

533.401 Merger.

1. With the approval of the superintendent, a state credit union may merge with another credit union under the existing certificate of approval of the other credit union if the merger is pursuant to a plan agreed upon by a majority of the board of directors of each credit union joining in the merger and the merger is approved by the affirmative vote of a majority of the members of the merging credit union either by mail or in person at a meeting called for the purpose of voting on the merger.

2. A plan of merger, whether by act of consolidation, acquisition, or business combination, along with evidence that the plan has been approved by the members of the merging credit union in accordance with the provisions of this section, shall be submitted to the superintendent, along with any additional materials the superintendent may request.

3. The superintendent may approve a merger according to the plan agreed upon by the majority of the board of directors of each credit union if the superintendent receives a written and verified application filed by the board of directors of each credit union and finds all of the following:

a. Notice of the meeting called to consider the merger was mailed to each member of the merging credit union entitled to vote upon the question at least twenty days prior to the date of the merger meeting.

b. The notice disclosed the purpose of the meeting and properly informed the membership that approval of the merger would be sought pursuant to this section.

c. At the meeting called to consider the merger, a majority of the votes received, by regular mail or in person, upon the question were in favor of the merger.

d. Control of the merging credit union shall transfer to the board of directors of the continuing credit union upon approval of the merger by the superintendent and the favorable vote of a majority of the members as prescribed in paragraph "c". Upon transfer of control, the board of directors of the merging credit union may only do such things necessary to execute the merger.

4. The superintendent may disapprove a merger if the superintendent finds either of the following:

a. The merger would not result in a safe and sound credit union.

b. The procedures required by this section, particularly those used to obtain member approval for the merger, were not followed or were irregular.

5. The superintendent may waive the membership merger vote if the superintendent finds that an emergency exists which justifies the waiver.

6. The certificate of merger and a copy of the agreed plan of merger shall be forwarded to the superintendent, certified by the superintendent, and returned to both credit unions within thirty days of the date of receipt by the superintendent.

7. a. Upon return of the certificate from the superintendent, all of the merging credit union's property, property rights, and members' interests shall vest in the continuing credit union without the legal need for deeds, endorsements or other instruments of transfer, and all debts, obligations, and liabilities of the merging credit union shall be assumed by the continuing credit union.

b. The rights and privileges of the members of the merging credit union shall continue as provided in the plan.

c. Credit union membership in the continuing credit union shall be available to persons within the common bond of the merging credit union.

8. This section shall be construed to permit a credit union organized under any other statute to merge with one organized under this chapter, or to permit one organized under this chapter to merge with one organized under any other statute.

9. As used in this section, the term "merger" or "merge" means the combination of assets and liabilities of one credit union with those of another credit union such that one credit union continues and the other credit union surrenders its charter to operate as a credit union.

2007 Acts, ch 174, §62