

Spring 2018

Membership Privileges



Black Hills Federal Credit Union

BHFCU MORTGAGE SOLUTIONS



Home Loans to Fit Your Goals & Budget

Save time and money when you finance your next home with Black Hills Federal Credit Union. Our team of mortgage experts are ready to help you find the best mortgage for your home ownership goals. We work hard to ensure you have the buying power to purchase the perfect home for you and your family.

IN-HOUSE OPTIONS

Whether you're looking to purchase or refinance, we have adjustable and fixed rate options with terms from 5 to 30 years. Our low down payment of 3% on conventional mortgages, with the option of no monthly mortgage insurance, is a great resource for those on a set budget. Additionally, we're proud to provide local decisions and personalized service. Our mortgage experts work hard to take the stress out of home buying by underwriting, processing, originating, and servicing your mortgage right here.

100% FINANCING

For qualified members, BHFCU gives you the ability to finance the

entire purchase price of your home with no down payment. Our 100% financing solution is a great option for experienced homebuyers who do not qualify for other \$0 down programs. Talk with one of our mortgage experts to see if you qualify.

RENOVATION LOANS

Have you ever looked at a house and said, "It would be perfect if it only had ____"? Our renovation loans can help fill in the blank before you move in. Finish a basement, add a garage, or remodel the kitchen before you even start packing your dishes. We can finance up to 95% of the appraised value of the completed remodel. Our renovation loans are a convenient and affordable way to transform the house you found into the home you've always wanted.

CONSTRUCTION LOANS

Still having trouble finding the perfect home for your family? Consider starting from scratch and designing a home to last a lifetime. Our new construction loan program makes it easy to buy land

and finance construction costs in one long-term, fixed-rate mortgage with one closing. Our unique 5% down option gives you the buying power to finance your custom dream home project.

Learn more about the home buying process and how to navigate many of the pitfalls that can put a strain on your time, energy, and bank account at BHFCU.com/HomeBuyingProcess.

Only



ORIGINATION FEE ON ALL 1st MORTGAGES*

*Offer subject to credit approval. Loan applications must be dated by May 31, 2018. All other loan fees and closing costs apply. BHFCU offers a tiered pricing program. Your individual rate will be determined by the type of collateral offered, length of the loan, and your credit history. We welcome your application!



FEATURED RATES*

NEW VEHICLES (\$25,000+)

84 MONTHS | 3.99%

Example:
84 monthly payments of \$13.67 per \$1,000 borrowed

NEW & NEARLY NEW VEHICLES (2017-NEW)

60 MONTHS | 2.99%

Example:
60 monthly payments of \$17.97 per \$1,000 borrowed

NEW ATVs, PERSONAL WATERCRAFT & SNOWMOBILES

48 MONTHS | 3.49%

Example:
48 monthly payments of \$22.36 per \$1,000 borrowed

LOAN RATES*

New & Nearly New Vehicles (2017-NEW)	
36 Months	2.84%
60 Months	2.99%
72 Months	3.24%
78 Months	3.64%

Example:
36 monthly payments of \$29.02 per \$1,000 borrowed
60 monthly payments of \$17.97 per \$1,000 borrowed
72 monthly payments of \$15.31 per \$1,000 borrowed
78 monthly payments of \$14.42 per \$1,000 borrowed

New Vehicles (\$25,000+)	
84 Months	3.99%

Example:
84 monthly payments of \$13.67 per \$1,000 borrowed

New ATV's, Personal Watercraft, & Snowmobiles

48 Months	3.49%
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Example:
48 monthly payments of \$22.36 per \$1,000 borrowed

New & Used RV Loans

96 Months	4.49%
144 Months	5.25%

Example:
96 monthly payments of \$13.90 per \$1,000 borrowed
144 monthly payments of \$14.26 per \$1,000 borrowed

First Mortgage Loans (Up to 30 years)

Fixed or Adjustable Rate Mortgages, Construction Loans, Building Site Loans, SD Housing Loans, 1-4 Family Residential Rental Loans, and more available.

* Rates stated as Annual Percentage Rate (APR). Rates effective as of March 5, 2018 and are subject to change without notice. Stated rate is our lowest rate for the term or product shown. Rates may vary depending on your credit worthiness. Please ask for details regarding how your rate is determined. Other rates and terms available. Some restrictions apply.

CERTIFICATE RATES**

6 Month Certificate	
\$500-24,999	0.90%
\$25,000 plus	1.00%

12 Month Certificate	
\$500-24,999	1.30%
\$25,000-99,999	1.40%

18 Month Certificate	
\$500-24,999	1.35%
\$25,000-99,999	1.45%

24 Month Certificate	
\$500-24,999	1.45%
\$25,000-99,999	1.55%

30 Month Certificate***	
\$500-24,999	1.55%
\$25,000-99,999	1.65%

36 Month Certificate	
\$500-24,999	1.65%
\$25,000-99,999	1.75%

48 Month Certificate	
\$500-24,999	1.90%
\$25,000-99,999	2.00%

5 to 6 Year Certificate	
\$500-24,999	2.15%
\$25,000-99,999	2.25%

7 to 8 Year Certificate	
\$500-24,999	2.40%
\$25,000-99,999	2.50%

**IRA Certificates available for the minimum balances, terms, and rates as above.

Rates stated as Annual Percentage Yield (APY). All dividends compounded daily and paid monthly. Penalty for early withdrawal. Rates are accurate as of March 1, 2018 and are subject to change without notice.

*** 30 Month Certificates feature a Bump-A-Rate option.

Our rates and terms are subject to change and are only partially represented in the charts above. For all current rates, visit bhfcu.com or call 718-1818 or 800-482-2428.



ROGER HEACOCK
President & CEO

MESSAGE FROM THE PRESIDENT

At Black Hills Federal Credit Union, we're dedicated to providing our members with the outstanding products, trusted services, and easily accessible support options they deserve. To that end, we've been busy with numerous projects aimed at furthering our members' financial success and improving lives.

This spring, we will open the doors to our third Member Service Center in Sioux Falls. Our new West 10th Street Member Service Center (MSC) will

provide new and existing members in the community with another convenient location for their personal, business, and home ownership needs. Located at 921 West 10th Street, near downtown, the new MSC joins our existing facilities on West 41st Street and South Marion Road. Once open, our friendly, knowledgeable staff will be available to assist members from the location's full-service lobby. Members will enjoy two drive-up teller lanes that also feature 24-hour ATMs.

Our Ag lending team has seen tremendous success in serving the farming and ranching community. With loan options for both large and small

family-based operations, we're making it easier for our members to manage their agricultural operations and ensure long-term viability.

Over the next few months, we will be working with one of the leading providers in the financial services industry to implement new technology solutions. We look forward to better serving you and your financial needs with this new, more efficient system.

We're proud to serve the diverse needs of our growing membership and passionate about providing you with the best financial experience possible.

MISSION STATEMENT

We improve lives.

BOARD OF DIRECTORS

Jason Green, *Chair*
 Allen Zandstra, *Vice Chair*
 Karen Satrang Holloway, *Treasurer*
 Brenda Wills, *Secretary*
 George Jewett, *Director*
 Dennis Laughlin, *Director*
 Lynn Hammerstrom, *Director*

SUPERVISORY COMMITTEE

Joanne Pease, *Chair*
 Matt Fitting, *Secretary*
 Greg Hollibaugh, *Member*
 Mark Wixon, *Member*
 Joel Landeen, *Member*

EXECUTIVE MANAGEMENT

Roger Heacock
President & CEO

DeeAnn Dietrich
SVP/Chief Lending Officer

Jerry Schmidt
SVP/Chief Operations Officer

Jarrod Reisner
SVP/Chief Financial Officer

John Buxton
SVP/Chief Information Officer

Holly Jones
SVP/Chief Administrative Officer

HOLIDAY CLOSINGS

–May 28–
 Memorial Day

–July 4–
 Independence Day

FINANCIAL UPDATE

(As of February 28, 2018)

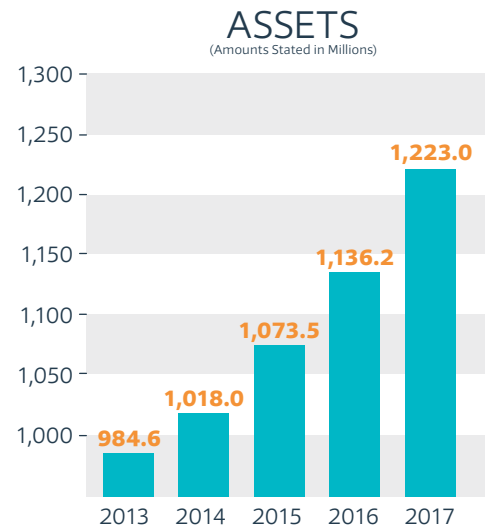
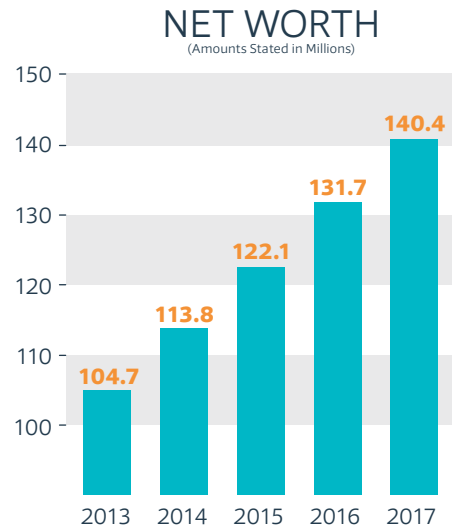
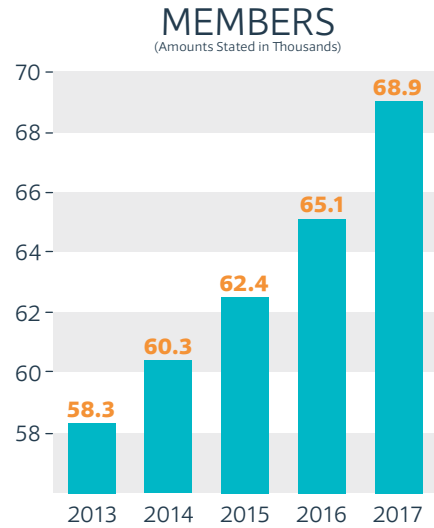
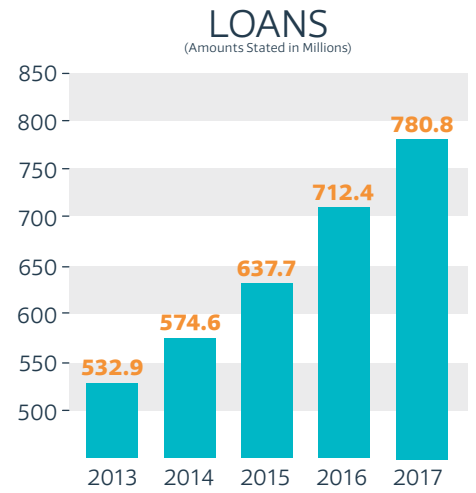
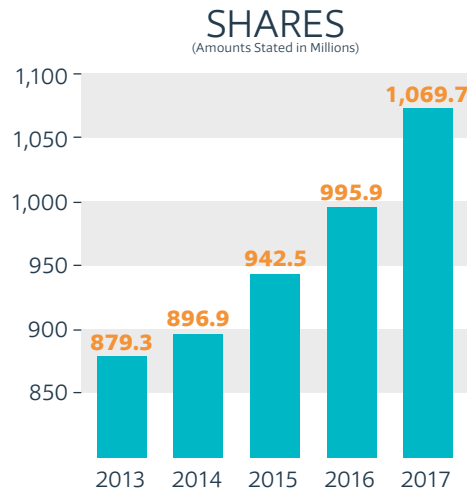
Number of Members.....69,599
 Shares.....\$1,079,574,415
 Loans.....\$787,900,348
 Net Worth.....\$141,244,889
 Total Assets.....\$1,228,506,115



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

PERFORMANCE REPORTS

as of December 31, 2017



FINANCIAL STATEMENT

	2017 ACTUAL	2016 ACTUAL
>ASSETS		
Loans to Members, Net	\$ 778,131,446	\$ 710,050,227
Cash & Receivables	11,803,006	12,436,700
Investments	322,522,516	332,124,831
Building, Furniture, & Equipment	62,278,047	35,974,872
Other Assets	48,291,736	45,609,150
TOTAL ASSETS	\$ 1,223,026,751	\$ 1,136,195,780
>LIABILITIES & EQUITY		
Accounts & Notes Payable	\$ 6,257,510	\$ 4,243,415
Other Liabilities	7,280,070	6,587,318
TOTAL LIABILITIES	\$ 13,537,580	\$ 10,830,733
>MEMBER EQUITY		
Member Shares	\$ 1,069,730,399	\$ 995,923,338
Unrealized Gain/(Loss) on Investments	(624,281)	(2,252,750)
Total Reserves & Undivided Earnings	140,383,054	131,694,459
TOTAL EQUITY	\$ 1,209,489,172	\$ 1,125,365,047
TOTAL LIABILITIES & MEMBER EQUITY	\$ 1,223,026,751	\$ 1,136,195,780

INCOME & EXPENSE STATEMENT

	2017 ACTUAL	2016 ACTUAL
>OPERATING INCOME		
Total Loan Income	\$ 32,291,001	\$ 29,863,247
Total Investment Income	6,388,620	5,702,083
Total Other Income	13,433,585	12,654,359
TOTAL OPERATING INCOME	\$ 52,113,206	\$ 48,219,689
>OPERATING EXPENSES		
Employee Compensation	\$ 16,698,951	\$ 15,349,091
Employee Benefits	4,776,303	4,501,960
Travel & Conference	310,510	271,960
Association Dues	90,743	85,230
Office Occupancy	2,143,759	1,926,852
Office Operating	6,225,832	5,255,293
Education & Promotion	1,018,222	855,156
Loan Servicing	3,152,475	2,881,895
Professional & Outside Services	644,572	703,581
Black Hills Financial Services Program	45,629	51,018
Provision for Loan Losses	773,752	1,104,736
Provision for ODP Losses	5,831	11,434
Member Insurance	--	--
NCUA Operating Fee	259,453	195,390
Miscellaneous	8,920	15,108
TOTAL EXPENSES	\$ 36,154,953	\$ 33,208,703
Net Income Before Dividends	\$ 15,958,253	\$ 15,010,985
Dividends	\$ 7,169,031	\$ 5,835,639
Interest on Borrowed Funds	--	9
Net Income from Operations	\$ 8,789,222	\$ 9,175,337
Other Non-Operating Income	613,528	207,643
Gain/(Loss) on Sale of Investments	329	365,610
Gain/(Loss) on CUSO	(257,503)	(196,827)
Net Income	\$ 9,145,577	\$ 9,551,763
Expense to Average Asset Ratio	3.07%	3.01%

>STATISTICAL INFORMATION

Number of Members	68,895	65,074
Total Loans Granted in Year	13,345	11,502
Total Amount Loaned	\$ 388,345,325	\$ 377,805,484
Number of Loans Made Since Organization	515,305	501,960
Amount Loaned Since Organization	\$ 5,970,897,550	\$ 5,582,552,225
Increase in Total Loans	9.60%	11.71%
Increase in Total Shares	7.41%	5.67%
Increase in Total Membership	5.87%	4.30%

BHFCU CONTACT CENTER
605.718.1818 | 800.482.2428 | F 605.646.4134

DOWNTOWN
225 Main St, Rapid City, SD 57701

EAST NORTH
725 East North St, Rapid City, SD

ELK VALE
950 Elk Vale Rd, Rapid City, SD

MOUNTAIN VIEW
850 Mt View Rd, Rapid City, SD

PLAZA DRIVE
2700 N Plaza Dr, Rapid City, SD

CHEYENNE RIVER
Willow & Hwy 212, Eagle Butte, SD 57625

CUSTER
Located in Shopko
1135 Mt Rushmore Rd, Custer, SD 57730

HOT SPRINGS
330 S Chicago St, Hot Springs, SD 57747

PIERRE
1530 N Garfield Ave, Pierre, SD 57501

SIoux FALLS - 41st
1901 W 41st St, Sioux Falls, SD 57105

SIoux FALLS - MARION
5028 S Marion Rd, Sioux Falls, SD 57106

SPEARFISH
835 Main St, Spearfish, SD 57783

STURGIS
1020 Lazelle St, Sturgis, SD, SD 57785

WALL
115 S Blvd West, Wall, SD 57790

BHFCU OWNED ATMs/ITMs
Located at Member Service Centers
(except Cheyenne River)

FRESH START NEIGHBORHOOD MARKET
747 Timmons Blvd, Rapid City, SD

FRESH START #36
Off Elk Vale Rd at Exit 61, Rapid City, SD

FRESH START #35
North of Lowe's on N Haines Ave, Rapid City, SD

KINNEY AVENUE
118 Kinney Ave, Rapid City, SD

MINNESOTA STREET - ITM
5th & Minnesota St, Rapid City, SD

STURGIS HOSPITAL
850 Marshall St, Sturgis, SD

WORLDWIDE CO-OP NETWORK ATM
www.co-opfs.org / 888.748.3266

ONLINE BANKING/LIVECHAT
www.bhfcu.com
App available at Google Play & The App Store

QUICKTELLER (QT)
605.343.1677 / 800.660.3224

BHFCU INSURANCE SERVICES
605.718.7888

BLACK HILLS INVESTMENT SERVICE
605.858.6183

2018 BOARD OF DIRECTORS ELECTION CANDIDATE BIOS



JASON GREEN *(incumbent)*

Rapid City, SD

EMPLOYMENT

Regional Health, Inc.

POSITION

Associate General Counsel

EDUCATION/EXPERIENCE

B.S. Interdisciplinary Science; J.D., L.L.M.; Wellfully; Triangle Fraternity Alumni Association; Adjunct Professor USD West River Campus

I have completed the required credit union volunteer training program and have attended several credit union educational conferences. Much of my training as a lawyer is directly applicable to financial institutions and their functions (i.e., Administrative Law, Real Property, Commercial Law, Secured Transactions, Securities, Employment Law, and Insurance).

Why are you interested in serving as a member of BHFCU's Board of Directors?

Insuring excellent member service, financial stability, and sensible growth are my priorities for the Board. I was honored to be selected Chair by my fellow Board members each of the past two years. I have served five years on the Board and four years on the Supervisory Committee. As the only lawyer on the Board, I bring a unique perspective to the issues facing our credit union.

Thank-you for supporting my continuing service to BHFCU.



BRENDA WILLS *(incumbent)*

Rapid City, SD

EMPLOYMENT

RPM Solutions, Inc.

POSITION

Accounting

EDUCATION/EXPERIENCE

Accounting 1 & 2; CMAA Certification Classes (240 cr); Variety of Management Classes. Youth and Family Services Dinner Theatre Committee 7 years; Catholic Social Services Committee 7 years, Board 5 years; St. Therese Parish Council 7 years; Jr. Achievement 2010-2012; BBIBS 9 years; Beginning Experience – Family Life Min 7 years; Leadership RC 2003; Honorary Base Commander 2004-2006.

I served on the BHFCU board from 1988 to 1996 and from 2011 to present. I completed the Volunteer Achievement Program and earned the Edward A. Filene, Friedrich W. Raiffeisen, and Roy F. Bergengren Awards. I have had the opportunity to attend education seminars which enabled me to keep abreast of ever changing regulations and issues of credit unions.

Why are you interested in serving as a member of BHFCU's Board of Directors?

Thank you for the opportunity to serve on the board the past 7 years. I would consider it to be an honor to be of service as a director and continue working on the Credit Union FOM and branch expansions to ensure that the Credit Union remains a strong financial institution. I would like to offer my 30 plus years of accounting and management knowledge in making decisions for the future of the Credit Union.



GEORGE GRASSBY

Rapid City, SD

EMPLOYMENT

Whiting Hagg Hagg Dorsey & Hagg

POSITION

Lawyer

EDUCATION/EXPERIENCE

Harvard University and University of South Dakota School of Law. Worked with societies/organizations helping the indigent, criminal defense lawyers, community youth, and developing leadership and recreation, also, pro bono trial techniques teaching in the US and in South America. Chairman of the Rapid City Human Relations Commission; 5 years on the Rapid City Planning and Zoning Commission developed new City Master Plan and revitalized playground equipment in all City Parks; Parks and Recreation Committee; Leadership Rapid City charter member/presenter; Chairman of 2016 Rapid City Vision Fund Committee.

As a trial lawyer, I have represented numerous financial institutions representing and protecting their interests in litigation involving foreclosures, commercial disputes, and major bankruptcies.

Why are you interested in serving as a member of BHFCU's Board of Directors?

Serving will challenge my intellectual stimulation needed to focus on strategic planning and consideration of many factors with major implications. Professional diversity; will allow me to further develop my experience and competencies. Networking opportunities; a board seat will provide a whole new set of contacts. The work helps give back to the members of our community who really benefit from a successful credit union. It will be a privilege and honor to serve. Thank you.



Vote with the attached ballot or online! > bhfcu.com

VOTING ONLINE IS SIMPLE, SECURE AND TAKES JUST SECONDS!

To vote online, use your primary member number as your username and the last four digits of the primary member's Social Security number as your password. For business memberships, use the last four digits of your Employer ID number (EIN).

VOTE ONLINE > bhfcu.com

Through May 4, 2018

WHY SHOULD YOU VOTE?

As a BHFCU member, you are an owner of the Credit Union and have the right to vote for the volunteers who comprise our Board of Directors. Each individual member is entitled to one vote. Use yours to help choose the volunteers who will help lead BHFCU!

YOUR VOTE IS IMPORTANT!

All votes are sent securely and confidentially to the Tellers of Election. Must be age 18 or older to vote.



**Vote with the
attached ballot
or online!**

OFFICIAL ELECTION BALLOT

CANDIDATES FOR THE BOARD OF DIRECTORS
These members have been nominated by the Nominating Committee as candidates for the Board of Directors. Please vote for two of these nominees by returning your completed Ballot and Voter Identification Form. Must be age 18 or older to vote.



VOTE FOR TWO

Cast your vote by marking the circle next to the candidate's name. Casting more than two votes will invalidate your ballot.

- Jason Green (*incumbent*)
- Brenda Wills (*incumbent*)
- George Grassby

VOTER IDENTIFICATION

Primary Member Number

Name

Address

Signature

Your **VOTER IDENTIFICATION** is required for the ballot to be valid.

INSTRUCTIONS

Insert your completed ballot into the provided envelope and mail. Do not send or deliver to Black Hills Federal Credit Union. The Board of Directors has appointed Ketel Thorstenson, LLP, as Independent Tellers of Election. Ballots must be received at Ketel Thorstenson, LLP, by midnight on May 4, 2018. Election results will be announced at the Annual Meeting on May 9, 2018.



Your Vote Matters!

2018 Board of Directors Election
Ballot Inside or Vote Online!

 *Like us on Facebook for news and updates!*

**WANT
TO BUY
A NEW
HOME**

We Can Finance
Up To 95%
Of Home's Value
After Improvements



**READY
TO
BUILD A
HOME**

We Offer An Exciting
New In-House
100% Financing
Mortgage Option



**TIME TO
UPDATE
YOUR
HOME**

FIND DETAILS INSIDE

We Offer All In One
Land, Construction,
& Home Loan with
Only 5% Down

