

Annual Report 2019: Powered by Commitment



Robert Chavez,
CEO and President



Evelyn Serna,
Board Chairperson

Credit unions share a philosophy of “people helping people.” In 2019, SLFCU exemplified this commitment in many ways. Highlights of the past year include giving back \$20,000,000 to our members via a special dividend – the largest in our history. Additionally, we supported the New Mexico Credit Unions Connected Academy (NMCUCA), and raised \$80,000 to help hire a full-time teacher for patients at UNM Children’s Hospital. A very special thank you goes to our members and employees who contributed to more than 25 NMCUCA fundraising activities over the past year. Our

commitment to this important cause will continue in 2020 and beyond.

Financially and operationally, 2019 was a solid year of growth for the Credit Union. The right people, strategies, and systems are in place to maintain and build upon our secure, strong institution. We surpassed \$2.6 billion in total assets and opened a branch on Jefferson in Albuquerque – our eleventh location. Validating that we’re making a positive difference in our members’ lives, SLFCU was also ranked the #1 credit union in New Mexico by Forbes.

SLFCU is dedicated to offering high-value products, outstanding personal service, and educational resources that support the financial success of our more than 109,000 members. As we move into a new decade, we will continue to expand our offerings while remaining true to these principles. Today’s world offers an ever-growing number of financial service options. We thank our members for their ongoing trust in our ability to serve their needs. Read more in the 2019 SLFCU Annual Report. ■

Financial Highlights	2019	2018
Total Assets	\$2,634,465,000	\$2,548,765,000
Loans	1,436,277,000	1,362,059,000
Investments	1,018,050,000	986,575,000
Members' Share Accounts	2,324,915,000	2,264,167,000
Reserves and Undivided Earnings	303,751,000	299,671,000
Gross Income	92,945,000	86,569,000
Dividends Earned by Members Including Special Dividends	37,182,000	14,627,000
Dividends Earned by Members Excluding Special Dividends	17,182,000	14,627,000
Net Income Including Special Dividends	5,094,000	22,403,000
Net Income Excluding Special Dividends	25,094,000	22,403,000

Deposit Your Tax Refund

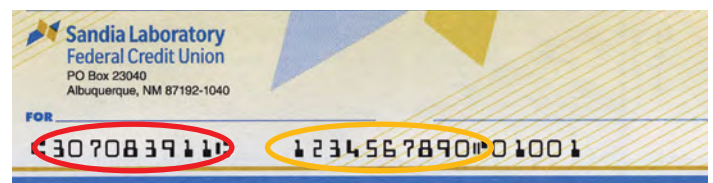
It’s important that the account number you use for direct deposit services is in a specific format so funds are deposited to the correct account. Please use the following information when setting up a direct deposit for your tax refund or other deposit in online or mobile banking:

SLFCU’s routing number: 307083911

To deposit your refund into a savings account, use the account number and the product ID for that account. For example, if your savings account number is 1234567, and you would like the deposit to go to your 0002 savings account, enter your account number as 12345670002.

To deposit your refund into a checking account select the Accounts widget in online banking and click on the checking account for which you’d like to set up the direct deposit. Then, select the Account Details tab and look for the “Auto WD & Direct Deposit #.”

You can also use the number printed on the bottom of your checks as shown in the image to the right. The automatic



withdrawal and direct deposit account number is in the yellow circle in the bottom middle of the check. Note: the last number string – 01001 – in the image is the number for that individual paper check and should not be included with account number. SLFCU’s routing number is shown in the red circle.

Important Details About Tax Refunds

- When setting up a direct deposit for your tax return, specify if the account is savings or checking.
- All named recipients on the refund check must be owners or joint owners of the specified SLFCU account. A person who is not a joint owner on the account cannot deposit their refund check into your SLFCU account.

If you need help with your tax refund direct deposit, call 505.293.0500 or 800.947.5328. ■



SLFCU Annual Meeting

February 20, 2020
5:30 - 7:00 p.m. (MT)

Sheraton Albuquerque
Uptown

2600 Louisiana Blvd. NE
Albuquerque, NM

Please join us for our Annual Meeting. As an SLFCU member, this is your opportunity to learn about your Credit Union’s performance in 2019. We will also announce the new SLFCU Board members for 2020.

SLFCU team members will be on hand to answer any questions. All attending members will be entered into drawings to win prizes such as \$100 gift cards or \$250 cash awards. Refreshments will be provided.

California members are invited to our Livermore Annual Social on Wednesday, March 4 at 5:30 p.m. (PT) at the Robert Livermore Community Center, 4444 East Avenue. ■

2019 IRA Contributions

Make the most of your retirement savings by contributing the maximum yearly limit to your IRAs.

For the 2019 tax year, you can contribute a total of \$6,000 to Traditional or Roth IRAs. If you are over age 50, you can contribute an additional \$1,000 “catch-up” contribution.

Please submit your IRA contribution in advance of the tax filing deadline to allow plenty of time to complete the necessary paperwork.

IRA contributions for 2019 can be made until the tax filing deadline in April 2020. Please consult your tax advisor or



financial advisor with questions about your individual tax circumstances.

“If you don't have an IRA, you can learn more about them at slfcu.org/IRAs or call us at 800.947.5328. SLFCU offers traditional and Roth IRAs, Education Savings Accounts, and IRA Certificates. Open your IRA account with as little as \$5. ■

Tax Documents are Available Online

Tax documents from 2018 and 2017 are available now in online banking; 2019 forms will appear as they are generated through April 2020. SLFCU will continue to mail tax forms directly to members as well. A rolling three years of tax documents are available within online banking, unless you have been a member of SLFCU for fewer than three years.

Committed to Keeping our Members on the Road

A Closer Look at SLFCU's Auto Lending Program



Lisa Bohannon,
SLFCU Consumer Lending Manager

2019 was another successful year for the auto lending program at SLFCU. In total, the Credit Union originated \$243 million in auto loans, keeping up with notable numbers from previous years. Consumer Lending Manager Lisa Bohannon attributes a large part of

SLFCU's auto loan success to our indirect lending program, calling it a “driving force.”

“The auto loan market always walks a fine line based on the economy and we are fortunate to be in a really good economy right now. The employment rate is at an all-time high, so we're lending and things are looking up,” she says.

Lisa also points out that the relationships we've built with local area auto dealerships are an important factor. “We listen to the dealerships. We ask for their feedback. The good relationships we have are because we work hard to ensure the partnership works both ways. We've heard one of the keys for great dealer relationships is a quick turnaround time – they want a fast answer. Our underwriters try to stay abreast of the loans coming in so we can get a decision to them quickly, and we try to fund the loan as quickly as possible. The dealerships appreciate that we can do a 24-hour turnaround. That helps build relationships.”

The indirect lending program also drives a significant number of new members to the Credit Union. In 2019 SLFCU welcomed 6,479 new members via the indirect auto loan program, and Lisa's team took steps to alleviate issues some new members had previously encountered. “Members with indirect loans were

sometimes unaware of where and how they could make their auto loan payments,” says Lisa. “We began our Indirect Call Back Program this year and it's going great. The feedback we hear from the members is, ‘Thank you for calling us! No one calls anymore.’ Members really appreciate that we're reaching out to them.”

Helping new members set up automatic payments in online banking is a primary focus for the call back program, which according to Lisa, ensures two things: “that they don't fall behind and can self-manage their loan in online banking.” In addition to advising new members about their auto loan, SLFCU staff try to familiarize new members with the many benefits of SLFCU membership. “We want to educate them about being a member of the Credit Union. We want to offer them all the great products and services we have, and let them know they can do so much more with us.”

After the successful launch of the call back program in 2019, Lisa is looking forward to finding more ways the Credit Union can improve the auto loan process in 2020. “Based on member feedback, we're going to update the online application interface. It's not as user-friendly as we'd like it to be. We're planning to update it so that it's easier to use and will look the same across all devices – whether you're using your phone, tablet, laptop, or desktop computer. It could also make it easier to apply for a loan, even in branch.”

With a productive 2019 in the rearview mirror, and exciting improvements on the road ahead, Lisa hopes even more members will take advantage of the excellent SLFCU auto lending program. “We have a great auto loan program,” she says. “We offer great rates which are very competitive. It's a real positive for our existing members. They don't have to spend time coming in to a branch to get approved, then going to the dealership, and have to come back to the branch. They just tell the dealership they want to fund a loan through SLFCU. It's a one-stop shop and a real time-saving convenience for our members.” ■

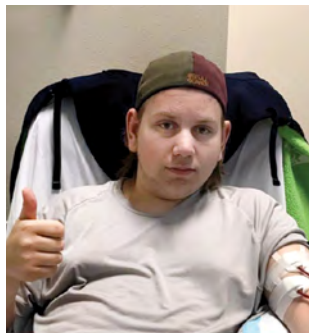


Book Drive at NM Branches

SLFCU branches in New Mexico will accept new and gently used children's books (K-5 in English, Spanish, and bilingual) from February 18 through March 21 for the Read to Me Book Drive. The books are distributed through 90 schools and community groups, impacting thousands of children and their families.

Teen Earning GED Through NMCUCA Learning Opportunity

As SLFCU continues to raise funds for the New Mexico Credit Unions Connected Academy (NMCUCA), we will periodically feature UNM Hospital patients who have benefited from having a teacher available at UNM Children's Hospital (UNMCH).



Dane became seriously ill with chronic kidney disease during his middle school years. There is currently no known cure for the disease, though regular treatments can help control its symptoms. As he entered high school, Dane began 3.5-hour dialysis sessions three times a week. His school wouldn't support his extended absences,

so he had to drop out. Dane missed more than three years of high school.

"After that, I became preoccupied with my illness and didn't want to do anything. I stayed in my room, slept a lot, and pretty much dug myself into a hole," says Dane, now age 18. "My dad started talking to me about getting my GED (General Educational Development) diploma right after I dropped out of high school. But for a couple of years, I wasn't interested. There wasn't anyone pushing me to learn or challenging me to do more. As a local truck driver, my dad could only do so much as he gets home from work late, but he always made time to pick me up from my dialysis treatments during the day."

Dane met Monica, the teacher hired to work with critically ill children at UNMCH through NMCUCA efforts in October 2019, and experienced a dramatic change of perspective. Monica now works with him to prepare for his GED tests. "Dane is determined to get it done and works with our volunteer tutors and me regularly, both in person and through online lessons. Our web-based training system allows me to log in and assess his learning needs," says Monica.

"I needed motivation," adds Dane. "Monica prods me until I do the work, and she doesn't stop because she knows I can do it. If I hadn't met Monica, I wouldn't have even thought to start my GED prep work. She consistently encourages and challenges me by making deals for just 10 or 15 more minutes of studying. I've learned more through this program than I've ever learned through public school."

A Teen's Guide to Budgeting



SLFCU Teen Member
Megan Stein

Every month I get an allowance directly deposited into my bank account by my parents. We all know that giddy feeling of new money and endless possibilities, but every month I have to make some hard decisions. A monthly allowance is not a very large income, so I had to learn how to budget my spending over the years.

I am seventeen years old, and there are a lot of things I want to do: go to events with

my friends, buy new clothes, go out to eat, and also save. These activities can add up quickly, but with the right budgeting skills, you can do all of them and have some money left over to save.

For example, let's say I get \$150 at the beginning of each month. Before I start spending, it is important and helpful to set some money goals. These can be things like: there is a concert in two months that I really want to go to so I am going to put aside \$50

You Can Help Our Efforts

SLFCU employees, members, and community partners raised \$80,000 in 2019 to fund an accredited full-time teacher working from within UNMCH for a year. SLFCU is now committed to the goal of raising \$200,000 over the next several years on behalf of NMCUCA to build an endowment fund large enough to provide a long-term teaching position at UNMCH.

Please consider donating to help keep critically ill children on track toward graduation.

- Donate \$20 or more in any New Mexico branch* and receive a Sandy the Lab stuffed animal. Sandys may be gifted to children who are undergoing treatment at UNMCH.
- Call us at 505.293.0500 or send a secure message in online or mobile banking.
- Double your good deed in February. Purchase a Hope Heart in any New Mexico branch, and SLFCU will match your donation!
- Monetary donations of any amount are gratefully accepted and are tax-deductible.

* In California, proceeds from Sandy the Lab stuffed animal sales will benefit UCSF Benioff Children's Hospital Oakland.

"When you sit that long outside of school, it's hard to get back into motion," he adds. "I would have continued my schooling if the NMCUCA program was here when I was first admitted to UNMCH. And I would have already graduated high school by now!" says Dane with confidence.

Dane recently completed the first module of the GED study guide and is reviewing the material with Monica. "Dane is very knowledgeable and smart," she says. "He'll be ready for his test. I'm so excited for him. I'm going to be outside the testing room, waiting for him to come out with a good report. He's got it; I know he does!"

Once Dane completes his GED, he plans to attend Lincoln Technical Institute to study automotive technology. He notes, "It's what I'm good at; it's what my dad has taught me; it's what I know." ■

1. NM Credit Unions Connected Academy (NMCUCA), a non-profit organization, is providing funding for an accredited full-time teacher at the Mimbres School - a state-accredited, year-round elementary and high school in a hospital setting. SLFCU has partnered with six other New Mexico credit unions to create the NMCUCA and build an endowment large enough to sustain the school for the next decade and beyond.

each month to save up for the tickets, or, last month I went over my budget by \$20, so this month I want to save \$40 to make up for it. These money goals will help you be mindful of your spending and prioritize the things you buy.

After you have a couple of money goals, you can start prioritizing what you want to do this month. It's helpful for me to split the rest of my allowance into categories. These are usually food, clothes, events, and miscellaneous. I'm going to use the concert money goal as an example. This month I have \$50 in savings and \$100 left to split up between my categories.

Another budgeting tip has to do with savings. Once you start to get the hang of saving money, it will start to build up quickly. All that money will seem pretty tempting, and in some cases, it is okay to spend some money out of your savings. For example, if you intentionally saved up for concert tickets. But for everyday spending, you should never plan on using your savings.

And to sign off, I would like to leave you with one last tip: always ask yourself before buying something, "Do I really need this?" Then listen to your gut! I promise this will save you so much buyer's guilt - and a bunch of money for the things you really want." ■

Teens Can Earn \$100

SLFCU members age 13-17 are invited to submit an article on a financial topic to be considered for publication in our Dollars & Sense newsletter and on our website. Teens are awarded \$100 for published articles.

Visit slfcu.org/TeenArticles for details, topic suggestions, and to submit an article. SLFCU will review all submissions and respond within 30 days.



College Scholarship Opportunity for New Mexico Students

The New Mexico Credit Union Education Foundation (NMCUEF) is accepting scholarship applications for the 2020-2021 school year. Applicants must be New Mexico residents with a minimum 2.8 cumulative GPA who are enrolled full-time as a college undergraduate at an accredited institution in the state.

The complete scholarship application is available online at cuanm.com/scholarships. Completed applications must be submitted and postmarked to the NMCUEF (**not** to SLFCU) by February 28, 2020. Hand-delivered applications will not be accepted. ■

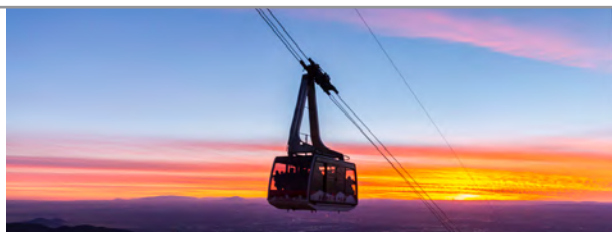


SLFCU members can buy discounted tram passes.*

\$40 for up to four people.

Call 505.293.0500 or 800.947.5328 or visit any branch to reserve your pass.

*Limited availability



PO Box 23040, Albuquerque, NM 87192

Dollars & Sense

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Deposit Your Tax Refund

2019 IRA Contributions

PRSR MKTG
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ALBUQUERQUE, NM

On the Calendar

Presidents' Day

Monday, February 17 • All Branches Closed

Annual Meeting

Thursday, February 20 • 5:30 p.m. (MT)

Sheraton Albuquerque Uptown
2600 Louisiana Blvd NE, Albuquerque

Livermore Annual Social

Wednesday, March 4 • 5:30 p.m. (PT)

Robert Livermore Community Center
4444 East Avenue, Livermore

All members are invited to attend the Annual Meeting and/or Annual Social. Refreshments will be provided.

Brought to you by the MEMBERS Financial Services Program* located at SLFCU. Register at slfcu.org/Calendar or by calling 505.293.0500 or 800.947.5328.

Cash Alternatives

Playing it safe while seeking returns.

Tuesday, February 25 • 9:00 - 10:00 a.m. • Edgewood
Noon - 1:00 p.m. • Tech Park
5:30 - 6:30 p.m. • Juan Tabo

* Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. **Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution.** CUNA Brokerage Services, Inc. is a registered broker/dealer in all 50 states of the United States of America. Representatives are neither tax advisors nor attorneys. For information regarding your specific tax situation, please consult a tax professional. For legal questions, including a discussion about estate planning, please consult your attorney. Representatives are not Social Security experts. To discuss your specific Social Security Administration benefits, please contact the SSA office in your area. FR-2865191.1-1219-0122

