

#### **04 NCAC 06C .0206      MERGER OF CREDIT UNIONS**

Two or more credit unions may merge into a single credit union, provided the Administrator, after an investigation, is satisfied that the proposed merger is favorable to the continued success of the surviving credit union. Credit unions interested in merging should contact and discuss the proposed merger with the Administrator, after which the following must be accomplished to affect such merger:

- (1) Secure the Administrator's tentative approval of such a merger and his authorization to proceed with merger plans;
- (2) Have a plan of merger which has been agreed upon and approved by the majority of the Board of directors of each credit union joining in the merger;
- (3) The plan of merger must obtain the affirmative vote of a majority of the members of the merging credit union present at the meeting of the members duly called for such purpose;
- (4) For the surviving credit union in the merger, only a vote by the majority of the Board of directors of the Credit Union is required;
- (5) The present secretary of each credit union shall execute a certificate of merger, which shall set forth the following:
  - (a) the time and place of the meeting of the Board of directors at which the plan was agreed upon,
  - (b) the vote in favor of adoption of the plan,
  - (c) a copy of the resolution or other action by which the plan was agreed upon,
  - (d) the time and place of the meeting of the members at which the plan was agreed upon,
  - (e) the vote by which the plan was approved by the members of the merging credit union;
- (6) Approval of the appropriate regulatory authority if one or more of the merging credit unions is not a North Carolina chartered credit union.
- (7) Such certificates and a copy of the plans of merger agreed upon including amended bylaws to reflect changes in field of membership shall be forwarded to the Administrator of Credit Unions, certified by him, and returned to the merged credit union within 30 days.

Upon any such merger so effected, all property, property rights, and interest of the merged credit union shall vest in the surviving credit union without deed, endorsement or other instruments of transfer, and all debts, obligations and liabilities of the merged credit union shall be deemed to have been assumed by the surviving credit union under whose charter the merger was effected.

The charter of the credit union whose identity is lost should then be revoked.

If circumstances warrant and if deemed necessary, the Administrator may waive or modify any of the foregoing procedures to affect a merger to protect the interest of the members of the Credit Unions.

*History Note: Authority G.S. 54-109.03; 54-109.4; 54-109.12; 54-109.21(25); 54-109.94; Eff. February 1, 1976; Readopted Eff. April 4, 1978; Amended Eff. October 1, 1983; April 15, 1980; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 6, 2016.*