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|  | **The Commonwealth of Massachusetts**  **Division of Banks**  1000 Washington Street, 10th Floor  Boston, Massachusetts 02118 |  |

INSTRUCTIONS FOR PREPARATION OF THE

**Application to Merge or Consolidate Credit Unions**

**Preparation and Use**

Use these instructions to apply to the Division of Banks (Division) to merge or consolidate the following institutions pursuant to Massachusetts General Laws chapter 171, section 78: (i) two or more Massachusetts-chartered credit unions; or (ii) a federally-chartered credit union and a Massachusetts-chartered credit union.

**Application Requirements**

A complete application includes the following as detailed below:

1. A printed copy and an electronic copy of the *Application to Merge or Consolidate Credit Unions*;
2. An electronic copy of the materials filed with the National Credit Union Association relating to the proposed merger or consolidation; and
3. An application fee in the amount of $250.00 payable to the Division of Banks must be submitted by the applicant at the time of the filing of the application.

**Submission Instructions**

Submission of the electronic document(s) must be made on a secure compact disc or USB drive. Applicants must submit only the information requested on the attached pages. The printed copy of the application and the compact disc or USB drive should be mailed to:

Commonwealth of Massachusetts

Division of Banks

Attn: Legal Unit

1000 Washington Street, 10th Floor

Boston, MA 02118-6400

**Application Deadline**

Applicants must file before 5 p.m. on the 15th of the month in order to be considered received during the month; provided however, that when the 15th falls on a Sunday or a legal holiday the next business day shall be the filing day.

**Notice Requirements**

Upon a determination that the application is sufficiently complete, the Division will provide the applicant with a notice for publication and specific instructions for the publication and posting of notice. The notice must appear in a daily newspaper of general circulation in the city or town where the main office of the continuing credit union will be located, generally ten to fourteen days prior to the end of the public comment period, or as instructed by the Division. Copies of the notice must be posted in the lobby at all banking offices as instructed by the Division.

**Public Comment**

Any person wishing to file communications, including briefs in favor of, or in opposition to, the application should file such communications not later than the end of the comment period. Communications or comments received by the Division will be forwarded to the applicant.

A public hearing may be held if the response is considered significant or circumstances warrant such a hearing, as determined by the Commissioner of Banks (Commissioner). If a public hearing is to be held, this Division will then forward further information.

**Public Record**

The application is a public record as defined by Massachusetts General Laws chapter 4, section 7, clause twenty-sixth.  All communications, including the application, will be available for public inspection at the Division. Therefore, reference to CAMELS ratings may not be used in any narrative or financial analysis as support for this transaction.

**Notice of Consummation**

A subsequent written notification of the consummation of the transaction is to be submitted by the applicant to the Commissioner within one year of the approval date. Extensions of time may be granted at the discretion of the Commissioner upon written request detailing the applicant's reason for seeking the time extension. A filing fee of $100.00 is required for an extension. The applicant should obtain additional instructions from the Division prior to seeking an extension.

**Obligation for the Annual Assessment**

Each credit union under the supervision of the Commissioner is assessed an annual charge which is based on the total amount of assets held by the credit union as of the end of the preceding calendar year. The notice of the assessment is issued annually and is due within 30 days of receipt of the notice. The annual assessment must be paid, on a pro rata basis, by the successor of any supervised credit union which is merged into a federally-chartered credit union during the preceding year.

***DIVISION OF BANKS***

***APPLICATION TO MERGE OR CONSOLIDATE CREDIT UNIONS***

**APPLICANT CREDIT UNION**

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City State ZIP Code

**DISCONTINUING CREDIT UNION**

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City State ZIP Code

**CONTINUING CREDIT UNION**

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City State ZIP Code

**Proposed Timing for Completing the Transaction (Month/Year):**

**Contact Person**

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Name Title/Employer

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City State ZIP Code

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Telephone Number E-Mail Address

***DIVISION OF BANKS***

***APPLICATION TO MERGE OR CONSOLIDATE CREDIT UNIONS***

The applicant must provide the following information set out below. All responses must be made in sequence and labeled as indicated in this application. If an item is not applicable, please explain why. In addition to the information provided below, the applicant’s performance under the Community Reinvestment Act is reviewed as part of the application process from Report(s) of Examination in the Division’s possession and other available information.

1. Describe the proposed transaction detailing both the structure of the transaction as well as the purpose of the transaction. The description of the transaction should also include a statement showing the net new benefits to be derived from the proposed transaction. The term net new benefits means initial capital investments, job creation plans, consumer and business services, commitments to maintain and open branch offices within a credit union’s delineated local community and such other matters as may be deemed to benefit the community.
2. Provide certified copies of the authorizing resolutions in favor of the merger or consolidation for each Massachusetts-chartered credit union as follows, provided that if the transaction includes a federally-chartered credit union, the federally-chartered credit union shall obtain authorizing resolutions in accordance with the federal laws under which the credit union is organized:
3. A certified copy of the vote approving the transaction by at least two-thirds of the board of directors of each credit union.
4. A certified copy of the vote approving the merger or consolidation at a special meeting of the members of each credit union called for that purpose, by a vote of at least a majority of those members present, qualified to vote, and voting. If the member vote of one or more of the merging credit unions has not been taken prior to submitting this application to the Division, identify the date on which the special meeting(s) will be held to vote upon the proposed transaction.
5. If an amendment to the applicant credit union’s field of membership is necessary to incorporate the field of membership of the discontinuing credit union, provide a certified copy of the vote authorizing the by-law amendment that has been approved by a majority of the members of the applicant credit union. A separate application is required for approval to amend the by-laws and should be submitted to the Division in accordance with [Regulatory Bulletin 4.1-104](https://www.mass.gov/regulatory-bulletin/41-104-amending-by-laws-in-regard-to-credit-union-membership) in conjunction with this application.

Each of the authorizing votes may be certified with a signature and dated by any credit union official. At least one copy must bear an original date and signature of a credit union official. The votes must be timely, occurring within the previous twelve months of the date of application. The votes must also indicate that a quorum of members was present and voting and that the vote has not been rescinded or revoked. If the governing board has delegated the authority to another entity within the credit union, then a copy of the governing board’s vote or other authority of such delegation must also be submitted.

1. State which charter, by-laws, and name the continuing credit union will operate under and, if amendments are to be made, include the amended documents with an explanation of the changes thereto.
2. Provide a copy of the current by-law provisions governing conditions of association which qualify persons for membership in each credit union.
3. Provide an executed merger agreement or consolidation plan of agreement. If the terms of the merger or consolidation include a provision for a special dividend to be paid to the members of the discontinuing credit union, describe the terms of the special dividend including, but not limited to, any terms of eligibility to receive the special dividend, total estimated cost of the dividend, and the financial impact on the continuing credit union.
4. If one or more of the credit unions is a member of the Massachusetts Credit Union Share Insurance Corporation, provide a copy of the excess insurer’s written approval of the proposed merger or consolidation.
5. (a) State whether or not all banking offices of both credit unions will be retained as banking offices of the continuing credit union. If applicable, comment on any plans to close any such offices as a result of this transaction.

(b) If one or more offices of a Massachusetts-chartered credit union are intended to be closed as a result of this transaction, the credit union currently operating such banking office(s) should follow the procedures set forth in [Regulatory Bulletin 2.1-104](https://www.mass.gov/regulatory-bulletin/21-104-branch-office-notice-and-application-procedures) for petitioning the Division for approval to close such office(s) in conjunction with this application.

1. Provide a list of the other banks and credit unions located in any cities or towns in which **both** of the credit unions that are parties to this transaction have an office. For any city or town in which the continuing credit union intends to close a branch office as a result of this transaction, provide a map showing the location of the other banks and credit unions and the distance between such bank or credit union and the branch office to be closed.
2. Include a map and explanation of the delineation basis for each credit union’s primary service area.
3. State the number and dollar amount of the major types of loans and deposits that each credit union derives from the other credit union’s primary service area.
4. Describe any new services which will be offered to the members of the discontinuing credit union and, if applicable, the members of the applicant credit union, by the continuing credit union and which offices of such credit union will provide these services.
5. Describe the benefits which will accrue to the continuing credit union as a result of the merger or consolidation that were unavailable to each credit union before the merger or consolidation.
6. If a federally-chartered credit union is intended to be merged with and into a Massachusetts-chartered credit union, provide information regarding the following:
7. Describe any non-conforming assets or liabilities that would be held by the continuing credit union.
8. If the federal credit union serves a field of membership that is not currently served by the Massachusetts-chartered credit union, in whole or in part, describe the steps the continuing credit union will undertake to meet the Community Reinvestment Act obligations in the expanded assessment area.
9. In accordance with [Regulatory Bulletin 2.2-103](https://www.mass.gov/regulatory-bulletin/22-103-exclusive-leases-and-other-restrictive-agreements), exclusive lease provisions and restrictive covenants are defined as clauses which have the effect of regulating or limiting competition by precluding the sale or lease of a site or related space to a competing institution thereby frustrating the ability of that site or related space to benefit the public. State whether or not either of the subject credit unions is a party to any deed, lease or other agreement which contains any such exclusive provision or covenant. If applicable, provide a copy of, and comment on, the exclusive provision or covenant.
10. Identify the proposed choices for directors and principal officers of the continuing credit union. For any individual designated as a director or principal officer of the continuing credit union that is not currently serving in a similar capacity at a Massachusetts-chartered credit union, provide a statement of the individual’s relevant background and experience.
11. Describe any consideration, monetary or otherwise, which has been paid, given or offered to any director, principal officer, or employee of each credit union in connection with the proposed transaction. Include any formal agreement or understanding relating to payment or compensation such as increase in salary, a bonus, consulting agreement or retirement allowance, or any service, release or pledges made, or other item of value in connection with the merger or consolidation. Explain, if applicable, to what extent and in what manner such information has been disclosed to directors and members.
12. Provide information on any employee severance/termination policy, if applicable. Describe the policy’s severance provisions and the criteria for an employee to be eligible for the severance/termination benefits.
13. Describe the actions that will be taken to inform customers of the effect of the proposed transaction, should it be approved and consummated, on their banking relationship, and, if applicable, in their excess deposit insurance coverage. Comment on the proposed time schedule for any such action.
14. Identify the core data processing systems utilized by each credit union and describe the compatibility of the systems. Provide a brief overview of the continuing credit union’s plan of systems conversion or integration, including a description of any particular challenges that are currently anticipated. Also, describe any early termination charges or other contractual penalties associated with the data system conversion or integration.
15. Identify the daily newspaper(s) with the largest paid circulation publishing in the city or town where the applicant credit union’s main office is located.
16. Provide information on the status of all required regulatory approvals necessary to complete the proposed transaction, including information on the status of each application. Provide a copy of each approval received, when available.