



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS CREDIT UNION DIVISION - MERGER PROCESS

Pursuant to Tennessee Code Annotated Section 45-4-903, any credit union may, with the approval of the Commissioner of the Tennessee Department of Financial Institutions (the "Department"), merge with any other credit union under the existing charter of the other credit union.

Credit Unions who wish to merge must submit the following information to the Department for its consideration:

The Department will accept a copy of the National Credit Union Administration ("NCUA") merger application and related documents. A copy of the NCUA application can be found at the following link: [eCFR :: 12 CFR Part 708b -- Mergers of Insured Credit Unions Into Other Credit Unions: Voluntary Termination or Conversion of Insured Status.](#)

In addition, please ensure that the Department is copied on any documentation submitted to the NCUA throughout the merger process.

- Tennessee Code Annotated Section 45-4-903(f) requires that the merger application fee of \$300.00 be paid by the surviving credit union, if the surviving credit union is chartered under the laws of Tennessee. Otherwise, the application fee is to be paid by the merging credit union. Additionally, there is a filing fee of \$100.00 for the filing of the merger documents with the Tennessee Secretary of State's office. If paying the fees via ACH (preferred) please contact Memory Little via email at memory.little@tn.gov or via phone at 615-693-2822 for instructions regarding payment via ACH. If paying by check, the check must be made payable to the Tennessee Department of Financial Institutions.
- Please provide the Department with a copy of any agreements that the surviving credit union proposes to enter into in connection with the merger transaction.
- If the surviving credit union will be a state-chartered credit union, please provide a list of any contemplated changes to the directors, managers or officers of the surviving credit union as a result of, or in connection with, the merger.
- Pursuant to Tennessee Code Annotated Section 45-4-903(a) two-thirds of ten percent of the credit union's members must approve the merger at a meeting of members duly called for that purpose. The credit union must submit to the Department the Notice of Special Meeting for approval, prior to submitting the notice to members of the credit union.

In certain situations, the Commissioner may waive the requirement of obtaining member approval of the merger. If a state-chartered credit union wishes to request a waiver of the member vote, please provide a written request to the Commissioner, from the credit union, making the request. The letter must detail the reason(s) that the credit union feels the membership vote should be waived.

- The Department will instruct the merging credit unions when to provide the Certificate of Merger (copy attached). The Certificate of Merger must be completed by both credit unions and submitted to the Department, typically no more than 5 days prior to any proposed date of merger.
- The Commissioner reserves the right to request any additional information that may be necessary to process the application for merger.
- Applications and additional information relative to the merger may be sent via email (preferred) to memory.little@tn.gov or via regular mail to the following address:

Tennessee Department of Financial Institutions
Attn: Credit Union Division
Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

Link to Rule 0180-29-.14 regarding field of membership in connection with mergers:
<https://publications.tnsosfiles.com/rules/0180/0180-29.pdf>

45-4-903. Mergers.

- (a) Any credit union may, with the approval of the commissioner of financial institutions, merge with any other credit union under the existing charter of the other credit union, pursuant to any plan approved by the board of directors of each credit union joining in the merger, and approved by two thirds (2/3) of the members of each credit union represented at a meeting of members duly called for that purpose, at which a minimum of ten percent (10%) of the entire membership is present, unless the meeting of members of either credit union has been waived by the commissioner. After approval of the board and members of each credit union, the president or chair of the board and secretary of each credit union shall execute a certificate of merger, which shall set forth all of the following:
- (1) The time and place of the meeting of the board of directors at which the plan was agreed upon;
 - (2) The vote in favor of adoption of the plan;
 - (3) A copy of the resolution or other action by which the plan was agreed upon;
 - (4) The time and place of the meeting of the members at which the plan agreed upon was approved; and
 - (5) The vote by which the plan was approved by the members.
- (b) The certificates and a copy of the plan of merger agreed upon shall be forwarded to the commissioner and, upon approval, returned to the merging credit unions. The certificate of merger, with the certificate of approval of the commissioner annexed it, shall be recorded in the office of the secretary of state and in the register's office of the county in which each credit union has its principal place of business.
- (c) Upon a merger so effected, all property, property rights, and interests of the merged credit unions shall vest in the surviving credit union without deed, endorsement, or other instrument of transfer, and all debts, obligations, and liabilities of the merged credit unions shall be deemed to have been assumed by the surviving credit union under whose charter the merger was effected.
- (d) This section shall be construed, whenever possible, to permit a credit union chartered under any other act to merge with one chartered under this chapter.
- (e) All members of both credit unions effecting a merger shall be deemed to have a common bond of association, occupation or residence as required by § 45-4-101, for formation of credit unions generally.
- (f) A merger fee of three hundred dollars (\$300) shall be paid to the commissioner to cover the salary and expenses of department personnel assigned to supervise the merger. The fee shall be paid by the surviving credit union if it is chartered under the laws of Tennessee. Otherwise the fee shall be paid by the merging credit union.



CERTIFICATE OF MERGER

SURVIVING CREDIT UNION

On _____, in _____ the Board of Directors of
(Street Address and City)
_____ Credit Union voted to adopt the resolution of merger by a vote of ____ to ____.

On _____, in _____, the members of the
(Date) (Street Address and City)
_____ Credit Union voted to accept the resolution of merger by a
vote of ____ to ____.

By written authority dated the _____ day of _____, 20 ____, the vote of the membership has been excused by the Commissioner of Financial Institutions in accordance with *Tennessee Code Annotated*, § 45-4-903(a).

President of Surviving Credit Union

Secretary of Surviving Credit Union

MERGING CREDIT UNION

On _____, in _____ the Board of Directors of
(Street Address and City)
_____ Credit Union voted to adopt the resolution of merger by a vote of ____ to ____.

On _____, in _____, the members of the
(Date) (Street Address and City)
_____ Credit Union voted to accept the resolution of merger by a
vote of ____ to ____.

By written authority dated the _____ day of _____, 20 ____, the vote of the membership has been excused by the Commissioner of Financial Institutions in accordance with *Tennessee Code Annotated*, § 45-4-903(a).

President of Merging Credit Union

Secretary of Merging Credit Union

The foregoing merger in accordance with TCA § 45-4-903 shall become effective upon approval by the Commissioner of Financial Institutions, the filing of this certificate with the Secretary of State, and its recordation in the Register's Office of the County in which each Credit Union has its principal place of business.

Merger Effective Date _____

Commissioner of Financial Institutions