

Jordan, Sheron

From: _Regulatory Comments
Sent: Monday, August 28, 2006 7:40 AM
To: Jordan, Sheron
Subject: FW: Public Submission

-----Original Message-----

From: no-reply@erulemaking.net [mailto:no-reply@erulemaking.net]
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Public Comments on Conversion of Insured Credit Unions to Mutual Savings Banks:=====

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First Name: Tisha
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Organization Name: Oregon Community Credit Union

Comment Info: =====

General Comment: Thank you for the opportunity to comment on the proposed changes to Rule Part 708a. While these comments are candid, they are not intended to be overly critical of the NCUA, but rather a different perspective on the proposed changes.

It appears from these proposed changes that credit unions in the future, who wish to change their charter to that of a Mutual Savings Bank (MSB), will be hard pressed to do so. I draw this conclusion after considering all of the proposed changes, black box warnings, and notification requirements. The overall tone of the proposed changes is troublesome, but a few specific changes are extremely worrisome.

708a.3 Board of directors? approval and members? opportunity to comment If public notice of intent to hold a meeting for the purposes of voting on a conversion proposal is required, by all means, please extend the list of acceptable communication channels to include statement stuffers and websites.

708a.4(e) Required Boxed Disclosures

While I appreciate the lengths the NCUA has gone to in order to justify the comments made in the boxed disclosure titled "Rates on Loans and Savings," the net effect is still potentially untrue, and an unfair representation. A fairer assessment of what happens to rates after a credit union converts to a MSB would be for Datatrac to do another study in which they examine what has happened to rates at MSBs that have converted from a credit union.

Similarly, the black box disclosure titled, "Subsequent Conversion to Stock Institution" is unbalanced and unfair. This disclosure has no place in a conversion notification of a credit union to MSB. It is much more appropriately placed when the MSB converts to a stock institution and should be left to the OTS to regulate.

708a.4(f) Member Communications with Other Members While I appreciate the NCUA's desire to provide notification expeditiously to members, giving just 7 days to deliver the communication to the members is unrealistic and impossible if the membership is of any

size. To print, stuff, and mail even 90,000 pieces will reasonably take at least 14 days to complete. At the very least, the alternate options which include requiring the members to prepare the mailing materials are an adequate step toward allowing the credit union to comply with the rule.

Electronic Voting

The ability to accept member ballots electronically is critically important to minimizing unnecessary expenses and time lag in conducting the election.

708.12 Member Access to Books and Records This proposed change is contrary to privacy laws that financial institutions must comply with. Allowing members access to member information results in a lack of privacy and respect for the relationship we hold with our members.

Thank you again for the opportunity to review the proposed changes and to share these comments with you.