



NEW HORIZON CREDIT UNION

1019 E. Fairchild Street Danville, Illinois 61821

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## Notice of Meeting of the Members on Merger Proposal of New Horizon Credit Union

The Board of Directors of New Horizon Credit Union have called a special meeting of the members of this credit union:

**When:** Saturday, February 5, 2022 at 8:30 a.m.

**Where:** Flight Line Event Center at Vermilion Regional Airport  
22633 N. Bowman Ave., Suite 1  
Danville, Illinois, 61834

The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging New Horizon Credit Union with and into the University of Illinois Community Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of the New Horizon Credit Union will be merged with and into the Continuing Credit Union. All members of New Horizon 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 New Horizon 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 New Horizon 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 New Horizon 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 proxy 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: Office of Credit Union Resources and Expansion (CURE), NCUA, 1775 Duke Street, Alexandria, VA 22314. 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 of challenges to growth, earnings, scalability, and member service limitations. Maintaining sufficient earnings has been a particular challenge in recent years. Low interest rates, contributing to low gross earnings, have resulted in an impact to earnings and shrinking capital levels. Start-up costs and technology requirements make providing additional services very difficult at this time. Membership growth has also been very challenging for a number of years due to minimal hiring at our primary employee group.

*Net worth:* The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. At the time of the merger it is anticipated that the net worth ratios of both credit unions will be above required regulatory levels and will be fairly equal as a percentage of assets, respectively.

*Effective date of merger:* The proposed effective date of this merger shall be April 30, 2022, or such earlier or subsequent date as approved by the Parties, Directors, Division of Financial Institution, State of Illinois, or the National Credit Union Administration or any successor agency thereto.

*Employee Representation:* It is anticipated that current employees of New Horizon Credit Union will become employees of the University of Illinois Community Credit Union.

*Share adjustment or distribution:* New Horizon Credit Union will not distribute a portion of its net worth to its members in the merger. The board of directors has determined that a share adjustment, or other distribution of New Horizon Credit Union's net worth is unnecessary. Capital levels are 10.19% for New Horizon Credit Union and 8.07% for University of Illinois Community Credit Union as of 6/30/2021. New Horizon Credit Union's capital is expected to be materially impacted by merger expenses, including early termination fees and deconversion costs, prior to the merger date.

*Locations of merging and continuing credit union:* New Horizon Credit Union's main office at 1019 E. Fairchild St, Danville will remain open. University of Illinois Community Credit Union has the following locations: 206 E. University Ave., Urbana – Full-service branch; 1401 W. Green St., Urbana, IL – Non-drive up branch; 2201 S. First St., Champaign – Full-service branch.

*Changes to services and member benefits:* Certain fees may be applicable or higher after the merger. Some fees will be reduced or eliminated. A complete fee schedule will be provided to all members. Many additional services will be available to members after the merger, including:

Online membership and account opening	Expanded Credit Card Options
Enhanced online Bill Pay	Home Equity Loans
Expanded ATM Access	Home Mortgages
Best-in-class Mobile App	Investment and Retirement Planning
Money Market accounts	Financial Wellness resources
Expanded Share Certificate Options	Personal Financial Counseling

*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.

*No merger-related financial arrangements are in place*

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 Merger Proxy if we don't already have a Proxy on file for you. If you cannot attend the meeting, please complete the Proxy and return it to 1019 E. Fairchild St., Danville, IL 61832. To be counted, your Proxy must be received by Friday, February 4, 2022 at 5:00 p.m.

BY THE ORDER OF THE BOARD OF DIRECTORS:

  
President Manager

December 16, 2021  
Date