

Instructions for NCUA 6305B: Not more than 30 nor less than 7 days before the date of the vote, the merging federal credit union must provide its members (a) advance notice of a special meeting to vote on a proposed merger and (b) a copy of the merger ballot. When you distribute the notice and ballot to your members, you also should send a copy to the NCUA Regional Director. The merging federal credit union should conduct the membership vote only after the NCUA Regional Director approves the proposed merger.

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Notice of Special Meeting on Proposal to Merge and Convert to Nonfederally Insured Status

(insert name of merging credit union)

On (insert date), the Board of Directors of your credit union approved a proposition to merge with (insert name of continuing credit union) and to convert from federal share (deposit) insurance to private insurance. You are encouraged to attend a special meeting of our credit union at (insert address) on , 20 , at .m. (insert date and time).

Purpose of the Meeting

The meeting has two purposes:

1. To consider and act upon a proposal to merge our credit union with (insert name of continuing credit union), the continuing credit union.
2. To approve the action of the Board of Directors of our credit union in authorizing the officers of the credit union, subject to member approval, to carry out the proposed merger.

If this merger is approved, our credit union will transfer all its assets and liabilities to the continuing credit union. As a member of our credit union, you will become a member of the continuing credit union. On the effective date of the merger, you will receive shares in the continuing credit union for the shares you own in our credit union.

Insurance Conversion

Currently, your accounts have share insurance provided by the National Credit Union Administration, an agency of the federal government. The basic federal coverage is up to \$100,000, but accounts may be structured in different ways, such as joint accounts, payable-on-death accounts, or IRA accounts, to achieve federal coverage of much more than \$100,000. If the merger is approved, your federal insurance will terminate on the effective date of the merger. Instead, your accounts in the credit union will be insured up

to \$ (insert dollar amount) by (insert name of insurer), a corporation chartered by the State of (insert name of state). The federal insurance provided by the National Credit Union Administration is backed by the full faith and credit of the United States government. The private insurance you will receive from (insert name of insurer), however, is not guaranteed by the federal or any state or local government.

<p>IF THIS MERGER IS APPROVED, AND THE (insert name of continuing credit union) FAILS, THE FEDERAL GOVERNMENT DOES NOT GUARANTEE YOU WILL GET YOUR MONEY BACK.</p>

Also, because this merger, if approved, would result in the loss of federal share insurance, the (insert name of merging credit union) will, at any time between approval of the merger and the effective date of merger and upon request of the member, permit all members who have share certificates or other term accounts to close the federally-insured portion of those accounts without an early withdrawal penalty. (This is an optional sentence. It may be deleted without the approval of the Regional Director. The members must be informed about this right, however, as described in 12 C.F.R. §708b.204(c).)

Other Information Related to the Proposed Merger

The directors of the participating credit unions carefully analyzed the assets and liabilities of the participating credit unions and appraised each credit union's share values. The appraisal of the share values appears on the attached individual and consolidated financial statements of the participating credit unions.

The directors of the participating credit unions have concluded that the proposed merger is desirable for the following reasons:

(insert reasons)

The Board of Directors of our credit union believes the merger should include/not include an adjustment in shares for the following reasons:

(insert reasons)

The main office of the continuing credit union will be as follows:

(insert location)

The branch office(s) of the continuing credit union will be as follows:

(insert locations)

The merger must have the approval of a majority of members who vote on the proposal, provided at least 20 percent of the total membership participates in the voting.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal and Conversion to Nonfederally Insured Status. If you cannot attend the meeting, please complete the ballot and return it to _____ (insert name of independent entity conducting vote) at _____ (insert mailing address) by no later than _____ on _____, 20____ (insert date and time). To be counted, your ballot must reach _____ (insert name of independent entity conducting vote) by the date and time announced for the meeting.

BY ORDER OF THE BOARD OF DIRECTORS:

Board Presiding Officer
(signature of Board Presiding Officer)

(insert name and title of Board Presiding Officer)

Date

(insert date)