

CREDIT UNION MERGER APPLICATION

PROCEDURES, INSTRUCTIONS AND GUIDELINES

(For FIS 1057)

The Director of the Department of Insurance and Financial Services has determined this application to be available for public inspection or copying pursuant to the provisions of the Freedom of Information Act, PA 442 of 1976; MCL 15.231 et seq., and section 205 of the Michigan Credit Union Act 215 of 2003, as amended; MCL 490.205. Accordingly, except as otherwise indicated in this application, the contents of the application shall be disclosed to any person who properly requests an opportunity for inspection, examination or copying.

1. The Department of Insurance and Financial Services (DIFS) will not accept an incomplete application. Complete responses to all applicable questions will expedite processing of the application.
2. The Director of DIFS will consider the application with respect to the general business of credit unions and the applicable state and federal statutes.
3. The complete corporate name of each credit union must be used in the application and the merger documents.
4. The application must be filed with original signatures where applicable. It is also requested that an electronic copy of the application be submitted to DIFS.
5. A duplicate of the application materials should be filed with the National Credit Union Administration (NCUA), Albany, New York.
6. The Director will issue a written decision on the application.
7. If the application is approved by the Director, the surviving credit union may be responsible for any prorated operating fee(s) assessed to the non-surviving credit union(s). The operating fee payment will be due prior to final documents being issued by DIFS.
8. Questions pertaining to the completion of this application should be directed to Corporate Activities and Risk Assessment at 517-284-8822.
9. Completed applications should be mailed to:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
ATTENTION: CORPORATE ACTIVITIES AND RISK ASSESSMENT
P.O. BOX 30220
LANSING, MICHIGAN 48909-7720

Authorized by PA 215 of 2003, as amended. Required for approval to merge a credit union.

Application for Permission to Merge a Credit Union with Another Credit Union

Surviving Credit Union Information

| | | |
|----------------------|------------------|---------------------------|
| Name of Credit Union | | |
| Street Address | | City, Village or Township |
| County | State | Zip Code |
| Name of Liaison | Title of Liaison | Telephone No. of Liaison |

Signature of Persons Authorized to Submit this Application

| | |
|------|-------|
| Name | Title |
| Name | Title |

Merging Credit Union Information

| | | |
|----------------------|------------------|---------------------------|
| Name of Credit Union | | |
| Street Address | | City, Village or Township |
| County | State | Zip Code |
| Name of Liaison | Title of Liaison | Telephone No. of Liaison |

Signature of Persons Authorized to Submit this Application

| | |
|------|-------|
| Name | Title |
| Name | Title |

Submit the following information with your application (samples attached).

1. A copy of the Board resolution of each participating credit union which authorizes the person(s) to sign the merger documents and to submit the application to the regulatory authority, certified by the Board Presiding Officer and Secretary of the respective credit union.
2. A copy of the Board resolution of each participating credit union which approved the merger plan, certified by the Board Presiding Officer and Secretary of the respective credit union. If applicable, the surviving credit union should include in the Board minutes any resolution to incorporate the merging credit union's Field of Membership into the surviving credit union's Field of Membership. **Do not provide** a photocopy of the Board minutes.
3. A copy of the merger plan with original signatures of the authorized representatives of the constituent credit unions. When developing a merger plan, some of the topics to be considered should include, as appropriate:
 - a. Terms and conditions of the merger plan
 - warranties or representations by the respective parties
 - provision for amendment or termination
 - procedures/provisions if the merger is not consummated
 - facts or events which could cause cancellation
 - resulting FOM of the surviving credit union
 - b. Responsibilities of the respective parties
 - c. Approval of the regulatory agencies is required
 - d. Status of the field of membership of the merging credit union
 - e. Disposition of the employees of the merging credit union and their benefits packages
 - f. Disposition of the office site(s) of the merging credit union
 - g. Changes to be made in the surviving credit union's board of directors and/or management
 - h. Recognition of the surviving credit union's bylaws and amendments thereto
 - i. Material or substantive change in the operation of the surviving credit union
 - j. Reduction of excess capital of the merging credit union through a loan interest rebate and/or special dividend to its members.
4. A copy of the merging credit union's notice to its membership of the vote on the proposed merger plan.
5. A copy of any agreements with senior management of the merging credit union and/or any other supplemental agreements related to the merger.
6. A written statement, certified by the Board Presiding Officer and Secretary of the merging credit union, of the results of the membership vote on the merger plan.

7. A copy of the ballot. The ballot must not bear any information which could identify the voting member. (Sample attached)
8. A current month-end financial statement for each merger participant.
9. A current month-end delinquent loan summary for each merger participant. **Do not provide** a delinquent loan list.

NOTE: Do not submit confidential or proprietary materials as part of the application package. If additional information is required to complete processing of the application, that information will be requested by DIFS.

When available, signed verification of the date written notice of the special meeting was mailed to the members. Please note Section 371 of the Michigan Credit Union Act requires a minimum of 10 days and not more than 30 days before the meeting.

MERGER PLAN

Merging Credit Union

Charter No.

Surviving Credit Union

Charter No.

In consideration of the mutual agreements, promises, covenants and acts herein described and contained, the Merging Credit Union and the Surviving Credit Union hereby promise and covenant to and with each other as follows:

1. The Merging Credit Union will sell, assign, transfer, set over and convey unto the Surviving Credit Union all of its assets, rights and property. The Merging Credit Union will do all acts and will execute and deliver unto the Surviving Credit Union any and all additional agreements, documents, deeds, assignments and other instruments of conveyance which may be necessary to transfer the individual assets, rights and property hereby sold to the Surviving Credit Union.
2. The Surviving Credit Union will assume and agree to pay all liabilities of the Merging Credit Union. The Surviving Credit Union agrees, by virtue of this agreement, that as of the effective date of the merger all members of the Merging Credit Union will become members of the Surviving Credit Union with the same amount in shares in the Surviving Credit Union as they owned in the Merging Credit Union.
3. The office of the Surviving Credit Union will be located at:

4. This merger plan may be terminated by mutual agreement of the boards of directors of each credit union and will terminate if the merger is not completed within nine months of the date of this agreement. Either credit union's board of directors may terminate this agreement if any representation by the other credit union is found to be untrue, incomplete or misleading. The Surviving Credit Union may terminate this agreement if, in its opinion, any material adverse condition occurs in the Merging Credit Union and/or guarantees sought from others are not made available. Written notice stating the reason for termination will be delivered to the other credit union. If this merger plan is terminated, each credit union will be responsible for its respective costs.

Merger Plan Continued

IN WITNESS WHEREOF, the Board Presiding Officer and Treasurer of the respective credit unions execute this agreement subject to the approval of the respective Board of Directors, approval by a majority vote of the members of the Merging Credit Union who vote at a membership meeting or by the casting of a mail ballot (unless the membership vote is waived by the Director), and approval of the Director of the Department of Insurance and Financial Services and the National Credit Union Administration.

Merging Credit Union

Board Presiding Officer:

Treasurer:

Signature

Signature

Name and Title

Name

Date

Date

Surviving Credit Union

Board Presiding Officer:

Treasurer:

Signature

Signature

Name and Title

Name

Date

Date

SURVIVING CREDIT UNION BOARD RESOLUTION

Surviving Credit Union

WHEREAS, a majority of the Board of Directors of this credit union agrees to the merger plan whereby this credit union will accept into merger

Merging Credit Union

THEREFORE, it is resolved that the Board Presiding Officer and Secretary are to seek approval of the merger and of the merger plan from the Director of the Department of Insurance and Financial Services and the Administrator of the National Credit Union Administration. Upon receipt of acceptance and approval from the Supervisory and Insuring Authorities, the Board Presiding Officer and Treasurer are authorized to do and to perform any and all acts and execute all documents and other papers which they may consider necessary or proper or which may be required by the Director and/or the Administrator to consummate the proposed merger.

We, the undersigned Board Presiding Officer and Secretary of:

_____ Credit Union
certify that the foregoing resolution is complete and as adopted by the Board of Directors and as recorded in the minutes of a duly called and constituted meeting dated:

_____, _____
and that the merger plan attached is a true and complete copy of the plan approved.

Board Presiding Officer:

Secretary:

Signature

Signature

Name and Title

Name

Date

Date

MERGING CREDIT UNION BOARD RESOLUTION

Merging Credit Union

WHEREAS, a majority of the Board of Directors of this credit union agrees to the merger plan whereby this credit union will merge into

Surviving Credit Union

THEREFORE, it is resolved that the Board Presiding Officer and Secretary are to seek approval of the merger and of the merger plan from the Director of the Department of Insurance and Financial Services and the Administrator of the National Credit Union Administration. Upon receipt of acceptance and approval from the Supervisory and Insuring Authorities, the Board Presiding Officer and Treasurer are authorized to do and to perform any and all acts and execute all documents and other papers which they may consider necessary or proper or which may be required by the Director and/or the Administrator to consummate the proposed merger.

We, the undersigned Board Presiding Officer and Secretary of:

_____, _____ Credit Union
certify that the foregoing resolution is complete and as adopted by the Board of Directors and as recorded in the minutes of a duly called and constituted meeting dated:

_____, _____
and that the merger plan attached is a true and complete copy of the plan approved.

Board Presiding Officer:

Secretary:

Signature

Signature

Name and Title

Name

Date

Date

REPORT ON THE MEMBERSHIP VOTE

Merging Credit Union

Charter No.

Surviving Credit Union

Charter No.

We, the undersigned officers of the merging credit union, DO HEREBY CERTIFY:

1. In compliance with section 371(1)(c) of PA 215 of 2003, as amended, and the bylaws of the merging credit union, (check one)

Notice of the meeting to be held _____ was provided to each member. Notice of special membership meeting was mailed on _____ (must be at least 10 days but not more than 30 days before meeting per section 371(1)(c)).

Notice and a mail ballot were provided to each member as of _____

2. The stated purpose of the meeting or mail ballot was to vote on the merger plan approved by the boards of the above-named credit unions.

3. After consideration of the plan, (check one)

At the membership meeting, _____ were present. _____ voted in favor of the merger, _____ members voted against the merger, and _____ members abstained from the vote.

_____ mail ballots were cast. _____ ballots were cast in favor of the merger; _____ ballots were cast in opposition to the merger; and _____ ballots were void.

4. The merger plan was (check one) approved rejected by a majority of the members who voted on the merger plan, in accordance with the statute

Board Presiding Officer:

Secretary:

Signature

Signature

Name and Title

Name

Date

Date

BALLOT FOR MERGER PROPOSAL

For special meeting of members:

I have read the Notice of Special Meeting of the Members of _____ Credit Union, which is to be held on _____ to consider and act upon the merger proposal described therein, and hereby cast my vote on the proposal: (Check the box opposite the statement which indicates how you wish to vote.)

I vote for the merger and authorize the Board of Directors to take all necessary action to accomplish the proposed merger[]

I vote against the proposed merger[]

For mail ballot:*

I have read the Notice to Membership of the Vote of the Proposed Merger of _____ Credit Union with and into _____ Credit Union. I hereby cast my vote on the proposal. (Check the box opposite the statement which indicates how you wish to vote.)

I vote for the merger and authorize the Board of Directors to take all necessary action to accomplish the proposed merger[]

I vote against the proposed merger[]

*A ballot must be cast confidentially, with the name of the member who has voted contained on the outside envelope only. The envelopes provided for returning the ballot must be prepared in accordance with the merging credit union's bylaws. This would include two envelopes - the first envelope bearing no identification, though it may bear printed instructions as to use; and the second envelope bearing the address to which the ballot is to be returned and the name and account number of the voting member.