

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

***** 490.371.amended THIS AMENDED SECTION IS EFFECTIVE SEPTEMBER 7, 2016 *****

490.371.amended Credit unions; merger.

Sec. 371. (1) Two or more domestic credit unions may merge into 1 of the credit unions, or into a newly formed domestic credit union, if all of the following are met:

(a) The credit union board of each constituent credit union by majority vote adopts a plan of merger that includes all of the following:

(i) The name of each constituent credit union and the name of the surviving credit union.

(ii) The terms and conditions of the proposed merger, including the manner and basis of converting the member shares in each constituent credit union into member shares in the surviving credit union, or into cash or other property, or into a combination of shares, cash, or other property.

(iii) A statement of any amendment to the certificate of organization of the surviving credit union affected by the merger or a statement that no changes are to be made in the certificate of organization of the surviving credit union.

(iv) Any other provisions concerning the proposed merger that the constituent credit unions consider necessary or desirable.

(b) If the credit union board of each constituent credit union adopts the plan of merger, the constituent credit unions submit the plan of merger to the director. Each constituent credit union shall submit the time and place of the meeting of the credit union board at which it approved the plan, the vote of the board members on approving the plan, and a copy of the resolution of the credit union board approving the plan to the director with the plan of merger.

(c) Subject to subsection (6), the members of each constituent credit union except the surviving credit union approve the plan of merger, at a special membership meeting called for that purpose or by mail ballot. If the vote is held at a special membership meeting, the credit union board shall provide each member with written notice of the meeting that states the purpose of the meeting, at least 7 days and not more than 30 days before the meeting. The plan of merger is approved if a majority of the members of the constituent credit union that vote on the merger vote in favor of the merger.

(d) If the membership of a constituent credit union approves of a plan of merger under subdivision (c), the credit union shall notify the director that the plan of merger is approved, the vote by which the members approved the plan, and a copy of the meeting notice if the plan was approved at a special membership meeting or the ballot and mailing date and closing date if the plan was approved by mail ballot of the members.

(e) The director grants final approval of the plan of merger. The director shall grant final approval of the plan if all of the requirements of subdivisions (a) to (d) are met.

(2) One or more domestic credit unions may merge with 1 or more foreign credit unions if both of the following are satisfied:

(a) The merger is permitted by the law of the jurisdiction under whose law each foreign constituent credit union is organized and each foreign constituent credit union complies with that law in effecting the merger.

(b) Each domestic constituent credit union complies with subsection (1).

(3) If a plan of merger under subsection (1) or (2) is approved, each constituent credit union shall execute and file a certificate of merger with the director that contains all of the following:

(a) The statements required in subsection (1)(a)(i) and (iii).

(b) A statement that the plan of merger has been approved by the members of the constituent credit unions required to vote under subsection (1)(c).

(c) A statement of any assumed names the surviving credit union will use in this state if the director approves. The statement shall specify each new assumed name of the surviving credit union, each current assumed name the surviving entity retains, and each assumed name transferred to the surviving entity from another constituent credit union.

(d) The proposed effective date of the merger.

(4) When a merger takes effect, all of the following apply:

(a) Every other constituent credit union merges into the surviving credit union and the separate existence of every constituent credit union except the surviving credit union ceases.

(b) All property, debts, causes of action, and other interests of, belonging to, or due to each constituent credit union are vested in the surviving credit union without further act or deed and without reversion or impairment.

(c) The surviving credit union has all of the liabilities of each constituent credit union.

(d) A proceeding pending against any constituent credit union may be continued as if the merger had not occurred or the surviving credit union may be substituted in the proceeding for the constituent credit union if the existence of the constituent credit union ceased.

(e) The certificate of organization of the surviving credit union is amended to the extent provided in the certificate of merger.

(f) The membership shares in each constituent credit union are converted into membership shares in the surviving credit union, cash, or other property as provided in the plan of merger. If a person is a member of more than 1 of the constituent credit unions, the person is entitled to only 1 membership in the surviving credit union.

(g) The surviving credit union is liable for, and is subject to service of process in a proceeding in this state for the enforcement of, any obligation of a domestic constituent credit union.

(5) If the surviving credit union in a merger under subsection (2) is a foreign credit union, and the surviving credit union transacts business in this state, it shall comply with the provisions of this act concerning foreign credit unions.

(6) The director may waive the membership vote described in subsection (1)(c) for a constituent credit union if he or she determines that it is in the best interests of the membership of the constituent credit union or that the constituent credit union is insolvent or in imminent danger of becoming insolvent.

(7) Credit unions with different fields of membership may merge under this section.

History: 2003, Act 215, Eff. June 1, 2004;—Am. 2004, Act 471, Imd. Eff. Dec. 28, 2004;—Am. 2016, Act 156, Eff. Sept. 7, 2016.