

Merger Process

This document provides a general outline of the steps and time period requirements in the merger process. Further details apply within each step and can be viewed in the Iowa Division of Credit Union's Merger Guidelines document.



Efficient, Effective Regulation
Iowa Division of Credit Unions



National Credit
Union Administration

Credit Unions Agree on Merger Plan

Notify the Superintendent

Upon agreement of both credit unions to pursue merger and subsequent affirmative vote of each board of directors, the continuing credit union shall notify the Superintendent (by email to the IDCU) within **10 days** of the board vote. Sending the Board Resolution form and Confidentiality Agreement satisfy the notice requirement.

NCUA Merger Resolution

See the NCUA Merger Package Checklist.

Submit Preliminary Merger Plan

Submit Preliminary Merger Plan to the Superintendent

The plan should include all of the items on the Merger Plan Checklist and follow the guidance on the Merger Guidelines document.

The notice of balloting materials should also be submitted as part of the merger plan. The IDCU will review for technical compliance and communicate any and all necessary changes. Final dates are not required for the proposed notice.

Submit Plan to NCUA CURE Office

The Iowa Division of Credit Unions will transfer a complete merger application to NCUA for review. See the NCUA Merger Package Checklist. Currently, a complete IDCU application is inclusive of NCUA requirements.

Select Membership Voting Method

The board of directors of the merging credit union must vote to approve the method of the membership vote and are required to review IAC 189-12. The board of directors shall select an election committee to oversee balloting, to tabulate votes, and ensure proper procedure.

Merger Plan Approval

Superintendent's Preliminary Approval

Upon review of the merger plan, the Superintendent will provide a preliminary decision. Preliminary approval is required to proceed with the membership vote.

NCUA Regional Office Approval

Upon review of the merger plan, the Superintendent will provide a preliminary decision. Preliminary approval is required to proceed with the membership vote.

Submit Notice of Balloting for Approval

Send Notice of Balloting to Superintendent

At least **15 days** before the notice of balloting is sent to the members, the merging credit union shall submit to the Superintendent all materials to be included in the notice, including all required dates.

Send Notice of Balloting to NCUA Regional Office

The NCUA must receive a copy of the member notice at least **15 days** before the notice is sent to members.

Send Notice of Balloting to Members

IDCU Requirement

At least **20 days'** notice – but no more than **60 days'** notice – shall be provided between the sending of notice and the scheduled conclusion of the vote to meet Iowa's requirement.

Balloting Deadline

If you have chosen more than one method of voting, the close of balloting deadlines may differ. Consult IAC 189-12 and the Merger Guidelines document.

NCUA Requirement

At least **45 days'** notice – but no more than **90 days'** notice – shall be provided between the sending of notice and the scheduled conclusion of the vote.

Note: Federal and state law currently have different time requirements for member notification. See the Merger Guidelines document for details.

Membership Vote

Present Mergers to Members for Vote

Within **60 days** after the Superintendent issues preliminary approval, the merger shall be presented to the merging credit union members for vote. Vote results must be published to the membership, see IAC 189-12.

Meeting of the Membership and Vote

Iowa Code does not require a meeting of the membership. Membership vote may occur without meeting.

Certification of Vote on Merger

Within **10 days** after the vote is taken, the board of directors of the merging credit union must certify the results of the membership vote to the Regional Director.

Final Submission for Approval

Submit Final Merger Plan to Superintendent

This includes certified copies of the board of directors minutes approving the merger, the notice of balloting submitted to members, a certified copy of any written ballot, and a certified copy of the vote count. The merger is not complete until both credit unions receive the merger certification form.

Certification of Merger

Within **30 days**, the Superintendent will return to both credit unions the merger certification form, including the effective date of the merger. The credit unions must record the certification with the appropriate county and return the certification form to the IDCU.

The final effective date, all required signatures, any required notarization, and all final documentation shall be provided at this stage.

NCUA Notification Requirement

Upon completion of the merger, the board of directors of the continuing credit union must certify the completion of the merger to the Regional Director within **30 days** after the effective date of the merger.

Transfer of Control and Completion

Transfer of Control

Upon return of the certificate of merger from the Superintendent, the control of assets and liabilities of the credit union transfers to the continuing credit union.

NCUA Final Requirements

NCUA will cancel the charter and/or insurance certificate of the merging credit union as necessary. The continuing credit union must notify NCUA and members of a potential loss of insurance within 3 months. Comply with notice requirements in 12 CFR 708b.101.

Resources

Iowa Code Chapter 533: <https://www.legis.iowa.gov/docs/code/2021/533.pdf>

IAC 189 Chapter 12: <https://www.legis.iowa.gov/docs/iac/agency/05-18-2022.189.pdf>

IDCU Merger Forms: <https://creditunions.iowa.gov/division-forms>

NCUA Merger Resources: <https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources>

