

801.16

December 10, 2001

Hand Delivered
B. Michael Verne
Premerger Notification Office
Federal Trade Commission
6th Street & Pennsylvania Avenue, NW
Room 301
Washington, DC 20580

Dear Mr. Verne:

We would like to thank you and your colleagues at the FTC and the Antitrust Division for your assistance and advice with respect to the applicability of the Hart-Scott-Rodino pre-merger notification provisions to credit union mergers. The purpose of this letter is to state our understanding as to which credit union assets are, and are not, included in determining whether the size-of-transaction pre-merger reporting thresholds have been met.

Based upon our discussions and meetings with you, it is our understanding that, in the case of credit unions, excluded asset types include: cash and investments, mortgages and leases, and certain other assets. More particularly, and utilizing the Statement of Financial Condition section of the September 2001 NCUA 5300 call report (copy attached) as a reference document, it is our understanding that the following asset categories are properly excluded in determining size-of-transaction:

<u>ASSET TYPE</u>	<u>NCUA ACCOUNT CODE</u>
CASH	
1. Cash on Hand (Coin and Currency)	730A (line 1)
2. Cash on Deposit	730B (line 2)
3. Cash Equivalents	730C (line 3)
TOTAL INVESTMENTS	7991 (line 12; includes Lines 4-11)

[Redacted signature block]

MORTGAGES AND LEASES

1. 1st Mortgage Real Estate Loans/Lines of Credit 703 (line 17)
2. Other Real Estate Loans/Lines of Credit 386 (line 18)
3. Leases Receivable 002 (line 19)

In addition to the above excluded assets, we further understand that the real property assets reportable in NCUA Account Code 798 (line 24) and Code 007 (line 25) are also excluded to the extent provided for in 16 CFR Part 802.2 effective as of April 29, 1996.

We would appreciate receiving confirmation from you that our understanding as set forth above is correct. Your guidance in this matter will be very helpful to credit unions in determining accurately their compliance obligations under the Hart-Scott-Rodino Act and the related regulations.

Thank you very much for the assistance you have provided to CUNA and to credit unions throughout the country.

Sincerely,



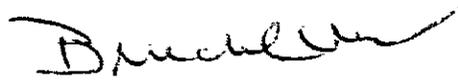
General Counsel

Attachments

cc:


Antitrust Division


THIS AGREES WITH OUR DISCUSSIONS WITH
CUNA REPRESENTATIVES & COUNSEL IN VARIOUS
MEETINGS. N. OVUKA CONCURS.


12/13/01

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STATEMENT OF FINANCIAL CONDITION AS OF SEPTEMBER 30, 2001

Credit Union Name: _____ Federal Charter/Certificate Number: _____

This page must be completed by all credit unions.

ASSETS	Amount	Acct. Code
CASH: For data collection purposes, amounts reported for items 2 and 3 will be included on <i>Schedule C - Investments, Cash on Deposit and Cash Equivalents</i> on page 10.		
1. Cash on Hand (Coin and Currency)		730A
2. Cash on Deposit (Amounts Deposited in Financial Institutions)		730B
3. Cash Equivalents (Investments with Original Maturities of Three Months or Less)		730C

INVESTMENTS: If any investments listed below have a remaining maturity or repricing interval of more than 1 year (exclusive of items 8 and 9), or if your credit union reports amounts for items 4, 5, 6, or 11, complete *Schedule C - Investments, Cash on Deposit and Cash Equivalents* on page 10. If your credit union has investments in, or loans to Credit Union Service Organizations, complete *Schedule D - CUSO Information* on page 11.

4. Trading Securities		965
5. Available for Sale Securities		797E
6. Held-to-Maturity Securities		796E
7. Deposits in Commercial Banks, S&Ls, Savings Banks		744C
8. Membership Capital at Corporate Credit Unions		769A
9. Paid-In Capital at Corporate Credit Unions		769B
10. All Other Investments in Corporate Credit Unions		652C
11. All Other Investments		767
12. TOTAL INVESTMENTS (Sum of items 4-11)		799I

LOANS & LEASES: If your credit union has any real estate loans outstanding or has originated any real estate loans during the reporting period, complete *Schedule A - Real Estate Loans* on page 8. If your credit union has any member business loans outstanding or has originated any member business loans during the reporting period, complete *Schedule B - Member Business Loans* on page 9.

	Interest Rate	Acct. Code	Number of Loans	Acct. Code	Amount	Acct. Code
13. Unsecured Credit Card Loans		521		993		396
14. All Other Unsecured Loans/Lines of Credit		522		994		397
15. New Vehicle Loans		523		958		385
16. Used Vehicle Loans		524		968		370
17. Total 1st Mortgage Real Estate Loans/Lines of Credit		563		959		703
18. Total Other Real Estate Loans/Lines of Credit		562		960		386
19. Leases Receivable		565		954		002
20. Total All Other Loans/Lines of Credit to Members		595		963		698
21. All Other Loans (Purchased or to non-members)		596		964		001
22. TOTAL LOANS & LEASES (Sum of items 13-21)				025A		025B
23. Less: Allowance for Loan & Lease Losses					()	719

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STATEMENT OF FINANCIAL CONDITION AS OF SEPTEMBER 30, 2001

Credit Union Name: _____ Federal Charter/Certificate Number: _____

This page must be completed by all credit unions.

ASSETS - CONTINUED			
OTHER ASSETS:		Amount	Acct. Code
24. Other Real Estate Owned.....			798
25. Land and Building.....			007
26. Other Fixed Assets.....			008
27. NCUA Share Insurance Capitalization Deposit.....			794
28. Other Assets.....			009
29. TOTAL ASSETS (Sum of items 1-3, 12, 22, 23, and 24-28) (Must equal line 17 on page 3) ...			010