

**17-2229. Sale or purchase of assets to or of another credit union; agreement; approval of administrator; approval of shareholders; effective date; dissolution of selling credit union; reserves.**

(a) A credit union may sell all or any part of its assets to another credit union or it may purchase all or any part of the assets of another credit union in accordance with this section.

(b) The purchasing credit union may assume, as part of the purchase price, any or all of the liabilities of the selling credit union and may pay the balance in cash or by the issue of shares to the selling credit union of the members thereof whether or not such members are members of the purchasing credit union.

(c) The selling credit union shall enter into an agreement with the purchasing credit union containing the terms and conditions of the sale, and the selling credit union shall within one (1) month after the agreement is signed file a copy thereof with the administrator. The agreement shall be approved or disapproved by the administrator within thirty (30) days, otherwise the same shall be deemed approved.

(d) If and when the agreement is approved by the administrator, each of the credit unions shall submit it to a meeting of its shareholders stating the purpose for which the meetings are called.

(e) If the agreement is approved by the shareholders of each of the credit unions by at least three-fourths (3/4) vote of the shareholders present at each meeting, the secretary of each credit union shall certify on the agreement that it has been so approved and shall forward a copy of the agreement so certified to the administrator.

(f) Upon the approval of the shareholders of each of the credit unions, the agreement is binding on each of the credit unions and the sale shall thereafter be completed as of the effective date specified in the agreement which shall be a date subsequent to the approval by the shareholders of each of the credit unions.

(g) In the event the agreement does not specify an effective date, the administrator may fix a date upon which it will become effective.

(h) If the selling credit union has disposed of all assets under the agreement, it shall cease to carry on business on the effective date of agreement, except for the purpose of winding up its affairs, and it shall dissolve as soon as possible thereafter, and all reserves shall go to the purchasing credit union under the terms and conditions of the agreement.

**History:** L. 1963, ch. 140, § 11; L. 1968, ch. 160, § 15; March 26.