



**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** May 30, 2018

**FROM:** Office of General Counsel

**SUBJ:** Final rule, Voluntary Mergers, 12 C.F.R.  
Parts 701 & 708b

**ACTION REQUESTED:** Board approval to issue the attached final rule regarding voluntary mergers, which amends Parts 701 and 708b of NCUA's regulations.

**DATE ACTION REQUESTED:** June 21, 2018.

**OTHER OFFICES CONSULTED:** None.

**VIEWS OF OTHER OFFICES:** N/A.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** Elizabeth Wirick, Senior Staff Attorney, Office of General Counsel.

**SUMMARY:** This rule amends the procedures and timeframes that federally insured credit unions (FICUs) must follow for voluntary mergers with another FICU. The final rule increases the required time for notice to FICU members in advance of the vote to a minimum of 45 days. The rule also clarifies the contents and format of the member notice so that members of merging FICUs have better information about the merger transaction. In particular, the rule requires merging FICUs to disclose merger-related compensation for certain employees and officials of the merging FICU.

The final rule allows members of the merging FICU to comment on the merger proposal by submitting their comments to NCUA for posting on a page on the NCUA's website. Finally, the rule makes conforming changes to the FCU Bylaws.

**RECOMMENDED ACTION:** Recommend the Board issue the final rule with an effective date of October 1, 2018.

**ATTACHMENT:** Final rule.