



April 13, 2026

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Mergers of Insured Credit Unions Into Other Credit Unions; Voluntary Termination or Conversion of Insured Status (Docket No. NCUA-2026-0265-0001; RIN 3133-AF78)

Dear Ms. Conyers-Ausbrooks:

On behalf of its member credit unions, the Cooperative Credit Union Association, Inc. ("Association") appreciates the opportunity to comment on the National Credit Union Administration (NCUA) Board's proposed rule on Mergers of Insured Credit Unions Into Other Credit Unions; Voluntary Termination or Conversion of Insured Status. This proposed rule is one of three proposals issued as "Round Five" of the NCUA Deregulation Project. The Association is the state trade association representing nearly 160 state and federally-chartered credit unions located in the states of Delaware, Massachusetts, New Hampshire, and Rhode Island, which further serve over 5 million consumer members. The Association developed these comments in consultation with our members.

The Association opposes the proposed rule's elimination of the member-to-member communication process and the posting of member comments in relation to credit union mergers. We urge the Board not to finalize those aspects of the proposal.

We, however, do support the other aspects of the proposed rule concerning the formatting of disclosures on termination of federal share insurance. In addition, we note that the disclosures related to the Massachusetts Credit Union Share Insurance Corporation's (MSIC) excess share insurance, which can have federally-insured state-chartered as well as federal credit unions as members, are set by Massachusetts state law and should not be affected by this federal rulemaking.

Regarding member-to-member communications on proposed credit union mergers, we do not support the proposal to eliminate the member-to-member communications and commenting process. Whether or not a credit union should merge is an existential question, and the members of the credit union to be acquired, as the owners of that credit union, should have the right to share their views with one another concerning the proposed transaction.

As a threshold matter, there is no safety and soundness reason for this change. The Federal Credit Union Act and NCUA Rules already empower the NCUA to waive the

membership vote and this communications process entirely for safety and soundness reasons if a credit union is “in danger of insolvency.”

Significantly, the fact that, as the Board noted, “[i]n 2024, only 34 of the 143 mergers received a comment...” militates in favor of keeping the current member-to-member communication process because it has resulted in a low level of regulatory burden in practice. The lack of comments in relation to most proposed mergers also likely means that the members of the credit unions in question supported those mergers because they did not act to try to stop them.

As the late University of Maryland economist Mancur Olson noted in his labor economics classic *The Logic of Collective Action*, the relatively low level of involvement in organizational governance by members of large voluntary groups, like labor unions and farm cooperatives, is because members of large associational groups receive the benefits of membership (e.g., higher wages, greater job security, better prices on farm inputs, opportunities to collectively market farm goods, etc.) whether or not they participate the organization’s governance activities.¹

The economic incentives for credit union members in relation to commenting on a proposed merger are highly similar: There is no economic incentive for members to comment on a proposed merger unless the benefits of their credit union membership are somehow threatened by it, such as if service to their particular local area or associational group were somehow to be diminished as a result. If services and rates are likely to improve after the merger, however, inaction is logical because there would be no direct economic benefit to the member from taking the time to comment in support of the transaction versus doing nothing.

The low rate of comments received should therefore be interpreted as members approving of most proposed mergers because they chose not to comment despite having the opportunity to do so.

We therefore urge the Board not to finalize the proposal to restrict the member-to-member communications and commenting process.

We do, however, support the Board finalizing the other aspects of the proposal concerning liberalizing the formatting requirements for notices of termination of federal share insurance coverage. While all state-chartered and federal credit unions in Delaware, Massachusetts, New Hampshire, and Rhode Island are legally required to have federal share insurance from NCUA, we do not object to making the formatting requirements about such disclosures less prescriptive.

In addition, we note that all Massachusetts-chartered credit unions must have excess share insurance from the Massachusetts Credit Union Share Insurance Corporation (MSIC), an instrumentality of the Commonwealth, if they accept funds in excess of the NCUA-insured amount. See M.G.L. Ch. 171, § 30. Federal credit unions can also be

¹ See Mancur Olson, Jr., *The Logic of Collective Action: Public Goods and the Theory of Groups*, Ch. 1 (1971).

members of MSIC to have excess share insurance coverage from MSIC. Massachusetts state law sets forth the notification process for terminating this MSIC share insurance coverage and should not be affected by this rulemaking. *See, e.g.*, Mass. Acts of 1961, Ch. 294, § 6D (as amended).

Thank you for the opportunity to comment on the NCUA Board's proposed rule on Mergers of Insured Credit Unions Into Other Credit Unions; Voluntary Termination or Conversion of Insured Status. If you have any questions or desire further information, please do not hesitate to contact the Association at (508) 481-6755 or govaff-reg@ccua.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald McLean". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.
rmclean@ccua.org