Procedures to Obtain FCA Approval of Mergers of Associations

If a proposed merger or consolidation will involve three or more associations, the FCA may require the supplementation or allow the condensation or waiver of any information required under 12 CFR 611.1122(j). Any waiver on this or any other regulation must be obtained prior to filing the merger application.

Preliminary Approval

1. Following approval of the proposal by the affiliated bank, the constituent (merging or consolidating) associations should send six complete copies of the proposal (one original and five copies) including all disclosure and nondisclosure items, together with a cover letter signed by the constituent associations or the constituent associations' merger or consolidation coordinator requesting FCA approval to:

   The Farm Credit Administration
   Secretary to the Board
   1501 Farm Credit Drive
   McLean, VA 22102-5090

2. Upon receipt of the proposal in FCA an acknowledgment letter will be sent to the constituent associations submitting the request. After all required materials have been received, the FCA will also send a letter to the chief executive officer(s) setting the start and end dates of the 60-day statutory review period. No assumption is to be made regarding the FCA's approval of the proposal until the expiration of 60 calendar days from the date of receipt in the FCA of a complete package of materials as defined herein. A complete package comprises all items identified in the Documentation Checklist unless the item requested is not applicable to the proposal. All nonapplicable items must be explained under Explanatory Notes in Section B at the end of the Information Checklist.

3. Notification of the FCA's action will be sent to the chairman of the board of directors of each constituent (merging or consolidating) association. Each board chairman can expect to receive written approval or disapproval of the merger or consolidation plan by the date specified in the letter establishing the 60-day statutory review period. On notification that the FCA has preliminarily approved the merger or consolidation, the constituent associations may submit the plan and the disclosure to their stockholders for a vote.

4. Any disapproval of a proposal by the FCA Board will be sent in writing to the chairman of the board of directors of each constituent association. The disapproval will state the reasons the proposal was rejected by the FCA. Any proposal rejected by the FCA can be resubmitted for FCA approval provided reasons for disapproval have been remedied.

Procedures to Obtain FCA Approval of Mergers of Associations

Final Approval

Following approval by the constituent associations' stockholders, one set of the following documents must be submitted to the FCA to obtain final approval and the necessary charter amendments or a new charter:

1. An Agreement of Merger (or Agreement of Consolidation) with the inked signatures of those persons authorized to sign such agreement.

2. A certified copy of the stockholders' resolution on the Agreement of Merger and a certified statement from the secretary of each constituent association that a quorum was present at a duly authorized stockholders' meeting and that the merger was approved. The certification must specify the quorum requirement for each constituent association, a tally of the results of the vote, and the number of voting stockholders who were eligible to vote as of the record date.

3. The original charters of the constituent associations being merged or consolidated (including the charters of subsidiary associations).

4. Two sets of the Articles of Incorporation (ACA, PCA) or Articles of Association (FLCA) with inked signatures for the resulting association if the action will result in issuance of a new charter (i.e., a consolidation of like associations or merger of unlike associations).

5. Two copies of the printed stockholder disclosure package as mailed by each constituent association to its stockholders (including the notice to stockholders, proxy instructions, proxy authorization, proxy ballot, and ballot for casting a vote at the stockholders' meeting).

6. A copy of the dated notification of the voting results as mailed by each constituent association to its stockholders.

7. A cover letter from the constituent associations' CEOs requesting final approval with a final recommendation on the effective date of the merger. The effective date of a merger or consolidation may not be less than 35 days after the date of mailing of the notification to stockholders of the results of the stockholder vote or 15 days after the date of submission to the FCA of all required documents for the Agency's consideration of final approval, whichever occurs later. During the 35-day period following the mailing of the notice to stockholders, a petition for reconsideration can be filed by voting stockholders as specified in section 7.9 of the Farm Credit Act of 1971, as amended.

   If no valid petition for reconsideration is received by the FCA within the 35 days following mailing of the notification to stockholders of the results of the vote, the effective date will be that recommended by the constituent associations or as determined by the FCA.

   If a valid petition for reconsideration is filed with FCA within 35 days after mailing of the notification to stockholders of the results of the stockholder vote, the constituent associations must agree on a second effective date to be used in the event the merger or consolidation is approved on reconsideration. The second effective date may not be less than 60 days after stockholder notification of the results of the first vote, or 15 days after the date of the reconsideration vote, whichever occurs later.

8. Any other documents that may be required by the FCA in its preliminary approval letter, such as evidence of satisfaction of any other conditions or requirements for final approval as stated in the preliminary approval letter.

   The FCA's final approval letter will be mailed once the FCA determines the final effective date. All charters or charter amendments will follow after executed by the FCA Board Chairman.

Request for Approval of Mergers of Associations

General Information

Associations requesting to merge or consolidate must jointly submit the required information, in accordance with 12 CFR 611.1122(a) and (b). While information in Tabs 1 to 4 should be association specific, all other required disclosure information should be identical for each constituent association. However, any differences between the merging associations should be disclosed to stockholders in accordance with the applicable regulation.

1. Use of the Form

In the space provided on the documentation checklist, use an "X" to indicate that the material is included under the tab shown. In the space provided on the information checklist, indicate the page number or other index number in which the information is presented within the tab. Use "N/A" for any nonapplicable items and give a short statement at the end of the information checklist explaining why the item is not applicable.

See information checklist for detailed instructions for each item in the documentation checklist.

2. Terminology

a. ACA parent-subsidiary structure – refers to an ACA with two wholly owned subsidiaries—a PCA and an FLCA that operate with a common board of directors and staff with each entity responsible for the debts of the others. For most regulatory purposes, FCA views the ACA and its subsidiaries as a single entity.

b. Acquirer – as defined by GAAP, in a business combination, merger, consolidation, etc., refers to the association that obtains control of the acquiree or is the primary beneficiary of a variable interest entity.

c. Acquiree – in a business combination, merger, consolidation, etc., the association that the acquirer obtains control of.

d. Acquisition method of accounting – GAAP requires that each business combination be accounted for by applying the acquisition method of accounting. The acquisition method requires:

- Identification of the acquirer.
- Determination of the acquisition date.
- Recognition and measurement of identifiable assets acquired and liabilities assumed.
- Recognition and measurement of goodwill or a gain from a bargain purchase.

e. Act – refers to the Farm Credit Act of 1971, as amended.

f. Agreement of Merger – written agreement between the merging associations governing the terms and conditions of the merger transaction. If a consolidation, the agreement should be referenced as the “Agreement of Consolidation.”

g. Bargain purchase – a business combination in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred and requires the acquirer to recognize that excess in earnings as a gain attributable to the acquirer.

h. Business combination – merger or a consolidation of associations or other event in which an acquirer obtains control of one or more businesses.

i. Conditions of Approval – the conditions imposed by FCA that allow FCA to view the ACA parent and its subsidiaries as a single association for most regulatory purposes or any other conditions that the FCA may impose.

j. Constituent associations (or merging or consolidating associations) – refers to each association party to a merger or consolidation request.

k. Continuing association – refers to the association whose charter continues as a result of the merger.

l. Control – in a business combination, merger, or consolidation, has the meaning of *controlling financial interest* as defined by GAAP and applicable guidance.

m. Fair value – in a business combination the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

n. Farm Credit Bank (FCB) or Agricultural Credit Bank (ACB) – refers to the Farm Credit System bank with which the constituent associations are currently affiliated.

o. Goodwill – an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized.

p. Merger – refers to either a merger or a consolidation of associations unless otherwise specified.

q. Resulting association – refers to the new association resulting from a consolidation of like or unlike associations.

r. 12 CFR (e.g., 12 CFR 611.1122) – is a citation of FCA regulations for mergers of associations contained in Title 12, Chapter VI, of the Code of Federal Regulations (CFR).

s. Subsidiary(ies) – refers to either a PCA subsidiary or an FLCA subsidiary (or both) of an ACA that owns 100 percent of the subsidiary(ies).

3. Rules for Presentation

a. The documents submitted to the FCA must be organized in the same order as listed on the documentation checklist. The merging associations have flexibility to present the documents to stockholders in the order they choose unless otherwise required by regulation.

b. Information furnished must be presented with an appropriate heading to identify the subject matter(s) it relates to.

4. Submission of Checklists – Each request to the FCA for preliminary approval of a merger must be accompanied by the transmittal sheet, documentation checklist, and the information checklist.

5. FCA Approval Process – Preliminary approval of the request will be considered if the constituent associations satisfy the following minimum requirements:

a. The submission includes those documents listed in the documentation checklist and furnishes all information specified in the information checklist in accordance with instructions;

b. Disclosures to stockholders are adequate, i.e., no misrepresentation of facts and no statements that would mislead stockholders;

c. The merger proposal described in the agreement contains no provisions that would result in unsafe or unsound operations;

d. The financial forecast of the continuing or resulting association (submitted under Tab 21 for FCA's use only) demonstrates that the institution is capable of generating a positive income flow sufficient to maintain its capital at a level that is determined adequate based on statutory and regulatory requirements, as well as the board's capital targets; and

e. The effectiveness and competency of board and management have been demonstrated based on compliance with FCA's governance regulations and as determined by the FCA through its examination, monitoring, and oversight processes.

6. Update to Financial Statements – If the constituent associations wish to include their most recent quarterly financial statements in the disclosure to stockholders after receiving the FCA's preliminary approval of the merger proposal and related disclosure materials, the updated statements and all related disclosure material must be submitted to the FCA for clearance before the disclosure document can be issued.

7. Director and Employee Representations – Pursuant to 12 CFR 611.1122(h), no director, officer, or employee of a bank or an association shall make an oral or written representation to any person that a preliminary or final approval by the FCA of an association merger constitutes, directly or indirectly, either a recommendation on the merits of the transaction or an assurance concerning the adequacy or accuracy of any information provided to any association's stockholders in connection therewith.

Request for FCA Approval of Association Mergers
Transmittal Sheet

Bank Affiliation _____

Coordinator's Name and Address: _____
_____
_____

Coordinator's E-Mail Address _____
Coordinator's Telephone No. _____
Coordinator's Fax No. _____

Coordinator's Name, Telephone No. and E-Mail Address for Financial Forecasts (if a different person)

_____
Name

_____ _____
Telephone Number E-Mail Address

Information on Constituent Associations:

Association Name: _____
CEO Name: _____
Mailing Address: _____
_____
City, State, Zip: _____
E-Mail Address: _____
Telephone Number: _____
Fax Number: _____

Board Chairman Name: _____
Mailing Address (if home address preferred):
_____
City, State, Zip: _____

Association Name: _____
CEO Name: _____
Mailing Address: _____
_____
City, State, Zip: _____
E-Mail Address _____
Telephone Number _____
Fax Number _____

Board Chairman Name: _____
Mailing Address (if home address preferred):
_____
City, State, Zip: _____

Request for FCA Approval of Association Mergers
Transmittal Sheet

Proposed legal name of continuing or resulting association and its subsidiaries:

_____
Designated Headquarters location (City/County/State):

_____
Name of CEO of continuing or resulting association:

_____

Date of approval of merger by affiliated bank: _____

Date of request to FCA for preliminary approval: _____

Proposed dates of stockholders' meetings: _____

Proposed effective date of merger: _____

Does the proposed territory of the continuing or resulting association include any new territory of an association that is not a party to the merger, but has the authority to offer the same types of credit and related services?
Yes _____ No _____

If yes, have the affected associations been notified of the proposed merger?
Yes _____ No _____
If yes, provide a copy of notification provided under TAB 24.

If notification has been provided, identify affected associations and counties involved:
_____
_____
_____

Include a map showing the resulting territory and overchartered areas under Tab 7, item 24, exhibit 2.

Do any of the constituent associations have any other requests pending action by the FCA Board as of the date this application was submitted?
Yes: _____ No: _____
If yes, please specify nature of request and date it was submitted to FCA: _____
_____

Identify the number of voting stockholders in each constituent association as of the date of the most recent interim financial statements included with the application. These numbers should agree with information provided in each constituent association's most recent Call Report – Schedule RC-K.

	Assn. A	Assn. B	Assn. C
Number of voting stockholders:	_____	_____	_____

Request for Preliminary Approval of Association Mergers
Documentation Checklist

_____
Name of Continuing or Resulting Association

_____
Use "X" or N/A

Section A – Disclosure to Stockholders

_____ 1. Notice of stockholders' meetings and the FCA disclaimer statement
_____ 2. Proxy instructions, proxy authorization, and ballot
_____ 3. Boards of directors' statements
_____ 4. Statement of advantages and disadvantages of merger
_____ 5. Summary of tax matters
_____ 6. Summary of provisions of the agreement of merger
_____ 7. Agreement of merger and exhibits
_____ a. Exhibit 1 – Bylaws—resulting ACA and, as applicable, its subsidiaries
b. Exhibit 2 – Charter/Map of territory
c. Exhibit 3 – Articles of Incorporation for any new ACA or PCA and Articles of Association for any new FLCA
d. Exhibit 4 – Stock and surplus account balances
_____ 8. Summary of charter and bylaw changes
_____ 9. Interest rates of merging associations
_____ 10. Summary of the general financing agreement
_____ 11. Proposed policies of the continuing or resulting association
_____ 12. Accounting policy for high-risk loans and loan-related assets
_____ 13. Annual reports of constituent associations
_____ 14. Interim financial statements of constituent associations
_____ 15. Pro forma financial statements of continuing or resulting association
_____ 16. Relationship with qualified public accountant
_____ 17. Other significant matters

Section B – Additional Documents for FCA Use

_____ 18. Certified resolutions from boards of directors
_____ 19. Approval of affiliated FCB or ACB, with supporting analysis
_____ 20. Credit quality statistics and loan-related assets
_____ 21. Three-year financial forecast for FCA's use only
_____ 22. Administrative or supervisory actions
_____ 23. Any requested waivers of applicable regulations
_____ 24. Additional information or documents, including acquirer letter on the accounting treatment
_____ 25. CEO certification as to the truth and accuracy of documents submitted
_____ 26. Consent of qualified public accountant

_____ 27. Checklists—completed documentation checklist and information checklist.

Request for FCA Approval of Association Mergers
Information Checklist

_____
(Name of Continuing or Resulting Association)

SECTION A – DISCLOSURE TO STOCKHOLDERS

_____
Page Number, other index number, or NA

TAB 1. NOTICE OF STOCKHOLDERS' MEETINGS AND FCA DISCLAIMER STATEMENT – Each constituent association is required by 12 CFR 611.1122(e) and 611.1122(i) to furnish a notice of meeting to its respective stockholders. The notice must:

_____ 1. Give the date, time, and place of the stockholders' meeting.

_____ 2. State the board resolution or board-approved action that is to be considered and voted on by stockholders, including stockholder approval of the capitalization bylaws as a part of the merger plan or as a separate event to be considered and voted on by stockholders.

_____ 3. Identify the requirements for stockholder approval, pursuant to 12 CFR 611.1122(d).

_____ 4. List attached documents and any supplemental disclosure material that is not enclosed but is available upon request. The notice must provide instructions on how to obtain these supplemental materials, including the address, telephone number, and name or title of the employee or officer whom stockholders should contact for the information. If a waiver is requested under 12 CFR 611.1122(j), include a statement that the individual financial statements of the other associations are available upon request.

_____ 5. Refer to the proxy, proxy authorization, and instructions included in the material and list the deadline for receipt of the proxy authorization and ballot at the constituent association's headquarters address, or the address of the independent third party tabulating the voting results.

_____ 6. Include a disclaimer required by 12 CFR 611.1122(e)(1) in capital letters and bold face type at the bottom of the notice of meeting or on the first page of the disclosure material.

_____ 7. Provide instructions to stockholders not eligible to vote, including preferred stockholders, on how to obtain disclosure materials. These nonvoting stockholders should receive notice of the meeting. However, participation certificate holders with active loans are to receive all material provided to voting stockholders.

TAB 2. PROXY INSTRUCTIONS, PROXY AUTHORIZATION, AND BALLOT – Voting stockholders shall be permitted to vote in person or by proxy. Pursuant to the requirements of 12 CFR 611.1122(e)(21) for voting by proxy, the proxy instructions must:

_____ 1. Allow the stockholder to designate someone other than the named director(s) to serve as proxy provided that the person designated must be a voting stockholder of that association and must attend the meeting in order to cast the proxy ballot.

_____ 2. Indicate that a stockholder may revoke the proxy and the authority represented therein at any time prior to balloting at the stockholders' meeting by attending the meeting and voting in person.

_____ 3. Separate the proxy ballot from the proxy authorization to ensure the stockholder's right to a secret ballot (section 4.20 of the Act).

_____ 4. Eliminate any requirement for signature on the ballot for voting at the meeting to ensure the stockholder's right to a secret ballot.

TAB 3. BOARD OF DIRECTORS' STATEMENT(s) – Furnish a joint statement by the boards of directors of the merging associations or a separate statement by each board of directors, as required by 12 CFR 611.1122(e)(4), that sets forth:

_____ 1. The basis for its recommendation that stockholders approve the proposed merger; and

_____ 2. The objectives of the merger and goals of the continuing or resulting association.

TAB 4. STATEMENT OF ADVANTAGES AND DISADVANTAGES OF THE MERGER – Present a balanced view of the following to stockholders, and provide justification for all statements that project future financial results, such as changes in operating costs, stock retirements, fee income, interest rates, or earnings:

_____ 1. The advantages of the merger.

_____ 2. The disadvantages of the merger.

For example, changes in any of the following could be an advantage or a disadvantage: board representation and territory size, responsiveness to customer needs, organizational efficiencies, branch office locations, funding, interest rates, loan pricing policy, stock requirements, capital adequacy position, portfolio risk diversification (or concentration), integration of management, operating and information systems, staffing reductions, managerial capabilities, tax considerations, etc.

TAB 5. SUMMARY OF TAX MATTERS – Furnish the following information to stockholders and indicate whether or not a legal opinion or ruling on the tax effects of the proposed merger is to be obtained:

_____ 1. A statement with respect to possible federal income tax consequences of the merger to the constituent associations and the continuing or resulting association;

_____ 2. A discussion of any change in the tax status of the continuing or resulting association or its subsidiaries from those of the constituent associations as a result of the proposed transaction, pursuant to 12 CFR 611.1122(e)(14); and

_____ 3. A statement of any adverse tax consequences to the stockholders of the constituent associations as a result of the change in tax status, pursuant to 12 CFR 611.1122(e)(14).

Reference should be made to the pertinent sections of the Agreement of Merger if a legal opinion or ruling on tax effects of the merger is obtained (see Tab 7.19).

TAB 6: SUMMARY OF PROVISIONS OF THE AGREEMENT OF MERGER – Summarize the significant provisions of the merger agreement detailed under Tab 7 as required by 12 CFR 611.1122(e)(2) and, at a minimum, include the following:

_____ 1. The immediate effect on the merged association on the effective date of the action, for example, cancellation of charter and ceasing of the identity of an individual association and its subsidiaries.

_____ 2. Location of headquarters and branch offices.

_____ 3. Provisions of the capital adequacy plan for the continuing or resulting association.

_____ 4. Board composition and size upon merger, including number of outside directors and any other appointed directors.

_____ 5. Accounting basis (acquisition method) for the merger; identification of the acquirer and acquiree.

_____ 6. Bases on which the merger agreement can be terminated.

_____ 7. The Conditions of Approval imposed by FCA on the ACA parent-subsidiary structure.

_____ 8. Reconsideration of the merger – stockholders' reconsideration rights, pursuant to 12 CFR 611.1122(k) and 611.1123(c).

_____ 9. Personnel matters – effect on employees, including senior officers; any plan or agreement relating to employment or termination of employment and/or any changes to employee benefits plan.

_____ 10. Other changes that will accompany the merger – change in territory to be served, any changes to the capitalization requirement, the combining and/or possible reduction of staff, other operating functions, or accounting systems, changes in management, and combining and/or possible reduction in size of board of directors for continuing or resulting association, change in the tax status, etc.

TAB 7. AGREEMENT OF MERGER – Pursuant to 12 CFR 611.1122(a)(4) and 611.1123(a), furnish information on the following and clearly label the information presented in the agreement:

_____ 1. PREAMBLE – List the names and addresses of the associations that are party to the merger agreement, summarize the conditions leading to the merger agreement, and state that the boards of directors of the merging associations and the affiliated bank have approved the agreement, and that the Farm Credit Administration (FCA) has preliminarily approved the merger.

_____ 2. PROPOSED EFFECTIVE DATE – State the proposed effective date of the merger required by 12 CFR 611.1123(a)(1). [Note: under 12 CFR 611.1122(k), the effective date of a merger may not be less than 35 days after the date of mailing of the notification to stockholders of the results of the stockholder vote or 15 days after the date of submission to the FCA of all required documents for its consideration of final approval, whichever occurs later.]

_____ 3. NAME AND HEADQUARTERS LOCATION – State the name and headquarters of the continuing or resulting association, pursuant to 12 CFR 611.1123(a)(2).

_____ 4. DESCRIPTION OF TERRITORY – Identify the territory to be served by the continuing or resulting association.

_____ 5. EXCHANGE OF STOCK – Furnish a statement as required by 12 CFR 611.1123(a)(4) as to the outstanding shares of capital stock and participation certificates of each constituent association as of the date of the most recent interim financial statements and the formula to be used to exchange stock of the constituent associations for stock of the continuing or resulting association. State the book value of each constituent association's stock as of the date of the most recent interim financial statements and the value of the continuing or resulting association's stock as if the merger had occurred as of that date. If there is a significant change (+/-5 percent) in the amount of stock to be exchanged between the date of the most recent interim statements and the previous month-end prior to the date of submission to the FCA, use the data from the previous month-end time period.

_____ 6. EQUITY ACCOUNTS – Describe the effects of the transaction on the equity accounts of the constituent associations and the continuing or resulting association, including the allocated and/or unallocated surplus accounts.

_____ 7. ACCOUNTING FOR THE MERGER – State that the merger will be accounted for using the acquisition method of accounting for business combinations in accordance with GAAP and describe the effects of the accounting treatment.

_____ 8. RESTRICTION ON PAYMENT OF DIVIDENDS – Include a statement that no dividends are to be paid on the stock or participation certificates of the constituent associations from the time of execution of the merger agreement by such parties until the effective date of the merger.

_____ 9. EXPENSES OF THE MERGER – Describe how the expenses connected with the merger are to be borne by the constituent associations or by the continuing or resulting association following the effective date of the merger.

_____ 10. CAPITAL ADEQUACY PLAN – Include a capital adequacy plan for the continuing or resulting association that meets the requirements of 12 CFR 611.1123(a)(9) and 615.5200(b). The plan must be supported by capitalization bylaws which can take effect only upon approval of the majority of stockholders of each constituent association voting in person or by proxy at a duly authorized stockholders' meeting at which a quorum is present. The merger agreement should specify that the stockholders of the constituent associations must also approve any subsequent changes to the parent ACA's capitalization bylaws and the subsidiary associations' capitalization bylaws.

_____ 11. NOMINATING COMMITTEE – Include a provision for the initial nominating committee of the continuing or resulting association and the names of those stockholders comprising it. The nominating committee must be composed of at least three voting stockholders in accordance with 12 CFR 611.325(a) and may not include employees, directors, officers, agents or candidates for director positions.

_____ 12. INITIAL BOARD OF DIRECTORS – Furnish information on the initial board of directors required by 12 CFR 611.1123(a)(3), including the outside director(s). Any director of a constituent association may be designated in the agreement to serve as a director of the continuing or resulting association for a period not to exceed his or her current term, after which he or she must stand for reelection. The terms of the agreement must provide for the election of at least one stockholder-elected director at each annual meeting subsequent to the effective date of the merger. The bylaws of the continuing or resulting association must reflect the agreement regarding directors' terms. The initial board must have a board-designated financial expert. Stockholder-elected directors must comprise at least 60 percent of the initial board.

_____ 13. PERMANENT BOARD OF DIRECTORS – Describe a plan that meets the requirements of 12 CFR 611.1123(a)(3) for director elections of the permanent board of the continuing or resulting association. The plan should include the method to be used to achieve staggered terms and the board's election of the outside director(s), pursuant to sections 2.1 and 2.11 of the Act and 12 CFR 611.220. The agreement regarding directors' terms must be supported by the bylaws. The permanent board must have a board-designated financial expert. Stockholder-elected directors must comprise at least 60 percent of the permanent board.

_____ 14. ADOPTION OF BYLAWS – Include a statement that the initial board of directors of the resulting association must adopt the bylaws as amended at the initial board's first organizational meeting.

_____ 15. CONDITIONS TO BE MET PRIOR TO EFFECTIVE DATE – Include a statement containing information required by 12 CFR 611.1123(a)(5) and that the merger may become effective on a date determined by the FCA.

_____ 16. RECONSIDERATION BY STOCKHOLDERS – Pursuant to 12 CFR 611.1123(c) and 611.1122(k), furnish the following information to stockholders:

a) Stockholders have the right to reconsider the merger if a petition signed by 15 percent of the voting stockholders of one or more of the affected associations is filed with FCA within 35 days of the date of mailing of the notification of the stockholder vote;

b) After the FCA reviews the petition and determines it complies with the applicable requirements, a special stockholders' meeting must then be called by each constituent association to reconsider and, if the majority of the voting stockholders of any one of the affected associations votes against the merger, the merger shall not take effect; and

c) The effective date of the merger is automatically postponed to a date not less than 15 days after the date of the reconsideration vote.

_____ 17. REPRESENTATIONS OR WARRANTIES – Furnish a statement to include the information required by 12 CFR 611.1123(a)(6).

_____ 18. OFFICERS AND EMPLOYEES – Describe any plan or agreement relating to employment or termination of employment of any of the constituent associations' employees, and provisions regarding the employee benefits plan required by 12 CFR 611.1122(e)(5) and 611.1123(a)(10).

_____ 19. LEGAL OPINIONS OR RULINGS – Furnish a description of any legal opinions or rulings, including those related to tax matters, if any, that have been obtained or furnished by any party in connection with the proposed merger or merger transactions as required by 12 CFR 611.1123(a)(8). If such opinions or rulings are conditions precedent to the merger, so state. Also see Tab 5 for disclosure of tax matters.

_____ 20. AUTHORITY TO CARRY OUT TERMS OF THE AGREEMENT AND EXECUTE DOCUMENTS – Furnish a statement as required by 12 CFR 611.1123(a)(11).

_____ 21. TERMINATION OF MERGER AGREEMENT BY AN ASSOCIATION BOARD – Furnish a statement that meets the requirements of 12 CFR 611.1123 (a)(7)(i) through (iv).

_____ 22. EXECUTION OF AGREEMENT AND SIGNATURES – Furnish a concluding section on the execution of the agreement, with signature blocks for board chairmen and those officers authorized to sign the agreement, signature blocks for attesting officials, and space for date of execution and the corporate seals of the merging associations.

_____ 23. AMENDMENT PROVISION – Furnish a statement on how constituent associations will approve changes or modifications to the merger agreement.

24. EXHIBITS – The following must be included in exhibits as part of the agreement.

_____ 1. New/amended bylaws for the resulting association, meeting the requirements of 12 CFR 611.1123(a)(3), 611.1123(b), and 615.5230. If the capitalization bylaws of the subsidiary associations are being amended or if any other material change is being made to the bylaws of either subsidiary, the bylaws of the subsidiary associations must also be included as exhibits.

a. The bylaws must include the capitalization bylaws that meet the requirements of section 4.3A(b) of the Act and 12 CFR 615.5220. The amendments provision of the bylaws must ensure that any amendment to the capitalization bylaws to remove the right of stockholders to cumulate their votes in the election of directors will require approval by the voting stockholders of the association in accordance with 12 CFR 615.5230 (a)(1)(iii). The amendments provision must also ensure that any changes to the capitalization bylaws other than technical amendments not affecting substantive rights of stockholders must not become effective unless approved by the voting stockholders voting in person or by proxy at a duly authorized stockholders' meeting. The capitalization bylaws must also provide that each issuance of preferred stock as defined in 12 CFR 615.5230(b)(1) be approved by the majority of the shares voting of each class of equities adversely affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

_____ b. Associations have the discretion to include the provisions of section 4.3A of the Act in their capitalization bylaws. The following is a summary of the provisions. If included in the capitalization bylaws, the provisions, however stated, must be consistent with section 4.3A of the Act.

The Farm Credit Reform Act of 1996 amended section 4.3A of the Farm Credit Act (Act) so that, as a general rule, borrowers are no longer required to purchase voting stock or participation certificates from Farm Credit System (System) institutions for loans that are designated for sale to a secondary market. Section 4.3A(f) of the Act authorizes System institutions to provide, in their capitalization bylaws, that loans made on or after February 10, 1996, that are designed for sale into a secondary market do not require the borrower to purchase voting stock or participation certificates. However, an exception to this provision states that if a loan is not sold into a secondary market during the 180-day period that begins on the date of its designation for sale, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision (as summarized here) shall be effective. The exception also states that if such a loan is sold into a secondary market after the end of the 180-day period, all outstanding voting stock or participation certificates held by the borrowers with respect to the loan shall be retired as long as the System institution is meeting its minimum regulatory capital adequacy requirements. For loans made before February 10, 1996, that are designated for sale into a

secondary market, the outstanding stock or participation certificates held by the borrower shall be retired, as long as the System institution is meeting its minimum regulatory capital adequacy requirements.

_____ c. The bylaws must ensure that the affiliated FCB or ACB has no approval authority in the corporate governance of the resulting association other than that mandated by law.

_____ d. The bylaws must also state that the association must not indemnify nor purchase or maintain insurance to indemnify any person against expenses, penalties, or other payments incurred as a result of an administrative proceeding or action instituted by the FCA which results in a final order assessing civil money penalties personally against such individual or individuals or requiring affirmative action by such individual or individuals to make payments to the association.

_____ e. The bylaws should state whether a director may serve or is prohibited from serving simultaneously, other than as a director of the subsidiary associations, as (1) a director of another System institution, or (2) a director, officer, or employee of another financial institution which is authorized to make the same types of loans that may be obtained through the resulting association. The board of directors cannot determine on a case-by-case basis whether a director can serve simultaneously.

_____ f. The bylaws must also ensure that an outside director will be automatically removed if he/she becomes a director, officer, employee, agent, or stockholder of a System institution (with the exception of being an outside director of the association's subsidiaries). Also, the outside director must have the same term of office as stockholder-elected directors. An outside director may also be removed by a two-thirds majority vote of the full board of directors if the bylaws permit it. The outside director subject to the removal cannot vote in his/her own removal action.

_____ 2. The charter for a new association (if the request is for a merger of unlike associations or a consolidation of like or unlike associations) or amendment to charter for a continuing association, pursuant to 12 CFR 611.1122(a)(1). The exhibit should also include the new charters or amended charters of the continuing or resulting association's subsidiaries. Also include a map of the continuing or resulting association's proposed territory.

_____ 3. Two signed copies of any new association's Articles of Incorporation/ Association, pursuant to 12 CFR 611.1122(a)(5).

_____ 4. A schedule that identifies, in separate categories, the amounts of at-risk and protected stock and participation certificates, preferred stock, allocated surplus, and unallocated surplus of each constituent association as of the date used for the most recent interim financial statements under Tab 14.

TAB 8. SUMMARY OF THE CHARTER AND BYLAW CHANGES – Furnish the following and any other pertinent information to meet the requirements of 12 CFR 611.1122(e)(3) and 611.1123(b).

_____ 1. A summary of the provisions of the continuing or resulting association's charter that differ materially from those of the constituent associations.

_____ 2. A summary of the significant differences between the continuing or resulting association's bylaws and those of the constituent associations.

_____ 3. If the association's chartered territory is to be apportioned by region for nominating directors or for nominating and electing directors, include a map to show the regions, including the number of voting stockholders in each region. Unless prohibited in the bylaws, stockholders are allowed to cumulate their votes and distribute them among the director candidates in the shareholder's discretion pursuant to 12 CFR 615.5230(a)(1)(iii).

_____ TAB 9. INTEREST RATES OF MERGING ASSOCIATIONS – Furnish the information required by 12 CFR 611.1122(e)(18) on interest rates charged by each constituent association for the 2 years preceding the date of the interim balance sheet provided in Tab 14.

_____ TAB 10. SUMMARY OF THE GENERAL FINANCING AGREEMENT – Describe how the continuing or resulting association and its subsidiaries will obtain their funding from the affiliated FCB or ACB. Summarize any material differences between the existing general financing agreements of the constituent associations and the FCB or ACB and the anticipated general financing agreement between the continuing or resulting association and the FCB or ACB.

_____ TAB 11. PROPOSED POLICIES OF THE CONTINUING OR RESULTING ASSOCIATION – Describe the proposed interest rate and loan or loan-related fee programs, interest collection policy, capitalization rates, dividends, and patronage policies of the continuing or resulting association, pursuant to 12 CFR 611.1122(e)(18), and any other factors that would affect the borrowers' cost of doing business with the continuing or resulting association.

TAB 12. ACCOUNTING POLICY FOR HIGH-RISK LOANS AND LOAN RELATED ASSETS AND STATISTICS – Furnish the following information to meet the requirements of 12 CFR 621.10 and 611.1122(e)(9).

_____ 1. Describe the policy on performance categories and other property owned and provide the definitions of high-risk loan categories of each constituent association and the resulting association.

_____ 2. Furnish the number and dollar amount of loans in all high-risk loan categories (nonaccrual, formally restructured, loans 90 days past due still accruing interest, other property owned) for each constituent association as of the date used for the most recent interim statements and the past 2 fiscal year-ends.

_____ TAB 13. ANNUAL REPORT OF EACH CONSTITUENT ASSOCIATION – Include a full copy of each association’s most recent annual report with the report certification and the opinion of the qualified public accountant in accordance with the provisions of 12 CFR 611.1122 (e)(6), (e)(7), and (e)(10).

_____ TAB 14. INTERIM FINANCIAL STATEMENTS – Interim financial statements are required by 12 CFR 611.1122(e)(6) if the request is made 90 days after the most recent fiscal year-end of the constituent associations. Each association is encouraged to make its request on a date that permits it to use its most recent quarterly report. Interim financial statements should use the same presentation format required for quarterly reports in 12 CFR 620.11(d), and the same certification required by 12 CFR 620.3.

TAB 15. PRO FORMA FINANCIAL INFORMATION – Furnish pro forma financial information required by 12 CFR 611.1122(e)(16) for the continuing or resulting association and as more fully described below by applying the acquisition method of accounting which requires:

- Identification of the accounting acquirer.
- Determining the acquisition date, which is the date the acquirer obtains control of the acquiree. For System associations, the acquisition date will generally be the effective date of the merger.
- Recognizing and measuring the identifiable assets acquired and the liabilities assumed in the acquiree at their acquisition date fair values.
- Recognizing and measuring goodwill or a gain from a bargain purchase.

The presentation of pro forma financial information is intended to present the effects of the merger on the historical financial statements as if the merger had been consummated at an earlier date and to illustrate the change in the association's (continuing or resulting) financial position and results of operations as a result of the merger.

The pro forma presentation is intended to provide full and transparent disclosure of

- The accounting acquirer to the transaction and the facts and circumstances that led to the identification of the acquirer.
- The effects of applying the acquisition method of accounting to the identifiable assets acquired and liabilities assumed, and the assumptions and methods used to determine the acquisition-date fair values.
- Any goodwill or gain from a bargain purchase that may be recognized upon consummation of the merger.

PRO FORMA FINANCIAL INFORMATION

Pro forma financial information should include pro forma balance sheets, pro forma statements of income and accompanying footnote disclosures. The pro forma balance sheets should be as of the most recent fiscal year-end and interim period. The pro forma statements of income should be for the most recent fiscal year ended and the most recent interim period. The accompanying footnote disclosures should include at a minimum:

- A description of the transaction.
- The accounting for the transaction.
- What the pro forma information represents.
- The institutions to be merged.
- The periods involved.
- How the accounting acquirer was identified.
- Intangible assets identified.
- How goodwill or bargain purchase was determined.
- Any other disclosure pertinent to a clear understanding of the transaction and its effects.

The pro forma financial information should be presented in a columnar format and include the associations' historical financial statements, any anticipated pro forma financial adjustments, and the combined adjusted pro forma financial information (see format example below). Adjustments to the pro forma balance sheets should be as of the date of the balance sheet presented. Adjustments to the pro forma statements of income should be made as of the beginning of the period presented. Adjustments

should be directly related to the business combination transaction, should be factually supportable and—regarding adjustments to the income statement—should have a continuing impact on the continuing or resulting association. Each adjustment should be referenced to a footnote discussion that clearly describes each individual adjustment. The discussion should, at a minimum, include the reason(s) for each adjustment, the method used to determine each adjustment (as applicable), and the assumptions used.

			Adjustments				As Adjusted
	Association A (1)	Association B (1)	DR		CR		Pro Forma (4)
Assets (2)							
Cash	XXXX	XXXX	-		-		XXXX
Loans	XXXX	XXXX	XXXX	(3)	-		XXXX
Accrued interest	XXXX	XXXX	-		-		XXXX
Investments	XXXX	XXXX	XXXX	(3)	-		XXXX
Equipment	XXXX	XXXX	-		-		XXXX
Intangible assets	-	-	XXXX	(3)	-		XXXX
Goodwill	-	-	XXXX	(3)	-		XXXX
Total Assets	XXXX	XXXX	XXXX		XXXX		XXXX
Liabilities (2)							
Notes payable	XXXX	XXXX	-		XXXX		XXXX
Accrued interest	XXXX	XXXX	-		-		XXXX
Other liabilities	XXXX	XXXX	-		XXXX		XXXX
Total Liabilities	XXXX	XXXX	-		XXXX		XXXX
Equity (2)							
Stock	XXXX	XXXX	-		XXXX		XXXX
Allocated surplus	XXXX	XXXX	-		-		XXXX
Unalloc. surplus			-		XXXX		XXXX
AOCI	XXXX	XXXX	-		-		XXXX
Total Equity	XXXX	XXXX	-		XXXX		XXXX
Total Liabilities and Equity	XXXX	XXXX	-		XXXX		XXXX

1) The dollar amount of assets, liabilities, and equity reported in the columns for Association A and Association B are presented at amounts reported in the historical balance sheet.

2) The assets, liabilities, and equity line items presented are not all-inclusive of items that may be presented and are representative only.

3) Each individual adjustment should be referenced to a footnote disclosure that discusses the reason for the adjustment and the assumptions and methods used to determine the amount of the adjustment. If there is more than one adjustment per line item, each adjustment within a line item should be presented individually.

4) The As Adjusted Pro Forma column is calculated as the historical amounts for Association A and Association B and the adjustments.

_____ Pro forma balance sheets of the continuing or resulting association must be presented as if the merger had occurred at the end of the most recent fiscal year-end and the most recent interim period.

_____ Pro forma statements of income for the continuing or resulting association must be presented for the most recent fiscal year and for the most recent interim period presented (12 CFR 611.1122(e(6)).

_____ As required by 12 CFR 611.1122(e)(19), disclosure shall include events subsequent to the date of the financial statements but prior to the merger vote that would have material impact on the financial condition of the constituent or resulting association.

_____ The acquirer (continuing) association must certify the pro forma financial statements in accordance with the certification required by 12 CFR 620.3.

_____ TAB 16. RELATIONSHIP WITH A QUALIFIED PUBLIC ACCOUNTANT – Furnish a statement on the continuing or resulting association's relationship with a qualified public accountant, including any change that may occur as a result of the merger, pursuant to 12 CFR 611.1122(e)(15). If the qualified public accountant has performed any work related to, or provided any assistance with, the preparation of the pro forma financial information presented in the shareholder disclosure document, include a statement from the audit committee that it has determined that the work performed or assistance provided by the qualified public accountant will not impair its independence in the performance of the audit of the financial statements of the continuing association.

_____ TAB 17. OTHER SIGNIFICANT MATTERS – Furnish information pursuant to 12 CFR 611.1122(a)(7), (e)(20), and (f) as to any other material facts or circumstances that a stockholder would need in order to make an informed decision on the proposal or that is necessary to make the required disclosures not misleading. A constituent association operating under an FCA enforcement document would need to disclose this information and the reason for the enforcement document.

SECTION B – ADDITIONAL DOCUMENTS

Section B contains additional information required by the FCA. Disclosure of Section B information to stockholders is optional.

TAB 18. CERTIFIED RESOLUTION FROM EACH BOARD OF DIRECTORS – Furnish a certified board resolution from each constituent association that

_____ 1. Describes the board's position approving the merger required by 12 CFR 611.1122(a)(3).

_____ 2. Identifies the constituent associations to the merger.

_____ 3. Includes a statement to indicate the board authorizes merging pursuant to the Farm Credit Act of 1971, as amended, applicable regulations, and in accordance with the terms and conditions of an agreement of merger.

_____ 4. Authorizes and directs officers to perform any and/or all actions under the Act and applicable regulations to carry out the intent and purpose of the board's resolution and to convene the necessary stockholders' meeting.

_____ 5. Designates an officer to sign the agreement of merger and to obtain the regulatory approvals to effectuate the merger after stockholders have approved it.

_____ 6. Contains a certification by the board or corporate secretary or assistant secretary with an inked signature, the signatory's title, the date of the board's resolution, and the date it was certified.

_____ TAB 19. APPROVAL OF AFFILIATED FCB or ACB – Furnish the affiliated Farm Credit bank's approval document (and supporting analysis) pursuant to 12 CFR 611.1122(b) on the proposed action. A certified resolution of the board of directors of the FCB or ACB is needed to satisfy this requirement.

At a minimum, the supporting analysis should address the following questions:

a) What are the reasons for the bank's approval of the proposed merger?
b) What analyses were performed by the bank to determine the implications of the risk exposures of the merged entity on the bank? Please provide a summary or copy of the relevant risk and credit analysis performed by the bank.
c) Provide the bank's conclusions as to the risk dynamics it has identified and their effect on the district as a result of this merger.
d) Explain any concerns the bank had relative to how the association may perform, both from a financial perspective, a management perspective, and operationally.
e) Will the merger affect the general financing agreement, such as requiring the merged entity to hold more capital or other types of covenants or restrictions?
f) Did the bank analyze how it would work through the risks attendant to the merged entity's size if the direct note to the merged entity became a distressed loan (e.g., a nonaccrual loan)? If so, what were its conclusions and what are the bank's options for addressing such a distressed situation?
g) Are there any other issues or risks that the bank considered and addressed that are not noted above? If so, what were they and how were any potential adverse effects mitigated?

_____ TAB 20. CREDIT QUALITY AND LOAN-RELATED ASSETS – Furnish credit quality information (percents and amounts) of all loans and loan-related assets for each constituent association based on the most recent internal credit review conducted by each association or

the most recent credit review by the affiliated FCB or ACB. State the source and date of the credit quality information provided.

TAB 21. FINANCIAL FORECASTS FOR THE CONTINUING OR RESULTING ASSOCIATION

_____ The financial forecast should be prepared using the constituent associations' most recent financial forecasts. If any subsequent events, including the merger, would have a material effect on the continuing or resulting association's financial forecast, then make appropriate adjustments and describe the adjustments made. If no material adjustments were made to the most recent financial forecasts, disclose that fact as a part of the information provided.

_____ The forecasts should be for the periods indicated below and should demonstrate how the continuing or resulting association would obtain its forecasted level of permanent capital and meet the minimum permanent capital requirements (e.g., through accumulation of earnings, contributions by stockholders, or preferred stock issuances). Also disclose in the forecast how bank-distributed equities will be allocated between the bank and the continuing or resulting association.

_____ The forecasts filed with the FCA under this tab are for limited use by the FCA only. Associations should prepare a limited-use financial forecast so that the presentation of such forecasts meets the following minimum requirements:

_____ Three-year prospective financial statements, i.e., balance sheet and income statement, for the continuing or resulting association. The forecast period must cover at least 3 years of future operations.

_____ Year-to-date and updated forecast through the end of the current year.

_____ Pro forma financial information for the prior year as if the merger had been in effect as of the prior year-end.

_____ Permanent capital ratios for the 3-year forecast period, including a detailed calculation of permanent capital and risk-adjusted assets for each year of the forecast period, including the computation of the ratios.

_____ Summaries of the significant assumptions (and the basis for each assumption) used to develop the financial forecast. The bases for the assumptions should be reasonable and realistic. Financial assumptions may be disclosed in computer printout or electronic spreadsheets. The FCA may require additional information to support the forecast or "what if" scenarios, e.g., the best and/or the worst case, as necessary.

Please refer to Appendix 1 of this checklist for guidance on the amount of detail to be provided in the limited-use financial forecast for FCA.

_____ TAB 22. ADMINISTRATIVE OR SUPERVISORY ACTIONS – Indicate whether any constituent association has an FCA administrative, supervisory order or enforcement document currently in effect. An association under FCA special supervision would need to so state in this tab.

_____ TAB 23. WAIVERS – As permitted under 12 CFR 611.1122(j), submit a letter to the FCA requesting a waiver of financial disclosures prior to the submission of the merger proposal and related disclosure materials to the FCA.

_____ TAB 24. ADDITIONAL INFORMATION AND DOCUMENTS – Provide any additional information or documents that each constituent association wishes to submit or as requested by the affiliated FCB or ACB or the FCA, pursuant to 12 CFR 611.1122(a)(7).

The association that is determined to be the accounting acquirer must include in this Tab 24 a letter from the association that addresses the following, at a minimum:

- The accounting method that will be used to account for the merger transaction, and the basis in generally accepted accounting principles (GAAP) for the accounting treatment.
- A summary of the accounting issues considered by management including, but not limited to:
    - How it was determined that the merger would be accounted for as a business combination subject to the acquisition method of accounting as determined by GAAP.
    - How it determined the accounting acquirer.
    - The methods and related assumptions that will be used to determine the fair value of the assets acquired and liabilities assumed, including the definition of "market participants" and how determined.
    - The intangible assets that will be recognized upon consummation of the merger, the business reasons for management's determination, and the method used to value the intangible assets. If management has determined that no intangible assets will be recognized, discuss the rationale and support for that determination.
    - The method used to measure goodwill, support for the method used, and the analysis to support recognition and measurement. Discuss the method that will be used to test goodwill for impairment in future periods. If it is estimated that goodwill is immaterial and will not be recognized upon consummation of the transaction, state that fact in the letter and provide support for the determination.
    - Clearly explain all equity account adjustments, and include support as appropriate.
- Management's overall conclusion on the proposed accounting for the merger transaction and the presentation of the pro forma financial information in accordance with the proposed accounting.
- The contents of the letter and the proposed accounting treatment must be reviewed and approved by the audit committee. The letter should contain a statement to that fact and indicate the date of approval, if so, or a statement why the audit committee did not approve the proposed accounting treatment.
- Concurrence from the national office of the qualified public accountant that will audit the financial statements of the resulting association should be obtained. The letter should include the names, titles, departments, and office locations of the qualified public accountants concurring with the proposed accounting, and their individual roles in determining concurrence. A copy of the letter should be sent to each accountant involved in the concurrence, and the letter should indicate that each individual was copied.
- The letter should be dated and signed by the same signatories as required by 12 CFR 620.3.

_____ TAB 25 CEO CERTIFICATION – Furnish a certification signed and dated by the CEO of each constituent association as to the truth and accuracy of all documents submitted, in accordance with 12 CFR 611.1122(f). **CEO is to provide an updated certification after all revisions to the proposed disclosure are made upon completion of FCA staff review and comments.**

_____ TAB 26. CONSENT OF QUALIFIED PUBLIC ACCOUNTANT – A manually signed and dated consent of the qualified public accountant to the use of the qualified public accountant's opinion included in the shareholder disclosure document.

_____ TAB 27. CHECKLISTS – Indicate the page number or other index number where the information is presented (or N/A" for any nonapplicable items) in the space provided. Return the completed documentation and information checklists to FCA when submitting your application.

APPENDIX I

CHECKLIST FOR ANALYSIS OF FINANCIAL FORECASTS

Each of the items below should be included with the financial forecast whenever available and applicable. Note that specific Call Report references are subject to change with periodic Call Report revisions.

Item	Call Report Reference
Accrual Loan Volume • Long- Term Accrual Loan Volume • Short-Term Accrual Loan Volume • Long-Term Sales Contracts • Short-Term Sales Contracts • Loan Participations	RC Lines 4a+4b+4c+4d
Nonaccrual Loan Volume • Long-Term Nonaccrual Loans • Short-Term Nonaccrual Loans • Cash-Basis Nonaccrual Loans	RC Line 4e
Average Lending Rates • Long-Term Accrual Rate • Short-Term Accrual Rate • Long-Term Sales Contract Rate • Short-Term Sales Contract Rate • Participation Loan Rate	NA
Accrued Interest Receivable	RC Line 5 total
# of Months of Accrued Interest Receivable • Short-Term Loans • Long-Term Loans	NA
Allowance for Loan Losses	RC Line 4f
Allowance Factor • Long-Term and Short-Term Accrual Loans • Long-Term and Short-Term Sales Contracts • Participation Loans • Long-Term and Short-Term Nonaccrual Loans	NA
Acquired Properties	RC Line 7
Investment in Other FC Associations—Required Investment Excess Investment	RC Line 6
Other Assets	RC Lines 1 +2+3+8+9
Average Cost of Debt	NA
Accrued Interest Payable	RC Line 12 total

# of Months of Accrued Interest Payable	NA
Other Liabilities	RC Line 11 total +13+14
Protected Equities	RC-H Lines 1+3+8
At-Risk Stock	RC-H Lines 2c+4+6
Preferred Stock	RC-H Line 5a,b,c
Stock Rate Bank, Short-Term, and Long-Term Stock Rates	NA
Allocated Surplus (at risk)	RC-H Lines 9+10
Unallocated Surplus	RC-H Line11
Interest Income Term Accrual Loans Long-Term and Short-Term Sales Contracts Participation Loans Cash-Basis Nonaccrual Loans Balance on Which Income is Based	RI Line 1g
Interest Expense Balance on Which Expense is Based	RI Line 2d
Provision for Loan Losses	RI Line4a
Operating Expenses Detailed Breakdown of Major Expense Items	RI-C Lines 1 through 8
Other Gains or Losses	RI Line 6+11
Other Income	RI Line 5d
Income Taxes	RI Line 9
Detailed Calculation of Income Taxes including Income Tax Rate	NA
Net Loan Charge-offs	RI-E Line 3 total minus line 4 total
Patronage	RI-D Line 8, Earned surplus unallocated Column
Retirements of capital stock and participation certificates	RI-D Line 10, Total net worth column
Detailed Calculation of Permanent Capital and Risk-Adjusted Assets including: Percentage of Association Purchased and Allocated Investment in FCB or ACB which can be counted as permanent capital at the association level	NA

Any other significant items unique to the association that would aid the analyst in evaluating the financial forecasts.

SECTION B – ADDITIONAL DOCUMENTS

Explanatory Notes