



## **Regulatory Comment: Bank Conversions and Mergers, Subpart C-Merger of Insured Credit Unions Into Banks**

### **THE ISSUE:**

On April 22, 2026, the National Credit Union Administration (NCUA) published a [notice of proposed rulemaking](#) (NPRM) to amend its regulations governing the merger of insured credit unions into banks by eliminating certain prescriptive procedural, disclosure, and communication requirements.

### **IMPACT TO CREDIT UNIONS:**

The proposal would make it simpler for credit unions to merge into banks by removing overly prescriptive formatting requirements, simplifying the process of notifying members, and eliminating duplicative guidance.

### **KEY POINTS:**

- The NCUA is proposing to amend regulations governing a credit union's merger into a bank.
- The proposal would streamline the merger deliberation process by removing prescriptive notice and formatting requirements.
- The NCUA proposes to reduce required disclosures regarding a board's negotiation process, while maintaining the focus on whether the board has acted in members' best interests.
- The proposal also removes non-binding voting guidance from the regulation, as it may create confusion about what is required for a legally sound voting process.

## **ACTION NEEDED: Deadlines and contacts**

Please use the comment link below to respond to America's Credit Unions' survey. This will help shape the discussion and better address your needs in our comment letters.

- Comments due to America's Credit Unions: June 8, 2026 — [Submit here](#)
- Comments due to NCUA by June 22, 2026
- Questions? Contact [Kristin Rheins](#), Regulatory Advocacy Counsel
- Agency contact: Ariel Woodard-Stephens, Staff Attorney at (703) 518-6540

## **QUESTIONS TO CONSIDER:**

1. For your credit union, what member-protection value, if any, comes from retaining the requirements to disclose how the board identified a merger partner and negotiated the merger agreement, and what added time or cost do those requirements create in practice?
2. Which requirements are essential to ensure that merger disclosures are clear, prominent, and comparable across credit unions? Do current requirements create unnecessary costs or administrative burdens?
3. What information about a board's process should members and the NCUA still receive, and why would reducing those disclosures weaken trust or oversight?
4. If non-binding voting guidance for mergers is removed, which standards should the NCUA keep to ensure a fair, legally sound voting process? Should the NCUA keep the guidance, but move it so that it is accessible outside the regulation?

## **BACKGROUND:**

Part 708a of the NCUA's regulations was originally established to provide a procedural framework for transactions that alter a credit union's charter or structure. In 2010, the Board finalized part 708a, subpart C to outline specific procedural and substantive requirements to protect the interests of credit union members if and when credit unions merged into banks. Such requirements are overseen by the NCUA and include the mandatory determination of the credit union's "merger value," comprehensive disclosure requirements for members, and a structured

voting process. The NCUA now proposes to remove portions of part 708a that are overly prescriptive and create friction for a credit union's board of directors during merger deliberations.

## **SECTION-BY-SECTION ANALYSIS:**

The Board proposes to eliminate several provisions from subpart C of 12 CFR part 708a that it has deemed overly prescriptive and unduly burdensome for a credit union's board of directors during merger negotiations.

### **1. Board of Directors' Duties**

The Board proposes to remove the definition of "clear and conspicuous" from § 708a.301 because it is duplicative and mandates specific formatting such as bold type and a minimum 12-point font size. Removing this definition allows credit unions to exercise more control over the way they design their disclosures to their members. Further, the Board acknowledges that while the Federal Credit Union Act (FCU Act) requires member notice, it does not specify formatting.

### **2. Pre-Voting Procedures in Mergers**

The Board proposes to revise the pre-board-vote notice requirements contained in § 708a.303(b)(1), which mandate credit unions to publish a notice in a general circulation newspaper. Because newspaper publication may no longer be the most effective method for communicating with members who increasingly use digital notification methods, the Board proposes to require the notice to appear on the member home banking landing page, if the credit union has one.

### **3. Due Diligence Reporting**

The Board proposes to remove the requirement from § 708a.304(d) for a credit union's board to describe how it located the merger partner and negotiated the merger agreement in its submission to the NCUA.

### **4. Prescriptive Formatting Requirements**

The Board proposes to remove formatting requirements set forth in § 708a.305(e)(2), specifically a provision that requires certain text to be placed in a box on the front of a single, otherwise blank piece of paper and placed at a specific point in the notice package.

## **5. Plain Language Determining Factors**

Section 708a.305(f) currently requires merger communications to be written “in a manner that is simple and easy to understand.” The Board proposes to amend this section by removing this requirement.

## **6. Non-Binding Voting Guidance**

The Board proposes to eliminate § 708a.312 entirely to improve clarity. This section, while providing non-binding guidance, explicitly states that it contains “guidelines as suggestions to help a credit union obtain a fair and legal vote” and advice regarding the applicability of state law, determining voter eligibility, and scheduling meetings.