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The credit union must receive this ballot by (insert date and time for vote). Please mail or bring it to: (Insert name of independent entity and address)

will terminate upon the effective date of the conversion. Instead, my shares in the (insert name of credit union) will be insured up to \$(insert dollar amount) by (insert name of insurer), a corporation chartered by the State of (insert name of state). The federal insurance provided by the National Credit Union Administration is backed by the full faith and credit of the United States Government. The private insurance provided by (insert name of insurer) is not.

I understand if the merger or conversion of the (insert name of merging credit union) into the (insert name of continuing credit union) is approved, the National Credit Union Administration share (deposit) insurance I now have, up to \$250,000, or possibly more if I use different account structures,

**I FURTHER UNDERSTAND THAT, IF THIS MERGER IS APPROVED AND THE (insert name of continuing credit union) FAILS, THE FEDERAL GOVERNMENT DOES NOT GUARANTEE THAT I WILL GET MY MONEY BACK.**

I vote on the proposal as follows (check one box):

[ ] Approve the merger and the conversion to private insurance and authorize the Board of Directors to take all necessary action to accomplish the merger and conversion.

[ ] Do not approve the merger and the conversion to private insurance.

Signed: \_\_\_\_\_  
(Insert printed member's name)

Date: \_\_\_\_\_

(c) Form certification of vote:

CERTIFICATION OF VOTE ON MERGER PROPOSAL AND CONVERSION TO NON-FEDERALLY INSURED STATUS OF THE (INSERT NAME OF MERGING CREDIT UNION)

We, the undersigned officers of the (insert name of merging credit union), certify the completion of the following actions:

1. At a meeting on (insert date), the Board of Directors adopted a resolution approving the merger of our credit union with (insert name of continuing credit union).

2. Not more than 30 nor less than 7 days before the date of the vote, copies of the notice of special meeting and the ballot, as approved by the National Credit Union Administration, and a copy of the merger plan announced in the notice, were mailed to our members.

3. The credit union arranged for the conduct of a special meeting of our members at the time and place announced in the Notice to consider and act upon the proposed merger.

4. At the special meeting, the credit union arranged for an explanation of the merger proposal and any changes in federally insured status to the members present at the special meeting.

5. The (insert name), an entity independent of the credit union, conducted the membership vote at the special meeting. At least 20 percent of our total membership voted and a majority of voting members favor the merger as follows:

- (insert) Number of total members
- (insert) Number of members present at the special meeting
- (insert) Number of members present who voted in favor of the merger
- (insert) Number of members present who voted against the merger
- (insert) Number of additional written ballots in favor of the merger
- (insert) Number of additional written ballots opposed to the merger

6. The action of the members at the special meeting was recorded in the minutes.

This certification signed the (insert date):  
(signature of Board Presiding Officer)  
(insert typed name and title)  
(signature of Board Secretary)  
(insert typed name and title)

I (insert name), an officer of the (insert name of independent entity that conducted the vote), hereby certify that the information recorded in paragraph 5 above is accurate.

This certification signed the (insert date):  
(signature of officer of independent entity)  
(typed name, title, and phone number)

[70 FR 3288, Jan. 24, 2005, as amended at 73 FR 30477, May 28, 2008; 84 FR 1607, Feb. 5, 2019]

**§ 708b.304 Merger of a federally insured credit union into another federally insured credit union.**

(a) Merger resolution for continuing credit union, NCUA 6302. The continuing

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credit union's board of directors must complete this form after it votes to merge with the merging credit union. The merger package required by §708b.104 must include merger resolutions from both the merging and continuing credit unions.

MERGER RESOLUTION (CONTINUING CREDIT UNION)

RESOLUTION

The Board of Directors believes our credit union should merge with [name of merging credit union] (merging credit union). Our credit union will assume the merging credit union's shares and liabilities. The merging credit union will transfer to our credit union all of its assets, rights, and property. All members of the merging credit union will receive shares in our credit union, which will stay in business under its present charter.

CERTIFICATION

We, the Board Presiding Officer and Secretary of this credit union, are authorized to:

- Seek National Credit Union Administration Regional Director approval of the merger.
- Execute and deliver the merger agreement on the effective date of the merger.
- Execute all agreements and other papers required to complete the merger.

We certify to the National Credit Union Administration that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of our credit union at a meeting held under our bylaws on [month and date], 20\_\_\_. A quorum was present and voted. The resolution is duly recorded in the minutes of the meeting and is still in full force and effect.

\_\_\_\_\_  
Board Presiding Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

(b) *Merger resolution for merging credit union, NCUA 6303.* The merging credit union's board of directors must complete this form after it votes to merge with the continuing credit union. The merger package required by §708b.104 must include merger resolutions from both the merging and continuing credit unions.

MERGER RESOLUTION (MERGING CREDIT UNION)

RESOLUTION

The Board of Directors believes our credit union should merge with [name of continuing credit union] (continuing credit union). The continuing credit union will assume the shares and liabilities of our credit union. Our credit union will transfer to the continuing credit union all of our assets, rights, and property. All members of our credit union will receive shares in the continuing credit union, which will stay in business under its present charter.

CERTIFICATION

We, the Board Presiding Officer and Secretary of this credit union, are authorized to:

- Seek National Credit Union Administration Regional Director approval of the merger.
- Execute and deliver the merger agreement on the effective date of the merger.
- Execute all agreements and other papers required to complete the merger.

We certify to the National Credit Union Administration that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of our credit union at a meeting held under our bylaws on [month and day], 20\_\_\_. A quorum was present and voted. The resolution is duly recorded in the minutes of the meeting and is still in full force and effect.

\_\_\_\_\_  
Board Presiding Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

(c) *Merger agreement, Form 6304.* Submit a proposed merger agreement to the NCUA with the initial merger package required by §708b.104. Do not sign, date, or notarize the proposed agreement. At the completion of the merger, officials of the merging and continuing credit unions must sign this agreement and have it notarized. The continuing credit union should retain the original document. Send one copy of the executed form to the NCUA Regional Director (see Form NCUA 6309 in paragraph (g) of this section). The date you execute this document is the effective date of the merger.

MERGER AGREEMENT

This agreement is made and entered into on [month and day], 20\_\_\_, by and between

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[name of continuing credit union] (continuing credit union) and [name of merging credit union] (merging credit union). The continuing credit union and the merging credit union agree to the following terms:

1. The merging credit union will transfer to the continuing credit union all of its assets, rights, and property.

2. The continuing credit union will assume and pay all liabilities of the merging credit union. In addition, the continuing credit union will issue all members of the merging credit union the same amount of shares they currently own in the merging credit union, subject to the following share adjustments (if any):

[Name of continuing credit union] by:

Board Presiding Officer

Treasurer

[Name of merging credit union] by:

Board Presiding Officer

Treasurer

Before me a Notary Public (or other authorized officer) appeared the above named [name of Board presiding officer] and [name of Treasurer], Board Presiding Officer and Treasurer of [name of continuing credit union], who being personally known to me as (or proved by the oath of credible witnesses to be) the persons who executed the annexed instrument acknowledged the same to be their free act and deed and in their respective capacities the free act and deed of said credit union.

(SEAL)

Notary Public
My commission expires \_\_\_\_\_, 20 \_\_\_\_\_.
State of \_\_\_\_\_
County of \_\_\_\_\_

Before me a Notary Public (or other authorized officer) appeared the above named [name of Board Presiding Officer] and [name of Treasurer], Board Presiding Officer and Treasurer of [name of merging credit union], who being personally known to me as (or proved by the oath of credible witnesses to be) the persons who executed the annexed instrument acknowledged the same to be their free act and deed and in their respective capacities the free act and deed of said credit union.

(SEAL)

Notary Public
My commission expires \_\_\_\_\_, 20 \_\_\_\_\_.
State of \_\_\_\_\_
County of \_\_\_\_\_

(d) Sample form notice to members, NCUA 6305A. If a federally insured credit union is merging into another federally insured credit union, use of this form will meet the requirements of §708b.106. Brackets provide instructions or indicate that the merging credit union should fill in the appropriate information, or select the appropriate option to conform the notice to the circumstances of the merger.

NOTICE OF MEETING OF THE MEMBERS OF [NAME] CREDIT UNION

The Board of Directors of [name of merging credit union] have called a [special] meeting of the members of this credit union at [location, address], on [month, day, year] at [time]. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging [name of merging credit union] with and into [name of continuing credit union] (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the [name of merging credit union] will be merged with and into the Continuing Credit Union. All members of [name of merging credit union] will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in [name of merging credit union] on the effective date of the merger.

2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of [name of merging credit union], subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of [name of merging credit union] encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot to vote on the proposed merger.

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at [insert email address] or [insert physical address]. The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of

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the continuing credit union, follow as separate documents. In addition, the following information applies to the proposed merger.

*Reasons for merger:* The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members because [insert reasons].

*Net worth:* The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. [Name of merging credit union] [has or does not have] a higher net worth ratio than [name of continuing credit union].

*Share adjustment or distribution:* [Choose option A or B and delete the other.]

A: [Name of merging credit union] will not distribute a portion of its net worth to its members in the merger. The board of directors has determined a share adjustment, or other distribution of [name of merging credit union]'s net worth is unnecessary because [insert reasons].

B: [Name of merging credit union] will distribute a portion of its net worth to its members in the merger. The board of directors has determined to distribute a portion of [name of merging credit union]'s net worth as [describe method of calculating share adjustment or other provisions for reserves, undivided earnings or dividends.]

*Locations of merging and continuing credit union:* [Name of merging credit union]'s main office at [street address, city] will [close/remain open/remain open for \_\_\_\_]. [If the merging credit union has branches, insert the same statement about the branch locations]. [Name of continuing credit union] has the following locations that are near [name of merging credit union]. [List address and type of location—i.e. main office, full-service branch for each non-ATM location of the continuing credit union in reasonable proximity to the locations of the merging credit unions.]

*Changes to services and member benefits:* [If applicable, explain any loss of services, such as increases in fees or loss of ATM access, as well as any changes to benefits such as life savings protection insurance or loan protection insurance. If inapplicable, delete entire section.]

*Merger-related financial arrangements:* [ ] [If inapplicable, delete entire section.] NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. The following individuals have received or will receive such compensation:

Name	Title	Description of increase	Amount

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, please complete the Ballot and return it to [mailing address]. To be counted, your Ballot must be received by [month, day, year] at [time of special meeting].

BY THE ORDER OF THE BOARD OF DIRECTORS:

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

(e) *Form ballot, NCUA 6306A.*

BALLOT FOR MERGER PROPOSAL

Name of Member:

Account Number:

Your credit union must receive this ballot by [insert date of meeting]. Please mail or bring it to:

[insert credit union address]

I have read the Notice of Special Meeting for the members of Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

[ ] APPROVE the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.

[ ] DO NOT APPROVE the proposed merger.

Signed: \_\_\_\_\_

Member's Name

Date: \_\_\_\_\_

(f) *Form certification of vote, NCUA 6308A.* Within ten calendar days after

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the membership vote, the merging credit union must complete this form and mail it to the NCUA Regional Director.

CERTIFICATION OF VOTE ON MERGER PROPOSAL OF THE CREDIT UNION

[Merging]

We, the undersigned officers of the [name of merging credit union], certify the completion of the following actions:

- 1. At a meeting on [month and day], 20 \_\_\_\_, the Board of Directors adopted a resolution approving the merger of our credit union with [name of continuing credit union] (continuing credit union).
2. Not more than 90 days or less than 45 days before the date of the vote, our members received copies of the notice of meeting and the ballot, as approved by the National Credit Union Administration.
3. The credit union arranged for a meeting of our credit union members at the time and place announced in the notice to consider and act upon the proposed merger.
4. At the meeting, the members present received an explanation of the merger proposal and any changes in products, services and locations.
5. The members of our credit union voted on of the merger as follows:

Number of members present at the meeting
Number of members present who voted in favor of the merger
Number of members present who voted against the merger
Number of additional written ballots in favor of the merger
Number of additional written ballots opposed to the merger

6. The action of the members at the meeting was recorded in the minutes. This certification signed [month and day], 20\_\_.

Board Presiding Officer

Secretary

(g) Form certification of completion of merger, NCUA 6309. Within 30 calendar days after the effective date of the merger, the continuing credit union must complete this form and mail it to the NCUA Regional Director with the documents listed on the form.

CERTIFICATION OF COMPLETION OF MERGER

We, the undersigned officers of the above-named credit union, certify to the National Credit Union Administration as follows:

- 1. The merger of our credit union with [name of merging credit union] was com-

pleted as of [month day and year of the executed merger agreement], according to the terms and plan approved by this Board of Directors by a resolution adopted at the meeting held on [month day and year of board of directors meeting]. We previously provided a certified copy of the resolution to the National Credit Union Administration.

- 2. We completed all required steps for the merger and transferred the merging credit union's assets.

Attached to this certification are the following documents:

- 1. Financial reports for each credit union immediately before the completion of the merger.
2. A consolidated financial report for the continuing credit union immediately after the completion of the merger.
3. The charter of the merging federal credit union [if available].
4. The insurance certificate for the merging federally insured credit union [if available].
5. A copy of the executed merger agreement, Form NCUA 6304.

This certification signed [month and day], 20\_\_.

Board Presiding Officer

Treasurer

(h) Form calculation of PAS ratio, NCUA 6311. The merger package required by § 708b.104 must include PAS calculations for both the merging and continuing credit unions. The Probable Asset/Share Ratio (PAS) reflects the relative worth of \$1 of shares in a credit union, assuming it will be an ongoing concern. The ratio is computed by dividing the net value of assets by the credit union's total shares.

ADDITIONS: Cash is valued at book less any known potential losses. Loans are valued at book net of probable estimated loan losses (ALLL). Investments are valued at book value less any known losses. However, if a long-term investment is likely to be liquidated prior to maturity, it is valued at current market value. Fixed Assets are valued at book, except when major fixed assets are not in use or are in the process of being sold. In these instances, the asset is valued at its probable market value. Other Assets are valued at the most realistic value to the credit union, usually not to exceed book value.

DEDUCTIONS: Notes Payable are valued at book. Accounts Payable are valued at book. Other Liabilities are valued at book. Contingent and/or Unrecorded Liabilities are valued at the most realistic known value. This item should include any unrecorded

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dividends not accrued for the accounting period. Subsidiary Ledger Differences are deducted if the credit union is likely to suffer a loss due to the problem. Other Losses in-

clude any other known losses. Do not include deficits in undivided earnings or net losses because they have already reduced assets if properly recorded.

**PROBABLE ASSET/SHARE RATIO—CONTINUING CREDIT UNION**

	Book Value	Market Value
<b>ADDITIONS:</b>		
Cash.		
Loans.		
Investments.		
Fixed Assets.		
Other Assets.		
Total (A).		
<b>DEDUCTIONS:</b>		
Notes Payable.		
Accounts Payable.		
Other Recorded Liabilities.		
Contingent and/or Unrecorded Liabilities.		
Subsidiary Ledger Differences (Losses) Other Losses.		
Total (B).		
Net Value of Assets (A – B).		
Total Shares.		
Probable Asset/Share Ratio .....		

**PROBABLE ASSET/SHARE RATIO—MERGING CREDIT UNION**

	Book Value	Market Value
<b>ADDITIONS:</b>		
Cash.		
Loans.		
Investments.		
Fixed Assets.		
Other Assets.		
Total (A).		
<b>DEDUCTIONS:</b>		
Notes Payable.		
Accounts Payable.		
Other Recorded Liabilities.		
Contingent and/or Unrecorded Liabilities.		
Subsidiary Ledger Differences (Losses) Other Losses.		
Total (B).		
Net Value of Assets (A – B).		
Total Shares.		
Probable Asset/Share Ratio .....		

(i) *Certification of no non-disclosed merger-related financial arrangements.* The merger package required by §708b.104 must include the following certification.

**CERTIFICATION OF NO NON-DISCLOSED MERGER-RELATED FINANCIAL ARRANGEMENTS**

We, the undersigned officials of [name of merging credit union] and [name of continuing credit union], certify to the National Credit Union Administration (NCUA) as follows:

1. The information provided to the NCUA in the merger application, and the proposed disclosure to the members of [name of merging credit union] includes a complete, true and accurate statement about all merger-related financial arrangements, if any, provided to covered persons, as those terms are defined in Part 708b of the NCUA's regulations.

2. We understand that we have an affirmative duty to revise our merger application and the notice to the members of [name of

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merging credit union] if merger-related financial arrangements are added or increased after our application is submitted.

This certification signed [month and day], 20\_\_.

[name of continuing credit union]

\_\_\_\_\_  
Board Presiding Officer

\_\_\_\_\_  
CEO

[name of merging credit union]

\_\_\_\_\_  
Board Presiding Officer

\_\_\_\_\_  
CEO

[83 FR 30311, June 28, 2018]

**PART 709—INVOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS AND ADJUDICATION OF CREDITOR CLAIMS INVOLVING FEDERALLY INSURED CREDIT UNIONS IN LIQUIDATION**

Sec.

709.0 Scope.

709.1 Definitions.

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709.4 Powers and duties of liquidating agent.

709.5 Payout priorities in involuntary liquidation.

709.6 Initial determination of creditor claims by the liquidating agent.

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709.9 Treatment of financial assets transferred in connection with a securitization or participation.

709.10 Treatment by conservator or liquidating agent of collateralized public funds.

709.11 Prepayment fees to Federal Home Loan Bank.

709.12 Treatment of swap agreements in liquidation or conservatorship.

AUTHORITY: 12 U.S.C. 1757, 1766, 1767, 1786(h), 1786(t), and 1787(b)(4), 1788, 1789, 1789a.

SOURCE: 56 FR 56925, Nov. 7, 1991, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 709 appear at 84 FR 1607, Feb. 5, 2019.

**§ 709.0 Scope.**

The rules and procedures in this part apply to charter revocations of federal

credit unions under 12 U.S.C. 1787(a)(1)(A), (B), the involuntary liquidation and adjudication of creditor claims in all cases involving federally insured credit unions, the treatment by the Board as conservator or liquidating agent of financial assets transferred in connection with a securitization or participation or of public funds held by a federally insured credit union, and the allowance of prepayment fees to Federal Home Loan Banks under specified conditions. Remaining sections of this part are applicable to all federally insured credit unions. This part does not apply to share insurance claims arising out of the liquidation of a federally insured credit union. Insurance claims are decided pursuant to part 745 of this chapter.

[56 FR 56925, Nov. 7, 1991, as amended at 65 FR 55442, Sept. 14, 2000; 66 FR 11230, Feb. 23, 2001; 66 FR 40575, Aug. 3, 2001]

**§ 709.1 Definitions.**

For the purposes of this part, the following definitions apply:

(a) *General Counsel* means the General Counsel of the National Credit Union Administration or any attorney assigned to the General Counsel’s staff.

(b) *Liquidating Agent* means the NCUA Board or person(s) appointed by it with delegated authority to carry out the liquidation of the credit union.

(c) *Insolvent* means insolvent as that term is defined in § 700.2 of this chapter.

(d) *Claim* means a creditor’s claim against the credit union in liquidation. This term does not include insurance claims arising out of the liquidation of a federally insured credit union. Insurance claims are decided pursuant to part 745 of this chapter.

(e) *Shareholder* means members, non-members, accountholders or any other party or entity that is the owner of a share, share certificate or share draft account or the equivalent of such accounts under state law.

[56 FR 56925, Nov. 7, 1991, as amended at 69 FR 27828, May 17, 2004; 78 FR 32545, May 31, 2013]

**§ 709.2 NCUA Board as liquidating agent.**

(a) The Board, as liquidating agent, by operation of law and without any