

CEO MESSAGE



Misty Winter - CEO

As I reflect on my first year as CEO of Northern Hills Federal Credit Union, one word stands out: **Momentum**. This year was about moving forward with purpose while building on a strong foundation.

We finished the year in a very strong financial position, maintaining double-digit net worth, a 1.17% return on assets, and delinquencies below 0.50%, all while supporting continued loan growth.

These results reflect disciplined growth and a team that understands how to balance opportunity with responsibility.

We also honored our past, celebrating my predecessor Floyd Rummel III's induction into the Credit Union Hall of Fame. In

addition, NHFCU was recognized with the Dakota Credit Union Association Growth and Progress Award — a meaningful statewide recognition that reflects the dedication of our staff, the support of our members, and the impact we continue to make in our communities.

Across our locations, we improved signage, upgraded ATMs, and prepared for future growth with plans for a Rapid City location in 2027. We also began enhancements to our Deadwood location, focused on creating a more consistent, welcoming, and modern experience for our members.

We introduced SavvyMoney, One-Click Loans, and tap-to-pay debit cards to enhance member convenience.

Our commitment to community remained strong, with 239 volunteer hours and \$33,000.00 donated locally. We also proudly celebrated NHFCU's 75th anniversary alongside our members and communities.

I am grateful for our dedicated team, Board, Supervisory Committee, and most importantly our members. The collaboration within this organization gives me great confidence in what lies ahead.

NHFCU has Momentum, and we are well positioned for continued success in 2026 and beyond.

Change is not the loss of what was — it is proof that we are still growing.

75TH ANNUAL MEMBERSHIP MEETING

Northern Hills Federal Credit Union is a member-owned, democratically controlled financial cooperative. As a cooperative, you elect members to the Board of Directors. The Board of Directors' responsibility is overseeing the operation of the credit union.

In accordance with the Bylaws of Northern Hills Federal Credit Union, the Board Chair appointed a Nominating Committee to nominate a slate of candidates to fill the three vacancies on the Board of Directors. The Nominating Committee has nominated the following NHFCU members who have expressed the desire to serve on the Credit Union Board of Directors and have qualified as candidates:

Tracy Davidson, Brad Heid, Danielle Pitts

When only one member is nominated for each position to be filled, and there are no petitions presented to add the name of a specified nominee to the ballot, there is no need for a vote, and the nominees are elected by acclamation.



PLEASE JOIN US!

WHEN: Thursday,
March 26, 2026

TIME: Registration:
5:30 pm

Meeting: 6:00 pm

Meal: 6:30 pm

WHERE: Sturgis Armory
1041 Junction Ave
Sturgis, SD 57785

RSVP BY:

Thursday, March 19
by calling
605.347.4527

SCHOLARSHIPS AVAILABLE

Northern Hills Federal Credit Union is excited to support higher education and wants to announce the availability of our scholarships.

For **graduating seniors**, we will be offering three scholarships in the amounts of \$1,000, \$750, and \$500. Applicants must plan to attend an accredited college, university, or vocational/technical school.

For **non-traditional students**, we will be offering one scholarship for \$1,000. The applicant must not already hold a bachelor's degree and must be attending or planning to attend an accredited college, university or vocational/technical school within the next calendar year.

To receive an application you can call, stop by any location, or download it from our website under **Quick Links**.

Applications are due March 31, 2026.

\$2,323.79 DONATED!

Thank you to all of our members, staff, and volunteers who donated at NHFCU locations to the United Way of the Black Hills fund drive. Together we donated \$2,323.79 to help those in need in our communities!

REWARD YOURSELF FOR EVERYDAY BANKING!

We're excited to announce the launch of **two new checking account options** designed to reward our members for everyday banking: **Rewards Checking** and **Cash Back Rewards Checking** — available now!

These accounts give you the opportunity to earn valuable rewards each month simply by using your account the way you already do.

How to Qualify Each Month

To receive the rewards, members must complete the following each month:

- Enroll in **eStatements**
- Have at least **one direct deposit** credited into the Rewards or Cash Back Rewards Checking account
- Have at least **20 debit card transactions** posted to the account

That's it! Meet these simple requirements and start earning.

Rewards Checking

This is a great option for members who want to maximize dividends while maintaining everyday access to their funds. With Rewards Checking, qualifying members can earn:

- **5.85% APY** on balances up to **\$15,000**
- **0.50% APY** on balances over **\$15,000**
- If qualifications are not met, the account earns **0.05% APY**

Cash Back Rewards Checking

Prefer cash back? This account rewards you for your debit card purchases! Qualifying members receive:

- **3.00% cash back** on debit card purchases, **up to \$15 per month**, paid on the last day of the month

No Risk — Just Rewards

If you don't meet the monthly qualifications, don't worry. You'll still keep your checking account — you simply won't receive the rewards for that month. There are no penalties, and you can qualify again the following month. These new checking options are designed to reward you for smart financial habits you may already have in place. Whether you're looking to earn high dividends or cash back on everyday spending, Northern Hills Federal Credit Union has a checking solution that works for you.

Contact us or stop by today to learn more and open your new Rewards or Cash Back Rewards Checking account!

RISING HOME VALUES, NEW POSSIBILITIES

Think you don't have enough equity in your home to tap into? You may have more than you realize. In 2026, home values are expected to rise 1.2%-2.2%, according to Zillow forecasts and Realtor.com, with some projections suggesting gains of up to 4%. With home values continuing to rise, Home Equity Lines of Credit (HELOCs) are an underutilized financial resource. This equity in your home represents a powerful source of funding for debt consolidation, home improvements, education and emergency expenses. Don't turn to high interest credit cards or unsecured personal loans when you can get a better rate and more flexibility with HELOC.

The application process is simple, and an appraisal may not even be required. Contact one of our experienced and knowledgeable loan officers today to determine if a HELOC is the right fit for you.



GUARANTEED ASSET PROTECTION (GAP) AND MECHANICAL REPAIR COVERAGE (MRC)

Northern Hills Federal Credit Union has your back. You have the option to extend the term to add either or both products to your loan without changing your rate or payment amount.

What would you do if something were to happen to your vehicle before the loan was repaid and your loan balance was greater than what your vehicle was worth? **GAP** is intended to reduce or eliminate the gap between what your vehicle insurance will pay and what is owed on your loan if the vehicle is deemed a total loss. Plus, our GAP coverage will give you \$1,000.00 towards the purchase of a new vehicle if the new vehicle is also financed with Northern Hills FCU.

Does the possibility of expensive, unexpected car repairs keep you awake at night? **Mechanical Repair Coverage (MRC)** will cover all or some of the cost of certain repairs after the standard factory warranty has expired. Northern Hills Federal Credit Union has partnered with Route 66 to offer an Extended Warranty Program for our members. Benefits include \$0 deductible on covered parts or labor, emergency roadside service, rental car allowance, competitive rates, and open enrollment. With open enrollment, you can add coverage at any time regardless of whether you have a loan on the vehicle or not.

Cost depends on the year, make, model, and mileage of the vehicle and the term of the coverage you select. This cost can be added to the loan at any time or paid upfront if the vehicle is not financed.

For peace of mind, stop by or call one of our loan officers on either of these products for a quote and review the coverage.

YOUR FREEDOM BEGINS WITH US.

Are you prepared for a mechanical breakdown on your vehicle?

Be ready for the unexpected and ensure you're covered in the event a mechanical breakdown does occur. The Route 66 Extended Warranty is the most comprehensive coverage available and provides coverage for virtually any make and model of automobile. Every extended warranty includes:

- Zero Deductible
- 24/7/365 Roadside Assistance
- 30-Day Money Back Guarantee
- Nationwide Coverage
- Rental Car Allowance
- Transferability

Route 66 Extended Warranty's open enrollment allows you to purchase a warranty at any time during the ownership of your vehicle, but don't wait! Drive with peace of mind today.



Call us today for more information and to qualify your vehicle.

www.route66warranty.com

BUSINESS ACCOUNT FEE CHANGES NOW IN EFFECT

After listening to feedback from current and prospective business members, we are excited to share that we have removed certain fees associated with our business checking accounts.

We offer two types of business checking that previously came with the following fees:

- **Business Checking** – A straightforward checking account with no dividends and a \$5.00 monthly fee.
- **Award Business Checking** – A checking account that earns dividends but included fees based on minimum balance requirements and transaction volume. A \$20.00 fee was assessed if the balance dropped below \$5,000 at any point during the month, and accounts were charged \$0.20 per transaction for each item over 75 transactions per month.

Effective January 28, 2026, these fees have been eliminated.

That means:

- No \$5.00 monthly fee for Business Checking.
- No \$20.00 minimum balance fee for Award Business Checking.
- No \$0.20 per-item transaction fees for exceeding 75 monthly transactions on your Award Business Checking.

If you are a current business member, these updates are already in place for your account. If you have considered opening a business account with us in the past, now is an excellent time to revisit the opportunity.

For more information about our business accounts, please contact us at 605.347.4527 or visit your nearest NHFCU location. We look forward to serving you!

INSTANT ISSUE DEBIT CARDS NOW AVAILABLE

NHFCU is pleased to announce that Instant Issue debit cards are now available!

Members who open a new checking account or need a replacement card can receive a debit card printed and ready to use the same day. Instant Issue debit cards provide added convenience, allowing you to activate and start using your card immediately—no waiting for a card to arrive in the mail.

If you have any questions or need a new debit card, please contact us at 605.347.4527 or stop by any of our locations. We look forward to serving you!

PREVIOUS YEAR IRA OR HSA CONTRIBUTIONS

Remember, you can make IRA or HSA contributions for the 2025 tax year through April 15, 2026. The 5498 IRA and HSA forms reporting contribution information will be mailed in mid-May. We have a full line of IRA products. Ask one of our friendly associates for details!





Northern Hills
FEDERAL CREDIT UNION

1080 Main Street
PO Box 759
Sturgis, SD 57785

PRSRT STD
US POSTAGE PAID
RAPID CITY, SD
PERMIT #618

northernhillsfcu.org

NOW SERVING *All* OF SOUTH DAKOTA

LOCATION CORNER

If you haven't been to the Deadwood location lately, you are in for a surprise. We are in the beginning stages of a much-needed remodel both inside and outside. Currently the Drive-up, ATM, Night Drop and half of the parking lot are being redone so they are unavailable. The outside of the building is also getting a "facelift."

It might look like we are not open because of all the equipment and activity outside, but we are **OPEN**. To accommodate our members, we have extended our Lobby Hours from 8 am-5 pm Mon-Fri. We are closed on Saturdays.

We do understand that we have members who have difficulty walking into the office for service. Remember that we do have locations with drive-ups in Spearfish, Sturgis and Belle Fourche. If this doesn't work, you can also call us at 605.578.3995 and we can see if there is anything we can do to help you.

We are so excited that the Deadwood location is finally being updated so it matches the design of our other locations.

Thank you all for your patience and understanding during this adventure.

