



# Holston Methodist Federal Credit Union

1235 East Weisgarber Road, Knoxville, TN 37909 • (865) 558-3117 • Fax (865) 558-0016  
NOTICE OF SPECIAL MEETING OF THE MEMBERS ON PROPOSAL TO MERGE

After a great deal of prayer, careful consideration and much research, on February 27, 2021, the Board of Directors of Holston Methodist FCU approved a resolution to merge with Interfaith FCU and is now calling a special meeting of the members via Zoom, on September 3, 2021, at 11:00AM. To participate in the meeting, you may register at [hmfcu.org/merger](http://hmfcu.org/merger). The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Holston Methodist FCU with and into Interfaith FCU (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of Holston Methodist FCU will be merged with and into the Continuing Credit Union. All members of Holston Methodist FCU will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union at par for the shares they own in Holston Methodist FCU 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 Holston Methodist FCU, 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 and Supervisory Committee members of Holston Methodist FCU encourage you to attend the meeting and vote in favor of the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot in support of 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/credit-union-merger-resources/comments-proposed-credit-union-mergers> or NCUA, CURE Office, 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. In addition, the following information applies to the proposed merger.

*Reasons for merger:* The Board of Directors believe that through a merger with Interfaith FCU, a credit union founded in 1948 by Methodist clergy and deeply rooted in the Methodist faith and ministry today, together in the spirit of cooperation, we will be better serving our combined membership.

Through this partnership, while back-office functions are consolidated, efficiencies are gained and cost savings realized, the things that touch our members, office location, staff and service availability will not change. The new credit union would seek to be the same credit union that members have come to know and trust. Members will retain their entrenched habits, still get to say "hi" to the same familiar faces at the same familiar office, and now will have access to more services, better technology, better pricing on savings and loan products as well as fewer and lower fees.

Much like our church and ministries, we are stronger working together than apart. The strength of scale and consolidation of skills will further enable sustainability and greater benefits for both existing and potential members for years to come.

*Net worth:* The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Holston Methodist FCU does not have a higher net worth ratio than Interfaith FCU.

*Share adjustment or distribution:* Holston Methodist FCU 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 Holston Methodist FCU's net worth is unnecessary as the net worth will be transferred to Interfaith FCU to help continue serving the combined membership, help pay for penalties due to the early termination of business contracts, and to pay for all other merger related costs.

*Locations of merging and continuing credit union:* Holston Methodist FCU's main office at 1235 E Weisgarber Rd., Knoxville, TN 37909 will remain open after the merger. Interfaith FCU's main office is located in Montclair, CA with four regional offices in Phoenix, AZ, Independence, MO, Rapid City, SD and Westbrook, ME.

Members of Holston Methodist FCU will also enjoy national access to their accounts at over 5000 shared branches and over 30,000 ATMs surcharge free through the COOP Network.

Please note that the proposed merger must have the approval of the majority of members who vote, so the Board of Directors, respectfully, urges you vote to APPROVE the merger.

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 our main office located at 1235 E Weisgarber Rd., Knoxville, TN 37909. To be counted, your Ballot must be received by September 3, 2021.

BY THE ORDER OF THE BOARD OF DIRECTORS:

DocuSigned by:

Reed Shell

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Rev. Reed Shell,  
Chairman of the Board



BALLOT FOR MERGER PROPOSAL

Name of Member:

Account Number:

Your credit union must receive this ballot by September 3,2021. Please mail or bring it to:

Holston Methodist FCU

1235 E Weisgarber Rd.

Knoxville, TN 37909

I have read the Notice of Special Meeting for the members of the 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 only):

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.

Signed:

Date: