

Sheinberg, Samuel I.

From: [REDACTED]
Sent: Wednesday, January 6, 2021 2:58 PM
To: Walsh, Kathryn E.; Sheinberg, Samuel I.; Six, Anne; Whitehead, Nora; Musick, Vesselina
Subject: FW: Credit Union Question

From: Berg, Karen E.
Sent: Wednesday, January 6, 2021 2:58:25 PM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Credit Union Question

Please see responses below

From: [REDACTED]
Sent: Tuesday, January 5, 2021 5:23:47 PM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Subject: Credit Union Question

All,

Happy New Year! And per usual, thank you for your guidance in advance! I have a question regarding a possible credit union merger. I understand that in credit union mergers the PNO views the size of the transaction as the target's total non-exempt assets. The NCUA 5300 Call Report is used to determine which assets are exempt. See [9911005](#).

I also understand that under Section 7A(c)(2), cash and cash equivalents, investments, and mortgage real estate loans/lines of credit are exempt. See [1107014](#). Loans secured by something other than real property are not exempt from the HSR Act's requirements. See [0602012](#) and [1107013](#).

1. Am I correct to assume that the following loans would all be non-exempt—and therefore counted for size of transaction purposes? **Yes**
 1. New Vehicle Loans
 2. Used Vehicle Loans
 3. Other Secured Non-Real Estate Loans/Lines of Credit
 4. Unsecured Credit Card Loans
 5. Other Unsecured Loans/Lines of Credit – including SBA PPP loans
2. Am I also correct that if the target credit union has greater than \$94 million but less than \$376 million in non-exempt assets, and therefore we must look to the size of persons test, that we count all assets for both the acquiring and acquired credit unions. In other words, we cannot merely look to the non-exempt assets? **Yes, each credit union's size of person is calculated separately and should include all of its assets, exempt or nonexempt.**

