto Sales • 5901 San Mateo Blvd. NE, Albuquerque, NM
CU Auto Sales will have an inventory of select late model used cars (subject to availability).

New Year's Day - Observed

Monday, January 2 • All Branches Closed

Martin Luther King, Jr. Day

Monday, January 16 • All Branches Closed

Seminar: Basic Budgeting

Thursday, January 19 • 6:00 p.m. - 7:30 p.m.
Juan Tabo Branch

Introductory budgeting skills to help young adults establish a personal budget. Register at www.slfcu.org.