

National Credit Union Administration
SUPPORTING STATEMENT

OMB No. 3133-0024
Mergers of Federally-Insured Credit Unions;
Voluntary Termination or Conversion of Insured Status
12 CFR Part 708b

A. Justification

1. Circumstances that make the collection of information necessary.

The Federal Credit Union Act requires written approval of the NCUA Board before one or more federally-insured credit unions merge or before a federally-insured credit union converts to nonfederal (private) share insurance or terminates federal share insurance and authorizes the NCUA Board to prescribe rules regarding mergers of federally-insured credit unions and changes in insured status (12 U.S.C. §§1752(7), 1766(a), 1785(b) and (c), 1786(a), (c), and (d), and 1789(a)). Part 708b of NCUA's rules sets forth the procedural and disclosure requirements for mergers of federally-insured credit unions, conversions from federal share insurance to nonfederal insurance, and federal share insurance terminations.

2. Purpose and use of the information collected.

Part 708b is designed to ensure NCUA has sufficient information to determine whether to approve a proposed merger, share insurance conversion, or share insurance termination. It further ensures that members of credit unions have sufficient and accurate information to exercise their vote properly concerning a proposed merger, insurance conversion, or insurance termination. The rule also protects the property interests of members who may lose their federal share insurance due to a merger, share insurance conversion, or share insurance termination. The forms and formats necessary to comply with the requirements of part 708b are codified as subpart C.

3. Use of information technology.

The NCUA is working on enhancing technology for submitting merger applications, enabling Credit Unions to use a web-based system. This new system will track the workflow of the merger process, allowing credit unions to track their applications from start to finish.

Currently, forms and formats for a credit union to use in communicating with its members and with NCUA about mergers and share insurance conversions and terminations are available electronically from NCUA's website. Forms are designed to be fillable to support electronic completion and submissions.

Credit unions may use electronic voting processes in obtaining the votes of their members on whether to approve a merger.

Once the new merger application technology is implemented, the existing fillable forms will be replaced by an integrated merger application tool. This tool will allow credit unions to complete and submit merger applications entirely within the system, eliminating the need for some of the separate fillable forms.

4. Duplication of information.

The collection of information is unique to the circumstances of each credit union. The information is self-generated and is not available from any other government agency or other source.

5. Effect to reduce burden on small entities.

This collection does not have a significant impact on a substantial number of small credit unions. For the most part, in a merger transaction a small credit union merges into a larger credit union. The larger credit union provides substantial assistance to the smaller credit union alleviating the economic burden. Share insurance conversion transactions are rare, four during the last year, and under Part 708b NCUA supplies the forms and format of the application. NCUA has not had a voluntary share insurance termination in decades.

6. Consequences of not conducting the collection.

If the information collection occurred less frequently, NCUA would be unable to determine whether to approve the proposed merger or share insurance conversion. Also, the credit union's members would not have sufficient information to evaluate the proposal.

7. Inconsistencies with guidelines in 5 CFR §1320.5(d)(2).

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the Agency.

A 60-day notice was published in the *Federal Register* on February 2, 2026, at 91 FR 4637, soliciting comments from the public. No comments were received in response to the initial 60-day notice.

9. Payment or gifts to respondents.

No payment or gift to respondents are made.

10. Assurance of confidentiality.

Converting credit unions and merging credit unions must identify themselves to NCUA per federal statute. NCUA does not reveal any information in a credit union’s conversion or merger materials unless required under the Freedom of Information Act.

11. Questions of a sensitive nature.

No personally identifiable information (PII) is collected.

12. Burden of information collection.

The categories of burden for credit unions complying with Part 708b may include the following:

Mergers: Each year, there are approximately 160 mergers involving one or more federally-insured credit unions. NCUA estimates it will take the two merging credit unions approximately 33 hours between them to:

MERGERS							
12 CFR Section	Information Collection	Burden Type	# of Annual Respondents	# of Responses per Respondent	Annual # of Responses	Hours per Response	Total Annual Burden Hours
708b.103	Prepare the required merger documents	Reporting	160	1	160	15	2400
708b.104	Collect and submit the required information to NCUA	Reporting	160	1	160	5	800
708b.106, 708b.303(a) and (b)	Notify members of the proposed merger and send them the ballot	Third-party disclosure	160	1	160	7	1120
708b.107, 708b.303(c)	Notify NCUA of the results of the merger vote	Reporting	160	1	160	1	160
708b.108	Notify NCUA of the merger's completion	Reporting	160	1	160	1	160
708b.101(e)	Notify members of the results of the merger and the possible effect on their insurance coverage	Third-party disclosure	160	1	160	4	640
TOTAL			160		960		5280

In cases where the continuing credit union is privately insured, the required merger documents include those discussing the insurance conversion.

Share Insurance Conversions: Approximately two credit unions each year engage in share insurance conversions outside of the merger context. NCUA estimates there will be minimal burden in the form of collections of information, since NCUA provides forms and form language in the regulation.

Share Insurance Conversions							
12 CFR	Information Collection	Burden Type	# Annual Respondents	# Responses per Respondent	Annual # Responses	Hours per Response	Total Annual Burden Hours
708b.203(a), 708b.301(a)	Prepare the required conversion documents and submit the required information to NCUA	Reporting	2	1	2	4	8
708b.204(a), 708b.301(b) and (c)	Notify members of the proposed conversion and send them the ballot	Third-party disclosure	2	1	2	7	14
708b.206(b)	Provide the required insurance disclosures in other communication that the credit union plans to send its members	Third-party disclosure	2	1	2	2	4
708b.301(d)	Notify NCUA of the results of the conversion vote	Reporting	2	1	2	1	2
708b.204(c)	Provide members notice of conversion of insurance	Third-party disclosure	2	1	2	1	2
TOTAL			2				30

Share Insurance Terminations: Currently no credit unions have engaged in share insurance terminations. If one or more credit unions does engage in a voluntary termination of insurance in the future, NCUA estimates there will be minimal burden in the form of collections of information on those credit unions. One respondent and response is being used as a placeholder associated with this information collection activity. Since there has been no activity under this information collection, a zero labor cost is being reported.

Share Insurance Terminations							
12 CFR	Information Collection	Burden Type	# Annual Respondents	# Responses per Respondent	Annual # Responses	Hours per Response	Total Annual Burden Hours
708b.201(d)	Prepare the required termination documents and submit the required information to NCUA	Reporting	1	1	1	4	4
708b.202(a)	Notify the members of the proposed termination and send them to ballot	Third-party disclosure	1	1	1	4	4
708b.206(b)	Provide the required insurance disclosures in other communications that the credit union plans to send to its members	Reporting	1	1	1	2	2
708b.201(d) (2)	Notify NCUA of the results of the termination vote	Reporting	1	1	1	1	1
708b.202(c)	Provide members notice of termination of insurance	Third-party disclosure	1	1	1	1	1
TOTAL			1		5		12

Summary of Burden				
Information Collection Activity	Number of Respondents	Total Annual Responses per Respondent	Total Annual Burden Hours	Total Annual Labor Cost (based on \$35/hr.)
Mergers	160	960	5,280	\$184,800
Share Insurance Conversions	2	10	30	\$1,050
Share Insurance Terminations	1	5	12	\$420
Total	163	975	5,322	\$186,270

13. Capital start-up or on-going operation and maintenance costs.

On very rare occasions, a merging credit union may need to get outside accounting assistance with GAAP-consolidated financials or legal assistance with Hart-Scott-Rodino Act compliance issues. Since this would be very rare, NCUA cannot compute an average cost for this service.

14. Annualized costs to the Federal government.

The estimated total annualized cost to the Federal Government is approximately \$136,480, calculated as follows:

Mergers – NCUA spends an average of 15 employee-hours on pre- and post-merger processing and 4 employee-hours reviewing and supervising that processing. The wage rate for the processing is approximately \$40/hour, and the wage rate for review and supervision is approximately \$60/hour. The total NCUA cost for each merger is then 15 x \$40 (\$600) plus 4 x \$60 (\$240) = \$840. The aggregate annual cost for the 160 mergers is 160 x \$840, or \$134,400.

Share Insurance Conversions – The NCUA spends an average of 10 employee-hours on pre- and post-share insurance conversion processing and 2 employee-hours reviewing and supervising that processing. The wage rate for the processing is approximately \$40/hour, and the wage rate for review and supervision is approximately \$60/hour. The total NCUA cost for each share insurance conversion is then 10 x \$40 (\$400) plus 2 x \$60 (\$120) = \$520. The aggregate annual cost for the 2 share insurance conversions is 2 x \$520, or \$1,040.

15. Change in Burden

The number of respondents for Share Insurance Conversions decreased from 4 to 2 resulting in a decrease in the total annual burden hours from 5,352 to 5,322.

16. Plans for Publication

The information will not be published.

17. Request Non-display of the Expiration date of the OMB Control Number

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal Government's electronic PRA docket website at www.reginfo.gov.

18. Exceptions to the Certification for the Paperwork Reduction Act Submission

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

This collection does not employ statistical methods.