



ADMINISTRATIVE RULES OF MONTANA



2.59.2018 MERGER APPLICATION PROCEDURES

- (1) An application to merge one or more mutual associations located in Montana pursuant to 32-2-827, MCA, must be on the form in ARM 2.59.2017.
- (2) The application to merge must be filed with the department.
- (3) The election and acknowledgment information satisfies these standards if it conforms to the following requirements:
 - (a) if the sale of a contract occurs by telephone, the customer's affirmative election to purchase may be made orally, provided that the mutual association:
 - (i) maintains sufficient documentation to show that the customer received the short-form disclosures substantially similar to ARM 2.59.2047(1) and then affirmatively elected to purchase the contract;
 - (ii) mails to the customer the affirmative written election and written acknowledgment together with a long-form disclosure substantially similar to ARM 2.59.2047(2), within three business days after the telephone solicitation, and maintains sufficient documentation to show it made reasonable efforts to obtain the documents from the customer; and
 - (iii) permits the customer to cancel the purchase of the contract without penalty within 30 days after the mutual association has mailed the long-form disclosures to the customer;
 - (b) if the contract is solicited through written materials such as mail inserts or "take one" applications and a mutual association provides only the short-form disclosures in the written materials, then the mutual association shall mail the acknowledgment of receipt of disclosures, together with a long-form disclosure as provided under ARM 2.59.2047(2), to the customer within three business days, beginning on the first business day after the customer contacts the mutual association or otherwise responds to the solicitation. A mutual association may not obligate the customer to pay for the contract until after the mutual association has received the customer's written acknowledgment of receipt of disclosures unless the mutual association:
 - (i) maintains sufficient documentation to show that the mutual association provided the acknowledgment of receipt of disclosures to the customer;
 - (ii) maintains sufficient documentation to show that the mutual association made reasonable efforts to obtain from the customer a written acknowledgment of receipt of the long-form disclosures; and

- (iii) permits the customer to cancel the purchase of the contract without penalty within 30 days after the mutual association has mailed the long-form disclosures to the customer.
- (4) An applicant for approval of a merger transaction shall publish notice of the proposed transaction on at least three occasions at approximately equal intervals in a newspaper of general circulation in the community or communities where the main offices of the merging institutions are located; or, if there is no such newspaper in the community, then in the newspaper of general circulation published nearest to the community.
 - (a) The first publication of the notice must be as close as practicable to the date on which the application is filed with the department, but no more than five days before the filing date.
 - (b) The last publication of the notice must be on the 25th day after the first publication; or, if the newspaper does not publish on the 25th day, on the publication date closest to the 25th day.
- (5) The text of the public notice must include the following information:
 - (a) that an application for merger has been made to the Montana Commissioner of Banking and Financial Institutions;
 - (b) the name and address of all the parties to the merger;
 - (c) the identity of the surviving institution;
 - (d) that the public may submit comments to the Commissioner, Montana Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546;
 - (e) the closing date of the public comment period; and
 - (f) that the nonconfidential portions of the application are on file with the department and are available for public inspection during regular business hours.
- (6) The comment period must be 30 days.
- (7) The notice may be combined with any notice of an applicable state or federal regulator and published jointly.
- (8) Where public notice is required, the department may determine on a case-by-case basis that unusual circumstances surrounding a particular filing warrant modification of the publication requirements.
- (9) The applicant(s) shall provide the affidavit(s) of publication to the department after it is received.

Authorizing statute(s): 32-2-704, MCA

Implementing statute(s): 32-2-827, MCA

History: NEW, 2022 MAR p. 230, Eff. 2/12/22.