



# **NORTH CAROLINA CREDIT UNION DIVISION**

## **Merger Application**

## General Information and Instructions

Upon approval of the merger plan by the board of directors of each credit union, the below application should be completed and forwarded to the Administrator of the NC Credit Union Division. The Administrator will forward a copy to the Regional Director of the National Credit Union Administration and will request provisional approval of the merger proposal. The proposal should include the application along with the accompanying responses and one copy of each of the documents listed in the NCCUD Merger Supporting Documents list. Use of this application and document list will help to assure that all required information is supplied and avoid unnecessary delays in processing the merger proposal.

## 1. Applicant (Continuing) Credit Union

Name \_\_\_\_\_ Charter Number \_\_\_\_\_

Street

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

## 2. Merging Credit Union

Name \_\_\_\_\_ Charter Number \_\_\_\_\_

Street

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

### 3. Contact Person - Applicant Credit Union

Name \_\_\_\_\_

Title \_\_\_\_\_ Employer \_\_\_\_\_

4. Contact Person - Merging Credit Union

Name

Title

Employer

Email Address

Telephone

5. Proposed effective date of merger

6. Indicate the location of the continuing credit union's principal office

7. Explain the reason for the merger.

8. On a separate sheet, provide a listing of all branches of the merging credit union that:

- a) will be established or retained as branches, including the main office,
- b) are approved but unopened branch(es), including the date federal and state agencies granted approval(s), and
- c) are existing branches that will be closed or consolidated as a result of the proposed merger (to the extent the information is available). If existing branches will be closed, how does the continuing credit union propose to serve those branch members?

*For each branch, list the popular name, street address, city, county, state, and zip code, specifying any that are in low-income geographies.*

9. Discuss whether and how the charter of the continuing credit union will remain the same or change as a result of the proposed merger.

10. Describe provisions for notifying and paying creditors of the merging credit union.

11. Please list and describe any other agreements reached between the continuing and merging credit unions. For example, what provision has been made for the payment of dividends, if any, to the merging credit union's members? Will a verification of the merging credit union's accounts be required in conjunction with the merger? Will there be any changes in the existing board of directors or committees of the continuing credit union as a result of the merger?

12. Explain any provisions for reserves, undivided earnings, or dividends.

13. Describe any changes to insurance for member accounts as a result of the proposed merger.

14. If the net worth ratio of the merging credit union is more than 500 basis points higher than the net worth ratio of the continuing credit union, explain the factors considered in establishing a proposed adjustment or in determining no adjustment is necessary.

**If this is a merger with a Federal credit union, the applicant also must reply to items 15 through 19.**

15. Where the merging credit union is a state credit union and the continuing credit union is a federal credit union, and the merging credit union has any assets or liabilities which do not conform to federal requirements, describe any actions that will be taken to eliminate the nonconformity.

16. Where the merging credit union is a federal credit union and the continuing credit union is a state credit union, and the merging credit union has any assets or liabilities which do not conform to state requirements, describe any actions that will be taken to eliminate the nonconformity.

17. Where the merging credit union is a federal credit union, is the merging credit union requesting a waiver of its membership vote? If yes, explain. The National Credit Union Administration may permit the merger to become effective without an affirmative vote of the membership of the merging credit union only when the merging credit union is insolvent or in danger of insolvency.

18. Where the continuing credit union is a federal credit union, describe the common bond that exists between the merging and continuing credit union.

19. Has a premerger notification been submitted to with the Federal Trade Commission and the Antitrust Division of the Justice Department pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976? If not, why?

**Wet signatures are required for all merger documents.**

## NCCUD Merger Supporting Documents List

The following documents must be included in the application to process the merger proposal. See Table 1. below for reference.

1. Current system-generated financial reports for both credit unions including a Statement of Financial Condition, a Statement of Income, a schedule of delinquent loans annotated to reflect collection problems all loans estimated to be doubtful of collection.
2. Current analysis of allowance for credit losses or ALLL (if CECL not elected) for both credit unions.
3. List of all existing contracts of the merging credit union with the following information: vendor name, effective date of contract, end date, and termination terms and conditions.
4. Board minutes that reference the merger for the merging and continuing credit union (24 months before the credit unions approved the merger plan).
5. The projected combined financial statements of the continuing credit union.
6. Analysis of share values for the continuing credit union and merging credit union. (NCCUD 11 and NCCUD 12)
7. Resolution of Board of Directors of the continuing credit union. (NCCUD 2)
8. Resolution of Board of Directors of the merging credit union. (NCCUD 3)
9. Merger Agreement completed to the extent possible at this time. (NCCUD 4)
10. Proposed Notice of Special Meeting of the Members. (NCCUD 5)
11. Proposed Ballot for Merger Proposal. (NCCUD 6)
12. Letter of tentative approval issued by the North Carolina Credit Union Division.
13. Certification of Vote on Merger Proposal. (NCCUD 8)
14. Certification of Completion of Merger (Continuing Credit Union). (NCCUD 9)
15. Letter to Bonding Company from continuing credit union advising of proposed merger and requesting written consent.
16. Proposed bylaw amendments for continuing credit union
17. Copies of the merging and continuing credit unions' fields of membership.

Table 1. NCCUD Documents with Corresponding NCUA Forms.

	NCCUD Documents	Corresponding NCUA Forms
NCCUD Merger Application	NCCUD 1	None
Resolution of Board of Directors - Continuing	NCCUD 2	6302
Resolution of Board of Directors - Merging	NCCUD 3	6303
Merger Agreement	NCCUD 4	6304
Notice of Special Meeting of the Members	NCCUD 5	6305A
Ballot for Merger Proposal	NCCUD 6	6306A
Certification of Vote on Merger Proposal	NCCUD 8	6308A
Certification of Completion of Merger	NCCUD 9	6309
Probable Asset/Share Ratio - Continuing	NCCUD 11	6311
Probable Asset/Share Ratio - Merging	NCCUD 12	6311
Certification of No Non-Disclosed Financial Arrangements	Certification of No Non-Disclosed Financial Arrangements	Certification of No Non-Disclosed Financial Arrangements