

PURCHASE AND ASSUMPTION OF A STATE CHARTERED CREDIT UNION BY A FEDERAL CHARTERED OR OUT-OF-STATE CHARTERED CREDIT UNION

The assets of a Georgia state chartered credit union may be purchased and its liabilities may be assumed by a federal chartered or out-of-state chartered credit union after receiving the Department's consent for the transaction. This transaction is considered a merger transaction. However, the Department does not charge a fee for the purchase and assumption application and a membership vote of the acquiring credit union is not required.

The transaction must also receive prior approval from the National Credit Union Administration and if applicable, out-of-state regulatory authority. Therefore, the applicant should check with the NCUA and if applicable, out-of-state regulatory authority for specific requirements.

Application Process and Forms: In the application process, the selling credit union may be referred to as the dissolving or merging credit union, and the purchasing credit union may also be referred to as the continuing or acquiring credit union.

Step 1:

The following items should be completed and submitted to the Department:

- The Resolution of Board of Directors executed by the Board of Directors of the ACQUIRING credit union
- The Resolution of Board of Directors executed by the Board of Directors of the ACQUIRED credit union

If the Department finds the agreement equitable, in the best interest of the members of the dissolving credit union and consistent with applicable law, the Department will issue a letter to the NCUA to proceed with the transaction, subject to the membership vote outlined in Step 2.

Note for Step 1:

- The ACQUIRING credit union shall see that all costs associated with the surrender of the charter of the PURCHASED credit union are paid and shall specifically provide for the distribution of any difference between the value of the assets being acquired and the liabilities assumed.
- The acquiring credit union must apply to its primary regulator to modify permanently its Field of Membership unless the membership of the dissolved credit union is already within its Field of Membership. Approval of such application will permit members of the purchased credit union full member status in the acquiring credit union.
- Indicate the desired effective date for the purchase and assumption (merger) transaction and the anticipated date of the membership meeting to vote on the proposed purchase and assumption (merger).

Step 2:

After receiving the Department's Certificate of Approval of Purchase and Assumption, the members of the credit union that is to be dissolved must vote to approve the Resolution of the Board of Directors at a meeting called for that purpose. Approval must be received by not less than two-thirds of the members of the dissolving credit union present and eligible to vote at such meeting. The results of this vote should be filed with the Department by completion and submission of the Resolution of Membership form.

(Note that, upon request of the applicant, the Department may waive the requirement for membership approval upon a finding that the dissolving credit union is in eminent danger of failing or that the field of membership is no longer a viable group and a membership meeting cannot realistically be held.)

Step 3:

The purchase and assumption transaction may be consummated after the Resolution of Membership is submitted to the Department or a waiver of Step 2 is granted by the Department.

After consummation of the transaction, the following items should be submitted to the Department so that the acquired credit union's charter may be officially dissolved by the Georgia Secretary of State:

- Certification of Completion of Merger (The certificate of completion may be the same as the enclosed for or may be on the NCUA form whichever is more convenient.)

- A copy of document from the continuing credit union's chartering agency which indicates the merger effective date.

- A **post-closing consolidated** Statement of Financial Condition as of the date the transaction is completed (Effective Date).

NOTE: THE DEPARTMENT WILL ACCEPT A COPY OF THE MERGER APPLICATION SUBMITTED TO THE NCUA (WHERE FEDERAL CHARTER IS THE CONTINUING CREDIT UNION) OR THE HOME STATE REGULATOR (WHERE OUT-OF-STATE STATE CHARTER IS THE CONTINUING CREDIT UNION) AS LONG AS ALL OF THE ABOVE REQUIRED INFORMATION IS SUBSTANTIALLY SUBMITTED. A COPY OF THE NCUA/HOME STATE'S APPROVAL, ALONG WITH THE PLAN OF MERGER AND ARTICLES OF MERGER FILED WITH THE NCUA/HOME STATE REGULATOR, WILL BE FORWARDED TO THE SECRETARY OF STATE SO THAT THE ACQUIRED CREDIT UNION'S CHARTER MAY BE DISSOLVED. PLEASE NOTE THAT THE VOTE OF MEMBERSHIP OF THE DISSOLVING CREDIT UNION IS STILL REQUIRED UNDER GEORGIA LAW.

SAMPLE FORMAT FOR ACQUIRING CREDIT UNION
RESOLUTION OF BOARD OF DIRECTORS
(Acquiring) 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 . . . **CREDIT UNION**, (hereinafter called the "Acquired Credit Union"); 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 Acquired Credit Union whereby this credit union will assume the liabilities of said Acquired Credit Union in consideration of the transfer to this credit union of all of the assets, rights, and property of said Acquired Credit Union 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 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 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 purchased credit union.

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)

**SAMPLE FORMAT FOR ACQUIRED CREDIT UNION
RESOLUTION OF BOARD OF DIRECTORS
(Acquired) CREDIT UNION**

WHEREAS, the Board of Directors of this credit union is of the opinion that this credit union,
..... **CREDIT UNION**, (hereinafter called the "Acquired Credit Union"), should sell its assets in
consideration of the assumption of its liabilities by

..... **CREDIT UNION**, (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 Acquired Credit Union and the Continuing Credit Union whereby the latter will assume the
liabilities of the Acquired Credit Union in consideration of the transfer to the Continuing Credit Union of all
of the assets, rights, and property of the Acquired Credit Union and the Continuing Credit Union will continue
in business under the same charter it now holds and the Acquired Credit Union 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 transaction, 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 the **CREDIT UNION**, 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)

RESOLUTION OF MEMBERSHIP OF
(Acquired Credit Union)

WHEREAS, the Board of Directors has by majority vote adopted the following Resolution, to wit:

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 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 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.

Whereas, it is the view of this membership that the recommendation of the Board of Directors relative to the continuing operation of this credit union is appropriate under the circumstance and in the best interest of the membership.

NOW, THEREFORE, be it resolved, this membership and the Board of Directors and Officers hereby adopt the Resolution of the Board of Directors of this credit union are hereby authorized to do all things and to execute all documents necessary to carry out the purpose and intent of this Resolution.

CERTIFICATION

I, the undersigned Secretary of the _____, hereby certify that the foregoing is a full, true, and correct copy of the Resolution adopted by the membership 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.

Secretary

(SEAL)

SAMPLE FORM
**CERTIFICATION OF COMPLETION OF PURCHASE OF ASSETS
AND ASSUMPTION OF LIABILITIES**

We, the undersigned officers of (continuing) Credit Union, do hereby certify as follows:

1. That the consolidation of (dissolved) Credit Union with and into (continuing) Credit Union was completed as of this date in accordance with the terms and plan approved by this Board of Directors by a Resolution adopted at the meeting held on _____, 20____, a certified copy of which Resolution has heretofore been furnished, and that the Agreement approved by said Resolution was duly executed and acknowledged by the Chairman and Secretary of this credit union as of this date.
2. That all required steps incident to completion of said consolidation have been taken and all necessary transfers of assets have been effected.
3. That we have no knowledge of any liabilities of (dissolved) Credit Union other than those shown on the books of (continuing) Credit Union as of this date: and
4. That all members of (dissolved) Credit Union who objected to said consolidation were afforded the opportunity of withdrawing their shares from the credit union at the face value thereof prior to completion of the consolidation unless otherwise provided.

Merger completed on _____, 20__.

This Certification signed this _____ day of _____, 20__.

Chairman

Secretary