

# NEW MEXICO CREDIT UNION BYLAWS

Adopted pursuant to Section 58-11-2 of NMSA 1978

## ARTICLE I - NAME AND PURPOSE

Section 1. The name of the credit union shall be High Desert Community Credit Union.

Section 2. The purpose of this credit union is to promote thrift among its members and create a source of credit for them at legitimate rates of interest for provident and productive purposes.

## ARTICLE II - CAPITAL

Section 1. The capital of this credit union shall consist of the payments that have been made to it by members thereof on shares, also known as deposits. Shares shall have a par value of \$5.00. In the event of a change in the par value of individual shares, the value must be in multiples of \$5.00, up to a maximum of \$25.00. Changes in the par value of shares shall be made by appropriate bylaw amendment and notice to members.

Section 2. Shares may be issued in the name of a minor or in a trust in such manner as may be prescribed by the Board of Directors. At least one trustee must be a member of the credit union in his/her own right, and the name of the beneficiary must be stated.

## ARTICLE III - MEMBERSHIP

Section 1. Membership in this credit union shall be limited to those having a common bond of association, occupation, or residence as follows:

- All current employees, retired employees, alumni, contract employees, and current students at the San Juan County School Districts No. 2 (Aztec Municipal Schools) and No. 6 (Bloomfield Municipal Schools)
- Employees of this credit union
- Current employees, retirees and elected officials of the City of Aztec and the City of Bloomfield
- Current members, volunteers, staff, and directors of the Aztec Museum Association
- Current members of the Aztec Kiwanis Club.
- The employees of Kelly A. Eaves-Webb Farmers Insurance Agency.

- Current employees, board volunteers, and members of Southside Mutual Domestic Water Association
- Current members of the Aztec Lions Club
- Current employees, retirees, and elected officials of San Juan County
- Members and employees of the Aztec Chamber of Commerce

Immediate family members of current members in good standing\* are eligible for membership. Immediate family members are defined as spouse, parents, children, brother, sister, in-laws, grandparents, grandchildren, stepparents, stepchildren, legal guardians, domestic partners, or “significant other” (i.e., defined as living with someone in the same household for a significant period of time).

Section 2. Each application for membership shall be in writing and must be approved by the CEO or his/her designee. New membership volume and field of membership shall be reported to the Board of Directors at its next regular or special meeting.

Section 3. Upon favorable action by the CEO or his/her designee and subscribing to and paying for at least one (1) share, the applicant shall be a member of this credit union.

Section 4. A member who withdraws all his shareholdings thereby ceases to be a member.

Section 5. A member who leaves the field of membership of this credit union may retain his membership herein. Subject to any special restrictions as may be imposed by the Board of Directors at any time.

Section 6. The Board may, according to Section 7-8A-26 of the New Mexico statutes, annually remit those members’ deposits that qualify as unclaimed funds, to the New Mexico Credit Union Education Foundation, for education or charitable purposes, in accordance with the articles and bylaws of the Foundation. The Board shall comply with the following:

1. Full and complete records of all funds remitted to the Foundation shall be filed annually with the permanent board minutes.
2. The minutes shall reflect the dollar amount of the annual remittance of unclaimed member funds, as voted on and approved by the board.
3. At any future date, any member with a claim on any unclaimed funds that have been remitted to the Foundation may petition the

Foundation to receive such funds. Specific procedures will be set forth by the Foundation in accordance with New Mexico Statutes.

#### ARTICLE IV - SHARE PAYMENTS

Section 1. A member's first share is payable when subscribed for. The number of fully paid shares owned by a member shall be the total of the member's deposits divided by the par value of a single share.

Section 2. Shares may be transferred from one member to another by written instrument in such form as the Board of Directors may prescribe.

Section 3. Money paid in on the purchase of shares may be withdrawn on any business day. However, the directors of the credit union shall have the right to require a member, at any time, to give 60-days' notice of his/her intent to withdraw all or part of the amount paid in by him/her on the purchase of shares. No member may withdraw any shareholdings that are being used as collateral for a loan without the written consent from the CEO or his/her designee.

#### ARTICLE V - RECEIPTING FOR MONEY

Section 1. Money paid in or paid out on account of shares, deposits, loans, interest, or fees shall be evidenced by entries in the member's ledger, receipt, or periodic statements of account. Every entry in the ledger, receipt, or member's account shall identify the person receiving or paying out on behalf of this credit union, and the money represented thereby.

#### ARTICLE VI - FISCAL YEAR

Section 1. The fiscal year of the credit union shall end December 31.

#### ARTICLE VII - MEETINGS OF MEMBERS

Section 1. The annual meeting of the members shall be held within 180 calendar days after the close of the fiscal year, at such time and place as the Board of Directors shall designate.

Section 2. Notice of all annual meetings shall be given to the CEO or his/her designee who shall, at least seven (7) days before the date of such meeting, post a notice of the meeting in a conspicuous place in the office of the credit union. This

January 25<sup>th</sup>, 2024

notice should also be posted electronically on the HDCCU website and/or official HDCCU social media page and mailed to members through US Postal Service.

Section 3. At annual or special meetings 15 members shall constitute a quorum. If a quorum is not present, the annual or special meeting shall be rescheduled not less than seven (7) days thereafter. The decisions made at the rescheduled meeting shall be binding regardless of the number of members present. Notice of the rescheduled meeting shall be given as required by Section 2 of this Article not less than seven (7) days before the date of such rescheduled meeting.

Section 4. The order of business at the meeting of members shall be as follows:

- a) Roll call
- b) Reading & approval of minutes of last annual meeting
- c) Report of Board of Directors
- d) Report of CEO or his/her designee
- e) Report of Supervisory Committee
- f) Unfinished Business
- g) New Business, including election of board member(s)
- h) Adjournment

The members assembled at any annual meeting may suspend the order of business by a 2/3 vote of the members present and voting.

Section 5. Special meetings of the members may be called by the Board President, or by a majority vote of the Supervisory Committee, and shall be called by the Board President on written request of not fewer than 15 members, or by a majority vote of the Board of Directors.

Section 6. At all meetings, each member in good standing\* shall have one (1) vote. There shall be no voting by proxy, however, a member other than a natural person, such as a Living Trust, may cast a single vote through a delegate agent.

## ARTICLE VIII - BOARD OF DIRECTORS

Section 1. The Board of Directors shall consist of up to nine (9) and not less than five (5) individuals, all of whom shall be members that are bondable and in \*good standing of this credit union and previous employees\*\* of High Desert Community Credit Union. They shall be elected by plurality vote in the following manner:

***If a Board Member is appointed outside of the Annual Meeting their term would be (1) year. At the following annual meeting the members would vote to elect the board member for a term of 2 years.***

Section 2. No member of the Board of Directors may be a member of the Supervisory Committee.

Section 3. A meeting of the members of the Board of Directors shall be held within thirty (30) days after the annual meeting of the members of the credit union, at which time they shall elect from their own number the officers hereinafter designated who shall be the executive officers of the credit union. A majority of the Board of Directors shall constitute a quorum.

Section 4. Regular meetings of the Board of Directors shall be held each month. Special meetings may be called by the Board President or by a majority vote of the Board of Directors.

Section 5. The Board of Directors shall have responsibility and authority for the general direction and control of the affairs of High Desert Community Credit Union. In addition to the duties customarily performed by boards of directors, the Board of Directors shall have power to perform the following duties:

- a) To fix the amount of the surety bond, which shall be a blanket type and shall be required of all officers and employees handling money.
- b) To employ and fix the compensation of the Chief Executive Officer (CEO). The CEO will hire all other employees and set the salary of each, as supported by knowledge and experience, and all within the confines of the budget which is set by the Board of Directors.
- c) To declare dividends and determine dividend periods.
- d) To determine interest rates and interest refunds on loans. Interest refunds shall be paid on a pro-rated basis, except that they may be paid to members at the end of the fiscal year based on financial performance as previously established by a resolution of the Board of Directors.
- e) To designate the depository for the funds of High Desert Community Credit Union.
- f) To have charge of investments other than loans to members.
- g) To fill vacancies in the Board and the ALCO. The Board may designate an alternate for any member or member of the ALCO or Board of Directors when any such committee member(s) or director(s) are absent, or otherwise unable to perform such duties. If a Director or ALCO member fails to attend regular meetings for three (3) consecutive meetings, or otherwise fails to perform any of the duties devolving upon

him/her, unless excused, his/her office shall be declared vacant by the Board of Directors, and the vacancy filled as herein provided.

- h) Authorize one or more officers or employees to sign checks in the absence or disability of the treasurer.
- i) To act on all applications for membership, unless otherwise assigned to a designated Director, or a membership officer appointed by the CEO or his/her designee.
- j) To determine the maximum individual shareholdings and maximum individual loans which may be made with or without security.
- k) To adopt amendments to the bylaws of the credit union.
- l) To appoint an ALCO of not less than three (3) members.
- m) To determine whether they should appoint a Supervisory Committee of not less than three (3) members or provide for election of a Supervisory Committee by the general membership (see Article XI, Section 1).
- n) To take all measures for the interest of the credit union not within the jurisdiction of the general meeting and not inconsistent with the laws of the State of New Mexico, applicable federal laws and with these bylaws.

## ARTICLE IX - OFFICERS AND THEIR DUTIES

Section 1. At their first meeting, the Directors shall elect individuals the Board of Directors to serve as president, vice-president, treasurer, and/or secretary, of whom the last two may be the same individual. They shall hold office until the Board of Directors choose their successors.

Section 2. It shall be the duty of the president to preside over meetings of the members and of the Board of Directors, and to perform such other duties as appertain to his/her office.

Section 3. It shall be the duty of the vice-president to perform the duties of the president in the event of the absence or disability of that officer.

Section 4. It may be the duty of the secretary to keep a correct record of all the meetings of the members and of the Board of Directors. He/She shall give notice of all meetings of the members in the manner prescribed herein and shall perform all the other duties incident to his/her office. The board shall employ one or more assistant secretaries, none of whom may also hold office as president, vice president, or CEO, and may authorize them under the direction of the secretary to perform any of the duties assigned to the secretary.

Section 5. It shall be the duty of the treasurer to serve as manager of the credit union under the orders of the Board of Directors; to sign all checks, notes and drafts drawn by the credit union; to have custody of the cash, securities, books of

account and other valuable papers, said books and accounts to be at all times open to the inspection of the Board of Directors and the Supervisory Committee; to prepare a balance sheet showing the condition of the credit union within ten (10) days after the close of each month, and shall have it posted in a conspicuous place in the office of the credit union where it shall remain until replaced by the statement of the succeeding month. He/She shall within 48 hours after receipt, deposit all funds in his possession, in the depository or depositories prescribed by the Board of Directors, provided, however, that receipts in the aggregate of \$100.00 or less need not be deposited more often than once each week. All payments or withdrawals of money for any purpose shall be made by check.

The Board of Directors may appoint an assistant treasurer and authorize him/her, under the direction of the treasurer, to perform any of the duties devolving on the treasurer, including the signing of checks. He/She may also act as the treasurer during the absence or disability of the treasurer.

Section 6. The Board of Directors may employ a Chief Executive Officer (CEO) who shall not be a member of the Board and who will be under the direction and supervision of the Board. The CEO may be assigned all or part of the responsibilities of the treasurer. In turn, the CEO may appoint or direct employees to perform such duties as necessary.

## ARTICLE X - ASSET LIABILITY COMMITTEE (ALCO)

Section 1. The Asset Liability Committee (ALCO) shall consist of three (3) members all of whom shall be bondable members or previous employees\*\* in good standing\* or of this credit union, which may include members of the Board or Supervisory Committee. They shall be appointed by the Board of Directors.

Section 2. The ALCO shall hold regular meetings as the business of this credit union may require.

Section 3. A quorum shall consist of not less than a majority of the committee.

Section 4. Special meetings may be called by the chairman, or upon petition of two (2) members of the committee.

Section 5. The Board of Directors shall adopt a policy regarding Asset Liability Management.

## ARTICLE XI - SUPERVISORY COMMITTEE

Section 1. The supervisory committee may consist of up to five (5) but no less than three (3) members, all of whom shall be members and/or previous employees\*\* that are bondable and in good standing\* of High Desert Community Credit Union. They shall be elected by the membership in the following manner:

*If a Supervisory Committee Member is appointed outside of the Annual Meeting their term would be (1) year. At the following annual meeting the members would vote to elect the board member for a term of 2 years*

Section 2. No member of the Board of Directors may be a member of the Supervisory Committee.

Section 3. In addition to the performance of the duties and powers contained in the New Mexico Credit Union Act, the Supervisory Committee shall keep fully informed as to the financial conditions of the credit union; the annual examination of the affairs of the credit union required by such applicable laws shall include an examination of applications for loans made during the period under examination and the members of said committee shall satisfy themselves through an industry-accepted selection process that for each loan made an application is on file and that each application states the purpose for which the loan was made, a description of the security offered, and that it bears the approval of the loan officer. The committee shall fill vacancies in its membership.

Section 4. In the event the Supervisory Committee suspends an officer, a Director or a member of a committee, the Supervisory Committee shall call a special meeting of the general membership to act on such suspension within ten (10) days thereof. No removal shall be made except by 2/3 vote of the members present at such a special meeting, and only after opportunity has been given to be heard.

## ARTICLE XII - LOANS

Section 1. Any loan made to a Director or member of the Supervisory Committee shall be in compliance with the provisions of the New Mexico Credit Union Act.

Section 2. No loan shall be made except on written application which contains all the information required by statutes and is signed by the person desiring the loan.



Section 3. Loans may be made only to members in good standing\* for provident or productive purposes. A borrower may repay his/her loan in whole or in part any day the office of the credit union is open for business. If installments or interest remain unpaid for anyone (1) month, the Board of Directors may take such steps toward terminating the borrower's membership and making collection at its discretion.

Section 4. The maximum interest rate chargeable on loans by this credit union shall not exceed an annual percentage rate as allowed by State or Federal law on the unpaid balances.

Section 5. In addition, this credit union may collect a one-time initiation charge on all loans. The purpose of this charge is to help defray the actual cost of preparing loan documents, truth-in-lending disclosure statements, equal credit opportunity disclosure statements and other disclosures required by federal and New Mexico state law.

Section 6. The Board of Directors may, however, through specific Board Policy, establish lesser rates and charges as may be necessary at any time, and make these known to the members.

Section 7. This credit union will comply with all applicable State and Federal regulations pertinent to the retention of legal documents.

#### ARTICLE XIII - ALLOWANCE FOR CREDIT LOSSES FUND (ACL)

Section 1. At the close of each dividend period and before declaration of any dividend for such period, a per centum of the net earnings (or a fixed amount as determined by the ALCO and approved by the Board of Directors) of the credit union accumulated during such dividend period shall be set aside as an ACL fund as required by the New Mexico Credit Union Act.

Section 2. An ACL fund shall be established before declaration of any dividend in accordance with the New Mexico Credit Union Act.

#### ARTICLE XV - POWER TO BORROW AND LOAN

Section 1. The credit union allowable borrowing will comply with NCUA guidelines on PIUCS – paid in unimpaired capital and surplus, which would include all shares and undivided earnings. Regular reserve is excluded. This will require an affirmative vote of the Board of Directors.

## ARTICLE XVI - INVESTMENTS

Section 1. Funds of the credit union not required for loans to members may be invested in any investment legal for credit unions as permitted by the New Mexico Credit Union Act. A review of the credit union's investments and investment policies (authorized investment institutions, responsible executors, amounts, maturities, and rates) will be made at least annually by the Board of Directors and specified accordingly in the Credit Union's policy manual.

## ARTICLE XVII - AMENDMENTS TO THE BYLAWS

Section 1. These bylaws may be amended by the Board of Directors by affirmative vote of two-thirds of the members of the board at a duly held meeting thereof, provided that a copy of the proposed amendment with a written notice of the meeting shall have been sent or handed in person to each Board member at least seven (7) days prior to said meeting. No amendment shall become operative until it has been approved by the Director of the New Mexico Financial Institutions Division.

## ARTICLE XVIII - DISSOLUTION

Section 1. This Credit Union may be dissolved or merged in the way and manner provided in the New Mexico Credit Union Law.

*\*A member in good standing will be bondable, have a minimum share balance of \$5.00, with no charged-off loans or loans more than 10 days past due, no unresolved NSF or other fees, and a positive balance in all accounts.*

*\*\*A previous employee in good standing must meet the definition of a member in good standing and must have left employment voluntarily with no violations of regulations, policy, and/or procedures. Eligibility begins three years from termination date.*

IN WITNESS WHEREOF, we have made and elected these bylaws at Aztec, New Mexico this 25th day of January 2024.

DocuSigned by:

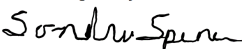


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Anna Redding

, President

DocuSigned by:



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Sondra Spencer

, Secretary

January 25<sup>th</sup>, 2024

January 25<sup>th</sup>, 2024

# CERTIFICATION OF RESOLUTION OF THE BOARD OF DIRECTORS

## REQUESTING APPROVAL OF BYLAWS

We, the undersigned, Chair and Secretary [or Secretary/Treasurer] of the Board of Directors for the High Desert Community Credit Union, Charter No. 66185, hereby certify:

That by a unanimous [or percentage of the board approving] vote of the members of the Board at a duly held meeting thereof, on January 25, 2024, the following resolution was adopted:

**BE IT RESOLVED:** That approval of this credit union's bylaws is hereby adopted, as set forth below, to become effective upon approval by the New Mexico Financial Institutions Division pursuant to the New Mexico Credit Union Regulatory Act, Section 58-11-12 NMSA 1978.

See Bylaws attached and dated 01 / 25 / 24.

That the foregoing resolution, together with the names of directors voting for the bylaws, those voting against the bylaws, and those absent from the meeting, have been entered in full in the minutes of the Board of Directors of this credit union.

**APPROVED BY THE NEW MEXICO  
FINANCIAL INSTITUTIONS DIVISION:**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date

FID REVISED 4/2003

**APPROVED BY THE CHAIR AND  
SECRETARY OF THE CREDIT UNION:**

DocuSigned by:  
Anna Redding  
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Chair  
DocuSigned by:  
Sondra Spere  
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Secretary

01/25/2024

\_\_\_\_\_  
Date

**CERTIFICATION OF RESOLUTION OF THE BOARD OF DIRECTORS  
REQUESTING APPROVAL TO AMEND THE CREDIT UNION BYLAWS**

We, the undersigned, President and Secretary of High Desert Community Credit Union  
Credit Union, Charter No. 66185, hereby certify:

That by a unanimous vote of the members of the Board at a duly held meeting thereof, on  
January 25, 2024, the following resolution was adopted:

**BE IT RESOLVED:** That approval of amendment(s) of this credit union's bylaws is hereby adopted, as  
set forth below, to become effective upon approval by the New Mexico Financial Institutions Division  
pursuant to the New Mexico Credit Union Regulatory Act, Section 58-11-12 NMSA 1978.

Article I - XVIII, Section All, to be replaced with the following:

See Bylaws attached and dated 01 /25/24.

That the foregoing resolution, together with the names of directors voting for the amendment, those  
voting against the amendment, and those absent from the meeting, have been entered in full in the  
minutes of the Board of Directors of this credit union.

**Approved by New Mexico Financial  
Institutions Division:**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**DATE**

**Approved by the President and  
Secretary of the Credit Union:**

DocuSigned by:

Anna Redding

\_\_\_\_\_  
**PRESIDENT**

DocuSigned by:

Sandra Spivey

\_\_\_\_\_  
**SECRETARY**

01/25/2024

\_\_\_\_\_  
**DATE**