



## **Mutual Alert**

### **GreenState CU Acquisition of Premier Bank Rejected by Nebraska Banking Department**

In a [January 5<sup>th</sup> decision](#), the Nebraska Department of Banking and Finance rejected GreenState CU's (Iowa) bid to acquire the Nebraska based Premier Bank. The decision cited Premier's lack of statutory authority to sell its assets to GreenState. Jim Titus, the case's hearing officer noted that Nebraska statutes do not provide a bank the "authority [to] sell substantially all of its assets as being an incidental power to the carrying on of the business of banking..." Premier Bank pushed back arguing that Nebraska law's wild card statute provides state banks the same power as national banks to transfer assets to any non-insured bank or institution. The hearing examiner determined that national banks do not have the power to engage in the type of transaction proposed and rejected the wild card argument.

AMB has drawn attention to GreenState's, and credit unions' aggressive acquisition strategy, and this decision signals these acquisitions may be harder for credit unions. One of the most pressing issues facing mutuals is how credit unions are leveraging their tax-exempt status to grow inorganically. Although this decision does not address the tax-exempt status, it demonstrates that regulators are beginning to view CU acquisitions through the lens of potential impacts on communities.

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