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December 10, 2001

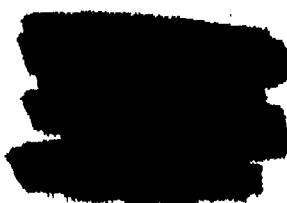
Hand Delivered
B. Michael Verne
Premerger Notification Office
Federal Trade Commission
6th Street & Pennsylvania Avenue, NW
Room 301
Washington, DC 20580

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)



Page 2

MORTGAGES AND LEASES

- 1. 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,

[Redacted signature block]

General Counsel

Attachments

cc:

[Redacted cc list]

THIS AGREES WITH OUR DISCUSSIONS WITH CUNA REPRESENTATIVES & COUNCIL IN VARIOUS MEETINGS. N. OVIRA CONSENS.

[Handwritten signature]

12/13/01

RETURN THIS COPY
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	Acc. Code
CASH: For data collection purposes, amounts reported for items 2 and 3 will be included on Schedule C - Investments, Cash on Deposit and Cash Equivalents 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, 8, 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		955
5. Available for Sale Securities		787E
6. Held-to-Maturity Securities		786E
7. Deposits in Commercial Banks, S&Ls, Savings Banks		744C
8. Membership Capital at Corporate Credit Unions		768A
9. Paid-in Capital at Corporate Credit Unions		769B
10. All Other Investments in Corporate Credit Unions		852C
11. All Other Investments		787
12. TOTAL INVESTMENTS (Sum of Items 4-11)		789I

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	Acc. Code	Number of Loans	Acc. Code	Amount	Acc. Code
13. Unsecured Credit Card Loans		521		893		386
14. All Other Unsecured Loans/Lines of Credit		522		894		387
15. New Vehicle Loans		523		958		385
16. Used Vehicle Loans		524		958		370
17. Total 1st Mortgage Real Estate Loans/Lines of Credit		583		959		703
18. Total Other Real Estate Loans/Lines of Credit		862		950		388
19. Leases Receivable		585		954		092
20. Total All Other Loans/Lines of Credit to Members		595		863		688
21. All Other Loans (Purchased or to non-members)		595		884		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	Accr. Code
24. Other Real Estate Owned.....			788
25. Land and Building.....			007
26. Other Fixed Assets.....			008
27. NCUA Share Insurance Capitalization Deposit.....			784
28. Other Assets.....			000
29. TOTAL ASSETS (Sum of items 1-3, 12, 22, 23, and 24-28) (Must equal line 17 on page 3).....			010