



**Kentucky Department of Financial Institutions
Division of Depository Institutions**

MERGER OF KENTUCKY CREDIT UNIONS

A voluntary merger involving a Kentucky-chartered credit union must comply with Section 286.6-710 of the Kentucky Revised Statutes. Such mergers require approval of the Commissioner of the Department of Financial Institutions.

A complete merger application should include the following:

1. Letters from both credit unions requesting consideration of the merger proposal and outlining the reason for the merger.
2. Copies of the bylaws of each credit union that includes a description of each institution's field of membership.
3. A description of proposed amendments to the surviving credit union's articles of incorporation or bylaws (for example, to effectuate a change to the credit union's name or field of membership).
4. The total number of members of the merging credit union.
5. Financial statements from each credit union as of the close of business of the most recent month-end. Financial statements should include Balance Sheets, Income Statements and Reports of Delinquent and Classified Loans.
6. An explanation for any proposed share adjustments, special dividends, and/or compensation and benefit arrangements resulting from the merger.
7. Pro-forma financial statements upon consummation of the merger.
8. Copies of the Board Resolutions by which the majority of each credit union board approved the merger.
9. A copy of the notice of the special meeting of the membership of the merging credit union that discloses the time and place of the meeting to vote on the merger.
10. A copy of the ballot provided to members of the merging credit union that voted on the proposed merger.
11. A Certificate of Merger signed by the president or chairman of the board and by the secretary of the merging credit union. The certificate should include:
 - The time and place of the meeting of the board of directors at which the plan of merger was agreed upon;
 - The vote of the board in favor of the adoption of the merger plan;
 - A copy of the resolution, or other action, by which the plan was agreed upon;
 - The time and place of the meeting of the members at which the plan agreed upon was approved; and
 - The vote by which the plan was approved by the members.
12. A Merger Agreement completed, signed and notarized by the chairman of the board and secretary/treasurer of each credit union.
13. A copy of approval documentation from the National Credit Union Administration (NCUA) or other organization insuring the members' accounts.
14. In transactions where one credit union is not Kentucky chartered, a copy of the approval documentation from the other chartering agency.

A transaction involving an out-of-state and/or federally insured credit union may have additional requirements of the other state regulatory agency and/or the NCUA. Credit unions should contact these agencies to determine additional requirements.