



**TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS**

# **CREDIT UNION MERGER APPLICATION**

November 2012

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## GENERAL INFORMATION

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The Tennessee Department of Financial Institutions (Department) will approve proposals for mergers involving Tennessee chartered credit unions when, in the opinion of the Department, such a merger would result in the formation of a credit union which is in the best interest of the members, and result in a financial institution which has the financial strength, stability, and capacity to adequately serve members within its field of membership. In order for the Department to make this determination, certain information must be supplied, along with the following application. The Department may also request additional information from an applicant if it becomes necessary. The Department will then use all of the acquired information in deciding to approve or disapprove a merger.

Tennessee Code Annotated 45-4-903. **Mergers** is included as Exhibit A for your convenience.

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## INSTRUCTIONS

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Type or print this Merger Application. All questions must be answered with complete and accurate information that is subject to verification. If the answer is "no", "none", "not applicable", or "unknown", so state. Answers of "unknown" should be explained. If the space provided on this form is inadequate, use a separate sheet(s) of paper, and attach the same to this form. If the report is not complete, the Department may either request more information or return the filing.

The questions in the application are not intended to limit the applicant's presentation nor are the questions intended to duplicate information supplied in another section of the form or in an exhibit. For such information, a cross reference to the information is acceptable. *Any such cross reference must be made to a specific site or location in the documents, so the information can be located easily.* Supporting information for all relevant factors, setting forth the basis for applicant's conclusions, should accompany the application. Use additional sheets as necessary.

The original and two (2) copies of the application for merger should be forwarded to this Department at the address below. A \$300 nonrefundable check payable to Tennessee Department of Financial Institutions (to be paid by the surviving credit union, if state-chartered) for the required merger fee must be included. A \$100 check made payable to the Tennessee Secretary of State, will be required prior to the final approval and filing of the Certificate of Merger (Exhibit B). Send a duplicate application to the National Credit Union Administration along with the additional required forms. See the NCUA or the TDFI websites for these forms.

**Tennessee Department of Financial Institutions**  
**Credit Union Division**  
**ATTN: Alica (Ali) Owen**  
**400 Deaderick Street, 6<sup>th</sup> Floor**  
**Nashville, Tennessee 37243-1403**

**National Credit Union Administration**  
**Region 3 – Atlanta**  
**7000 Central Parkway**  
**Suite 1600**  
**Atlanta, Georgia 30328**

If the surviving credit union is organized under the laws of another state or of the United States, the Department may accept an application to merge or consolidate that is prescribed by the state or federal supervisory authority of the surviving credit union, provided that the Department may require additional information to determine whether to deny or approve the merger/consolidation. In such a circumstance, the application will be deemed complete upon receipt of all information requested by the Department. However, the Certificate of Merger (Exhibit B) must be completed and submitted to this Department, as well as the submission of the fees noted above.

Should you have any questions, please contact the TDFI, Credit Union Division at (615) 532-4809.

Date of Application: \_\_\_\_\_

**PARTICIPATING ENTITIES INFORMATION**

<b>Name of Merging Credit Union</b>
<b>Charter Number</b>
<b>Street Address</b>
<b>City</b>
<b>State and County</b>
<b>Zip Code</b>
<b>Phone Number</b>

*If any changes to the credit union name have occurred in the past 25 years, please list the change and effective date.*

<b>Name of Surviving Credit Union</b>
<b>Charter Number</b>
<b>Street Address</b>
<b>City</b>
<b>State and County</b>
<b>Zip Code</b>
<b>Phone Number</b>

*If any changes to the credit union name have occurred in the past 25 years, please list the change and effective date.*

**DEFINITIONS - See Page 12 for the definitions of terms used in this document.**

**A. OVERALL STATEMENT**

Provide an overall statement describing the need for and benefits for the proposed merger. The statement should explain, as fully as possible, why the merger is being sought and what benefits will be received by the members of each institution.

**B. PRIMARY CONTACTS**

To enhance communication between the Department and the Applicant and to expedite the handling of the application, please appoint a contact person from both the merging and the continuing credit unions. Please provide information regarding their names, title, mailing addresses, e-mail addresses, and direct phone numbers (for questions or notification of merger decisions).

**C. PROPOSED EFFECTIVE DATE OF MERGER**

Provide the proposed effective date of the merger, which is the date that the records of the credit unions are combined, after receiving final approval from the Commissioner of Tennessee Department of Financial Institutions, as well as required approvals from federal regulatory and/or other applicable state regulatory authorities, plus the insuring organization's approval. Also, when considering this date, take into consideration the timeframe to schedule a membership meeting, if required.

**D. RESOLUTION OF BOARDS OF DIRECTORS**

For both the merging credit union(s) and the continuing credit union, send the executed Resolutions of the Board of Directors. Sample Board Resolutions for the surviving and merging credit unions are attached as Exhibits C and D. These formats may be used **as a guide**. Copies of the board resolutions, each with original signatures, should be forwarded to the Department. Include a copy of the board minutes of when the merger(s) was approved for both merging and continuing credit union(s).

**E. MAIN OFFICES**

Provide the legal name, physical location of the main offices of the surviving credit union and the merging credit union(s).

**F. BOARD OF DIRECTORS AND OFFICERS**

- A. Provide a list of members of the Board of Directors of the surviving credit union. Please include name, personal mailing address, and occupation (company and position). Also, indicate board members, if any, who held positions previously in one of the merging credit unions.
- B. Provide a list of the officers of the surviving credit union. Please include name, personal mailing address, and position held in the credit union. Please indicate which officers, if any, previously held officer positions with the merging credit union.

## **G. FIELD OF MEMBERSHIP**

Provide the Field of Membership information for each credit union. Refer to Rules of the Department provided below.

### **Rules of the Department 0180-29-.14 CREDIT UNION MERGERS.**

When two credit unions merge, the surviving credit union shall obtain the entire field of membership of the merged credit union when the members of the merging credit union have approved of the merger in accordance with T.C.A. 45-4-903(a). However, in the event of an emergency merger, the Commissioner may permit a surviving credit union to maintain the entire field of membership of the merging credit union even when there has been no vote of the members approving of the merger.

*Authority: T.C.A. §§45-1-107(h), 45-4-501(9), 45-4-903, and 45-4-1001(b). Administrative History: Original rule filed July 31, 2001; effective November 28, 2001.*

Include a complete copy of the most current bylaws for each credit union with this merger packet.

## **H. NOTICE TO MEMBERSHIP**

If not requesting a waiver from the Commissioner or request was denied (see Section 10), provide a copy of the Notice of the Special Meeting of the membership of the merging credit union(s) and the continuing credit union sent to each member of the respective credit unions. This notice should outline the time and place the meeting is to be held and the purpose for the meeting. Also, include a sample ballot for the membership vote.

## **I. MEMBERSHIP VOTE**

Once the membership vote has been verified for each participating credit union, submit the completed Certificate of Merger form to the Commissioner for approval (Exhibit B).

## **J. REQUEST A WAIVER OF MEMBERSHIP VOTE FROM COMMISSIONER**

Pursuant to TCA § 45-4-903 (a), upon request, the Commissioner may waive the requirement for the meeting of the members of either credit union (if state-chartered). Any waiver request should be submitted in writing, detailing the reason(s) for such. Issues such as a merging credit union is in eminent danger of failing; the field of membership is no longer a viable group; or a membership meeting cannot realistically be held will be given careful consideration. Any waiver request will be independently evaluated for consideration. Include the request with this application, if not previously provided.

## **K. BRANCH OFFICES, SHARED BRANCH LOCATIONS, AND AUTOMATED TELLER MACHINES**

- A. For each credit union, provide a list of all branch offices, shared branch locations, and ATMs. Include street address, city, state, and zip code. If an ATM is located at the same location that has already been listed, indicate such by adding a notation to the listing.
- B. Provide a list of which main offices, branches offices, or ATMs that will close due to the merger. Include street address, city, state, and zip code.

## **L. BOND CLAIMS**

Provide details on any outstanding bond claims or anticipated to be filed.

## **M. SURETY BOND COMPANY**

The surviving credit union must advise the surety bond company regarding establishment of new branch offices, discontinued branches, new employees, etc., as a result of the transaction. Please advise this office in writing when this task has been accomplished.

## **N. CREDITORS**

Provide the provision for notifying and paying creditors.

## **O. SHARE ADJUSTMENTS/REGULAR RESERVES, DIVIDENDS, UNDIVIDED EARNINGS**

- A. Provide an explanation of any proposed share adjustments or justification for no share adjustment.
- B. Provide an explanation of any provisions for reserves, undivided earnings, or dividends (e.g. no merging dividend for merging credit union with Net Worth over 30%).

## **P. ALLOWANCE FOR LOAN AND LEASE LOSSES (ALLL)**

Provide a current analysis for adequacy of the ALLL account for both credit unions.

## **Q. IT ISSUES**

Provide a brief overview of the IT systems of both surviving and merging credit unions. Discuss any problems that may occur during the conversion and plans for resolution.

## **R. CHANGES TO INSURANCE**

Provide an explanation of any changes to insurance, such as life savings and insurance of member accounts.

## **S. ANY OTHER AGREEMENTS BETWEEN MERGING AND CONTINUING CREDIT UNIONS**

Provide a copy of all agreements that have not already been requested within the merger application. Examples include, but are not limited to: 1) provision for payment of dividends, if any, to the merging credit union's members and 2) will merging credit union's accounts be required to be verified in conjunction with the merger?

## **T. HART-SCOTT-RODINO ACT (HSRA)**

A merger/consolidation may be subject to the federal Hart-Scott-Rodino Act (HSRA). This act requires credit unions to file a premerger notification and pay a filing fee with the Federal Trade Commission (FTC) at least 30 days prior to the effective date of the merger. The purpose is to give the FTC an opportunity to review the proposed merger to determine if it would violate federal antitrust laws.

The credit unions bear the responsibility to determine whether a filing under the HSRA is required.

The Department will assume the HSRA applies if:

1. The merging credit union has more than \$200 million in assets, or
2. (a) The merging credit union has at least \$50 million in assets, and  
(b) The surviving credit union has at least \$100 million in assets (before the merger).

If either of these circumstances exist, or if the Department notifies you that it has other reasons to believe that the merger is subject to the HSRA:

1. The Department will assume the Act applies, unless the surviving credit union provides a legal opinion that it does not, and

2. If the credit union does not provide such an opinion, the credit union must provide written representation that it has complied with the HSRA and provide the date that the waiting period under the HSRA expires.

The merger will not be legally effective until any applicable HSRA waiting period has expired.

## U. FINANCIAL STATEMENTS

All requested financial statements must be prepared in accordance with generally accepted accounting principles (GAAP). Please attach hereto the following statements (include Balance Sheets, Income Statements & Reports of Delinquent and Classified Loans):

1. The previous year-end financial statements of both merging and surviving credit unions.
2. The latest month-end financial statements of both merging and surviving credit unions.
3. The pro-forma consolidated financial statements:

- Acquisition Date Statements

Indicate separately for both merging and surviving credit union, each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explain by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet. Goodwill and all other intangible assets should be listed separately on the Balance Sheet. Indicate the amortization period and method used for any intangible asset and the accretion period of any purchase discount on the Balance Sheet.

- Three year-end Pro forma Statements

- For the pro forma financial statements, describe the assumptions used to prepare the projected statements including those assumptions made about the effect of the merger transaction, such as any sale of investments or other assets; write-off or write-down of loans or other assets; anticipated cash or guarantees from insurer involved in the forecast; and investment adjustments.

- Please include a statement from the Board of Directors of each proposed merger partner relative to the existence of any liability not shown on that credit union's financial statements, current or anticipated participation in a lawsuit in which the credit union will be a defendant, or is currently existing or known potential situations which could adversely affect the value of the assets and/or level of capital of the respective participant credit unions.
- Provide a statement describing any nonconforming or impermissible assets or activities, if any, that the continuing credit union may not be permitted to retain under relevant law or regulation, including the method of and anticipated time period for divestiture or disposal.

4. Projected Regulatory Capital Schedules as of the acquisition date and for the first three year-ends thereafter.

## **V. OPERATING PLAN**

Please attach hereto an operating plan for the surviving credit union, which outlines in detail the following information:

1. Problem asset considerations
2. Technical exceptions related to a review of documentation of the loan portfolio to be assumed by survivor
3. Service considerations (capacity and convenience for serving estimated increase in volume by survivor)
4. Marketing plans

## **W. IMPACT STATEMENTS**

**(Immediate and for the Next Three Years Relative to the Surviving Credit Union)**

1. Capital Position
2. Liquidity
3. Delinquency
4. Investment Position
5. Depreciable Assets/Non-earning Assets (excluding cash)
6. Budget and Net Income
7. Staff and other significant operating considerations, including data processing

- X. Additional documents are required by the National Credit Union Administration. These forms are located on the NCUA website. Follow the link below. Attach a copy of these forms to the application(s) submitted to the TDFI.**

<http://www.ncua.gov/Legal/GuidesEtc/Pages/Merger-Manual-for-Credit-Unions.aspx>

**COMBINED STATEMENT OF FINANCIAL CONDITION**  
**AS OF \_\_\_\_\_**  
**(Proposed Acquisition Date)**

	Surviving CU	Merging CU	Pro Forma Adjusting Entries	Pro Forma Combined Balance Sheet
	_____ (Name)	_____ (Name)		
<b>ASSETS</b>				
Cash on Hand	_____	_____	_____	_____
Deposits at Depository Institutions	_____	_____	_____	_____
Total Investments	_____	_____	_____	_____
Total Loans Outstanding	_____	_____	_____	_____
Less: ALLL*	_____	_____	_____	_____
Foreclosed and Repossessed Assets	_____	_____	_____	_____
Land and Building (Net)	_____	_____	_____	_____
Other Fixed Assets (Net)	_____	_____	_____	_____
NCUA Share Ins. Cap. Deposits**	_____	_____	_____	_____
Goodwill	_____	_____	_____	_____
Other Intangible Assets	_____	_____	_____	_____
All Other Assets	_____	_____	_____	_____
<b>Total Assets</b>	_____	_____	_____	_____
<b>LIABILITIES</b>				
Accounts Payable	_____	_____	_____	_____
Notes and Interest Payable	_____	_____	_____	_____
Total Shares & Deposits	_____	_____	_____	_____
Accrued Dividends &	_____	_____	_____	_____
Interest Payable	_____	_____	_____	_____
All Other Liabilities	_____	_____	_____	_____
<b>Total Liabilities</b>	_____	_____	_____	_____
<b>EQUITY</b>				
Undivided Earnings	_____	_____	_____	_____
Regular Reserves	_____	_____	_____	_____
Appropriation for Nonconforming Investments	_____	_____	_____	_____
Other Reserves	_____	_____	_____	_____
Equity Acquired in Merger	_____	_____	_____	_____
Miscellaneous Equity	_____	_____	_____	_____
Other Comprehensive Income	_____	_____	_____	_____
Net Income (Loss)	_____	_____	_____	_____
<b>Total Equity</b>	_____	_____	_____	_____
<b>Total Liabilities/Equity</b>	_____	_____	_____	_____

\* ALLL Allowance for Loan and Lease Losses  
\*\* NCUA Share Insurance Capitalization Deposit

**CLASSIFICATION OF LOANS OUTSTANDING**

	<b>Surviving Credit Union Number/Amount.</b>	<b>Merging Credit Union Number/Amount</b>	<b>Combined Number/Amount</b>
a. Current and less than 2 months delinquent	_____	_____	_____
b. 2 to less than 6 mos. Del.	_____	_____	_____
c. 6 to less than 12 mos. Del.	_____	_____	_____
d. 12 or more mos. Del.	_____	_____	_____
e. Total loans	_____	_____	_____

**MISCELLANEOUS INFORMATION**

a. Number of members	_____	_____	_____
b. Number of potential members	_____	_____	_____

## DEFINITIONS

**Bond Claim** – A demand for payment of a policy benefit because of the occurrence of an insured event.

**Business Combination** – A transaction or other event in which an acquirer obtains control of one or more businesses.

**Capital** – The total of the credit union's regular reserves, allowance for loan and lease losses (ALLL), special reserves, undivided earnings, accumulated unrealized gains or losses on available-for-sale (AFS) securities, and that portion of year-to-date net income that has not yet been closed to the appropriate capital account.

**Consolidation** - The presentation of a single set of amounts for an entire reporting entity. Consolidation requires elimination of intra-entity transactions and balances.

**Current Period Financial Statements** – Financial statements as of the close of business at the most recent month end for the balance sheet and an income statement covering the period of the latest completed month as well as the period from the beginning of the current year through the end of the last month.

**Delinquent Loan** – Installment loan that is more than sixty days past due, plus any term loan of fifteen days past due.

**Depreciable Assets** – Assets depreciable over their useful life.

**Investments** – Marketable securities and other negotiable instruments such as secondary market and negotiable certificates of deposit. Any financial commitments involving such instruments, such as securities sold under agreement to repurchase, securities purchased under agreement to resell, forward purchase commitment obligations or stand-by arrangements which represent a contractual requirement to sell or buy a security under certain conditions, should also be listed and identified, including the terms of such arrangements.

**Liquidity** – Represents the ability to fund assets and meet obligations as they become due. Liquidity is essential in all credit unions to compensate for expected and unexpected balance sheet fluctuations and provide funds for growth.

The sum total of cash, due from other financial institutions, the current market value of marketable securities maturing within twelve months, certificates and other assets that mature within twelve months. Additionally, the interest and principal payments anticipated within the next twelve months can add to this total for an expanded view of source of liquidity. The net liquidity is determined by subtracting current payables and liabilities maturing within twelve months. An enhancement for going concern forecasting purposes would include seasonal variations in withdrawal, deposit, and loan demands, plus secular growth expectations affecting these patterns.

**Merging Credit Union** – The credit union that will cease to exist as an operating credit union at the time of the merger.

**Net Income (Loss)** – Net interest income after provision for loan and lease losses plus non-interest income less total non-interest expense.

**Net Worth** – The retained earnings balance of the credit union at quarter end as determined under generally accepted accounting principles (GAAP). Retained earnings consist of undivided earnings, regular reserves, and any other appropriations designed by management or regulatory authorities. Net worth does not include the ALLL.

**Problem Asset** – Any asset(s) owned by any of the proposed merger partners, with a book value exceeding market value, or assets which are anticipated to be sold at less than current book value, and assets which will not be used by the survivor within the next two years.

**Pro forma Financial Statements** – Balance sheet and income statement forecast for the surviving credit union (forecast consolidated statement utilizing operating assumptions for survivor).

**Surviving Credit Union** – The legal credit union entity in existence following the merger as the result of the amalgamation of the two or more credit unions participating in the proposed merger. Also, is known as a continuing credit union.

**Technical Exceptions** – Loans identified in the most recent regulatory examination report as having some technical documentation or contractual exception.

# EXHIBITS INDEX

**Exhibit A – Tennessee Code Annotated §45-5-903 Mergers**

**Exhibit B – Certificate of Merger**

**Exhibit C - Resolution of Board of Directors – Surviving Credit Union  
(Sample) This form is provided as a guide. The foregoing or similar information should be typed on the institution's letterhead.**

**Exhibit D – Resolution of Board of Directors – Merging Credit Union  
(Sample) This form is provided as a guide. The foregoing or similar information should be typed on the institution's letterhead.**

**Exhibit E - Merger Packet Checklist**

A.

**TENNESSEE CODE ANNOTATED 45-5-903**  
TENNESSEE CODE ANNOTATED  
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\*\*\* CURRENT THROUGH THE 2011 REGULAR SESSION \*\*\*

Title 45 Banks And Financial Institutions  
Chapter 4 Credit Unions  
Part 9 Dissolution, Liquidation and Merger

**45-4-903. Mergers.**

(a) Any credit union may, with the approval of the commissioner of financial institutions, merge with any other credit union under the existing charter of the other credit union, pursuant to any plan approved by the board of directors of each credit union joining in the merger, and approved by two thirds (2/3) of the members of each credit union represented at a meeting of members duly called for that purpose, at which a minimum of ten percent (10%) of the entire membership is present, unless the meeting of members of either credit union has been waived by the commissioner. After approval of the board and members of each credit union, the president or chair of the board and secretary of each credit union shall execute a certificate of merger, which shall set forth all of the following:

- (1) The time and place of the meeting of the board of directors at which the plan was agreed upon;
- (2) The vote in favor of adoption of the plan;
- (3) A copy of the resolution or other action by which the plan was agreed upon;
- (4) The time and place of the meeting of the members at which the plan agreed upon was approved; and
- (5) The vote by which the plan was approved by the members.

(b) The certificates and a copy of the plan of merger agreed upon shall be forwarded to the commissioner and, upon approval, returned to the merging credit unions. The certificate of merger, with the certificate of approval of the commissioner annexed it, shall be recorded in the office of the secretary of state and in the register's office of the county in which each credit union has its principal place of business.

(c) Upon a merger so effected, all property, property rights, and interests of the merged credit unions shall vest in the surviving credit union without deed, endorsement, or other instrument of transfer, and all debts, obligations, and liabilities of the merged credit unions shall be deemed to have been assumed by the surviving credit union under whose charter the merger was effected.

(d) This section shall be construed, whenever possible, to permit a credit union chartered under any other act to merge with one chartered under this chapter.

(e) All members of both credit unions effecting a merger shall be deemed to have a common bond of association, occupation or residence as required by § 45-4-101, for formation of credit unions generally.

(f) A merger fee of three hundred dollars (\$300) shall be paid to the commissioner to cover the salary and expenses of department personnel assigned to supervise the merger. The fee shall be paid by the surviving credit union if it is chartered under the laws of Tennessee. Otherwise the fee shall be paid by the merging credit union.

**HISTORY:** Acts 1923, ch. 68, § 23; Shan. Supp., § 2198a30; Code 1932, § 3857; Acts 1973, ch. 294, § 6; 1974, ch. 557, § 3; 1979, ch. 86, § 9; T.C.A. (orig. ed.), § 45-1828; Acts 1984, ch. 714, § 1.

B.

**CERTIFICATE OF MERGER**

**SURVIVING CREDIT UNION**

I. On \_\_\_\_\_, in \_\_\_\_\_ the Board of Directors of  
(Date) (Street Address and City)  
\_\_\_\_\_ Credit Union voted to adopt the resolution of merger by a vote of \_\_\_\_\_ to \_\_\_\_\_.

II. A. On \_\_\_\_\_, in \_\_\_\_\_, the members of the  
(Date) (Street Address and City)  
\_\_\_\_\_ Credit Union voted to accept the resolution of merger by a vote of \_\_\_\_\_ to \_\_\_\_\_.

**OR**

B. By written authority dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the vote of the membership has been waived by the Commissioner of Financial Institutions in accordance with *Tennessee Code Annotated*, § 45-4-903(a).

\_\_\_\_\_  
President of Surviving Credit Union

\_\_\_\_\_  
Secretary of Surviving Credit Union

**MERGING CREDIT UNION**

I. On \_\_\_\_\_, in \_\_\_\_\_ the Board of Directors of  
(Date) (Street Address and City)  
\_\_\_\_\_ Credit Union voted to adopt the resolution of merger by a vote of \_\_\_\_\_ to \_\_\_\_\_.

II. A. On \_\_\_\_\_, in \_\_\_\_\_, the members of the  
(Date) (Street Address and City)  
\_\_\_\_\_ Credit Union voted to accept the resolution of merger by a vote of \_\_\_\_\_ to \_\_\_\_\_.

**OR**

B. By written authority dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the vote of the membership has been waived by the Commissioner of Financial Institutions in accordance with *Tennessee Code Annotated*, § 45-4-903(a).

\_\_\_\_\_  
President of Merging Credit Union

\_\_\_\_\_  
Secretary of Merging Credit Union

The foregoing merger in accordance with TCA §45-4-903 shall become effective upon approval by the Commissioner of Financial Institutions, the filing of this certificate with the Secretary of State, and its recordation in the Register's Office of the County in which each Credit Union has its principal place of business.

\_\_\_\_\_  
Merger Effective Date

\_\_\_\_\_  
Greg Gonzales  
Commissioner of Financial Institutions

C.

**RESOLUTION OF BOARD OF DIRECTORS**

(Surviving Credit Union)

Whereas, the Board of Directors of this credit union is of the opinion that this credit union should acquire the assets and assume the liabilities of, (hereinafter called the "Merging Credit Union(s)"); and

**WHEREAS**, it is also the opinion of this Board that such transaction should be taken pursuant to an agreement between this credit union and the Merging Credit Union(s) whereby this credit union will assume the liabilities of said Merging Credit Union(s) in consideration of the transfer to this credit union all of the assets, rights, and property of said Merging Credit Union(s) and whereby this credit union will continue in business under its present charter.

**NOW, THEREFORE, BE IT RESOLVED**, That the attached Agreement is approved and the Chairman and Secretary of this credit union are authorized to seek approval by the appropriate regulatory authorities.

**BE IT FURTHER RESOLVED**, That upon the approval, the Chairman and Secretary are hereby authorized and directed to execute, acknowledge, and deliver said Agreement on the effective date; and the Chairman and Secretary are hereby authorized to do all things and to do and perform any and all acts and to execute all agreements, documents, and other papers which they may consider necessary or proper, or which may be required, to consummate the proposed transaction.

**BE IT FURTHER RESOLVED**, That, immediately upon the completion of said transaction, the Chairman and President are hereby authorized to pay all fees and charges due at that time from this credit union to complete the dissolution of the merging credit unions.

**CERTIFICATION**

We, the undersigned Chairman and Secretary of the Credit Union, hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the Board of Directors of said credit union at a meeting duly called and held in accordance with the bylaws of such credit union at \_\_\_\_\_ o'clock, \_\_ m., 20 \_\_\_\_; at which a quorum was present and voted and that said Resolution is duly recorded in the minutes of said meeting and has not been modified, amended, rescinded, or repealed and is still in full force and effect.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
(Date)

D.

**RESOLUTION OF BOARD OF DIRECTORS**  
(Merging Credit Union)

**WHEREAS**, the Board of Directors of this credit union is of the opinion that this credit union, \_\_\_\_\_, (hereinafter called the "Merging Credit Union(s)"), should sell its assets in consideration of the assumption of its liabilities by, \_\_\_\_\_, (herein after called the "Continuing Credit Union"); and

**WHEREAS**, It is also the opinion of this Board that such transaction should be made pursuant to an agreement between the Merging Credit Union(s) and the Continuing Credit Union whereby the latter will assume the liabilities of the Merging Credit Union(s) in consideration of the transfer to the Continuing Credit Union of all of the assets, rights, and property of the Merging Credit Union(s) and the Continuing Credit Union will continue in business under the same charter it now holds and the Merging Credit Union(s) will cease operation and dissolve its charter.

**NOW, THEREFORE, BE IT RESOLVED**, That the attached Agreement is approved and the Chairman and Secretary of this credit union are authorized to seek approval by all appropriate regulatory authorities.

**BE IT FURTHER RESOLVED**, That upon approval, the Chairman of this credit union is hereby authorized and directed to call a Special Meeting of members to consider and act upon the proposed Agreement and to fix the date of said special meeting of members and the Secretary is authorized to give advance notice of the meeting in accordance with the provisions of the credit union's bylaws.

**BE IT FURTHER RESOLVED**, That upon approval of the Agreement by the members of this credit union, the Chairman and Secretary are hereby authorized and directed to execute, acknowledge, and deliver said Agreement; and the Chairman and Secretary of this credit union are hereby authorized to do all things and to do and perform any and all acts to execute all agreements, documents, and other papers which they may consider necessary or proper, or which may be required, to consummate the proposed transaction;

**BE IT FURTHER RESOLVED**, That by the effective date of the merger, but prior to the completion thereof, the Chairman and President are hereby authorized to pay all fees and other charges due from this credit union.

**CERTIFICATION**

We, the undersigned Chairman and Secretary of \_\_\_\_\_, hereby certify that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Directors of said credit union at a meeting duly called and held in accordance with the bylaws of such credit union at \_\_\_\_\_ o'clock, \_\_\_\_ .m., on \_\_\_\_\_, 20\_\_\_\_ : at which a quorum was present and voted and that said resolution is duly recorded in the minutes of said meeting and has not been modified, amended, rescinded, or repealed and is still in full force and effect.

\_\_\_\_\_  
Chairman (Date)

\_\_\_\_\_  
Secretary (Date)

**E.**

**MERGER PACKET CHECKLIST**

- Participating entities information
- Overall statement of purpose of proposed merger
- Primary contacts and pertinent information of both merging and surviving credit unions
- Projected effective date
- Executed Resolution of Board of Directors (surviving)
- Executed Resolution of Board of Directors (merging)
- Copy of board meeting minutes approving the plan of merger for both credit unions
- List of main offices of both credit unions
- List of board of directors of both credit unions
- List of officers of both credit unions
- Current field of membership (FOM) of merging credit union
- Current field of membership (FOM) of surviving credit union
- Proposed FOM of continuing credit union (Include request to modify FOM, if required)
- Copy of Notice of Special Meeting on Proposal to Merge, if required
- Sample ballot to be used for membership vote, if required
- Certification of membership vote, if required
- Request to waive membership vote of merging credit union, if applicable
- Request to waive membership vote of surviving credit union, is applicable
- List of branches, shared branches, ATMS, closed branches of both credit unions

- Bond claims
- Advise of surety bond company notification
- Provision for notifying and paying creditors
- Explanation/justification for any share adjustments
- Explanation of any provisions for reserves, UDE, or dividends
- Current analysis for adequacy of ALLL for both credit unions
- IT issues and resolutions
- Explanation of any changes to insurance
- Other agreements required as in Section S
- Verification of HSRA filing with Federal Trade Commission, if required
- Financial statements as required in Section U
- Operating plan
- Impact statements
- Completed Certificate of Merger signed by both credit unions
- Required fees included