

This rule was filed as 12 NMAC 17.3.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 17 CREDIT UNIONS
PART 3 MERGERS OF CREDIT UNIONS: RESULTING STATE CREDIT UNION

12.17.3.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, 725 St. Michael's Drive, Santa Fe, New Mexico 87504. Telephone No. (505) 827-7100.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.3.2 SCOPE: All credit unions chartered by the state of New Mexico.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.3.3 STATUTORY AUTHORITY: Sections 58-11-3 and 58-11-59 NMSA 1978.
[6/19/87; 9/30/97; Recompiled 10/15/01]

12.17.3.4 DURATION: Permanent.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.3.5 EFFECTIVE DATE: October 19, 1990, unless a later date is cited at the end of a section or paragraph. Reformatted in NMAC effective 9/30/97.
[10/19/90; 9/30/97; Recompiled 10/15/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

12.17.3.6 OBJECTIVE: The objective of this part is to regulate mergers of state credit unions.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.3.7 DEFINITIONS: [RESERVED]

12.17.3.8 MERGERS OF CREDIT UNIONS: RESULTING STATE CREDIT UNION:

A. The board of directors of each merging credit union shall, by a majority of the entire board, approve a merger plan which shall include:

- (1) a statement or recital that the agreement is subject to approval by the director of the financial institutions division and has been approved by a majority vote of the members of each merging credit union;
- (2) the name of each merging credit union and location of each branch office;
- (3) individual financial reports for each merging credit union;
- (4) consolidated financial reports;
- (5) proposed share adjustments;
- (6) provisions with respect to notification and payment of creditors of each merging credit union;
- (7) explanation of any changes relating to insurance of members' shares and deposits resulting from the merger;

- (8) with respect to the resulting credit union:
 - (a) the name and location of the principal and other offices;
 - (b) the name and residence of each director to serve until the next annual meeting of the members; and

- (c) the amendment to its charter and bylaws;
- (9) such other provisions as the director of financial institutions division may require to enable him to discharge his duties with respect to the merger.

B. After approval by the board of directors of each merging state credit union, the merger plan shall be submitted to the director of financial institutions division for approval. In addition, each merging credit union shall submit the time and place of meeting of the board of directors at which the plan was agreed upon; the vote of the majority of the board of directors in favor of the plan; a copy of the resolution or other action by which the plan was agreed upon; and, if applicable, documents required by Section 58-11-10 NMSA 1978 to form a new credit union.

C. After receipt of the documents specified in paragraphs 8.1 and 8.2 [now Subsections A and B of 12.17.3.8 NMAC], and if they contain the requisite information, the director of the financial institutions division shall preliminarily approve the merger plan.

D. After preliminary approval has been granted, each merging credit union shall conduct the membership vote on its participation in the plan required by Section 58-11-59(D) NMSA 1978, unless the director has waived such vote under Section 58-11-59(E) NMSA 1978.

E. The director shall grant final approval once he determines, based on the record submitted by each merging credit union pursuant to of Section 58-11-59(D) NMSA 1978, that the requirements for the membership vote have been met, and if he approves the formation of any new credit union resulting from the merger under Section 58-11-10 NMSA 1978.

F. If the director of the financial institutions division disapproves any plan, the objections shall be stated in writing and the merging credit unions shall be given an opportunity to amend the merger plan to address such objections.

G. Upon the completion of the merger, the board of directors of the surviving credit union shall submit:

(1) certification of the completion of the merger to the director of the financial institutions division and the regional director of the national credit union administration;

(2) financial reports of the surviving credit union;

(3) the charters of the merging credit union; and

(4) the insurance certificates for the merging credit unions.

H. If the director of the financial institutions division is satisfied that the merger has been accomplished in accordance with the merger plan, cancellation of the charters of the credit unions which have lost their identities in the merger shall be effected.

[10/19/90; 9/30/97; Recompiled 10/15/01]

HISTORY OF 12.17.3 NMAC:

Pre-NMAC Regulatory Filing History. The material in this part was derived from that previously filed with the State Records Center and Archives under:

Regulation 85-6, Mergers of Credit Unions, filed 4/18/85 and

Regulation 90-3CU, Mergers of Credit Unions: Resulting State Credit Union, filed 11/14/90.

History of Repealed Material: [RESERVED]

Other History:

Regulation 90-3CU, Mergers of Credit Unions: Resulting State Credit Union, filed 11/14/90 was renumbered and reformatted into first version of the New Mexico Administrative Code as 12 NMAC 17.3, Mergers of Credit Unions: Resulting State Credit Union, filed 9/17/97.