



Mutual Alert

Credit Unions Continue Bank Acquisition Streak

FiveStar Credit Union and Michigan State University Federal Credit Union (MSUFCU) announced the acquisitions of OneSouth Bank and McHenry Savings Bank on Monday. The two purchases are the latest in a string of credit union-bank deals.

OneSouth Bank is the third Georgia bank to be purchased by FiveStar. The Alabama-based FiveStar had previously purchased Flint River National Bank in 2014 and Farmers State Bank in 2015. The deal is expected to close in early-to-mid 2024 and will increase FiveStar's total assets to \$950 million.

MSUFCU's purchase of Illinois-based McHenry Savings Bank was unanimously approved by the boards at both institutions. The transaction was structured as a purchase agreement and includes terms that will release the bank from its parent company, McHenry Bancorp, Inc. and MSUFCU will receive all assets and liabilities. MSUFCU's total assets will be \$8.2 billion once the deal is complete in the first quarter of 2024.

There have been seven acquisition announcements in 2023 so far. This week's announcements have drawn attention to longstanding concerns about the implications that come from allowing tax and CRA-exempt credit unions to purchase tax-paying community banks.

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