

**Jordan, Sheron**

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**From:** \_Regulatory Comments  
**Sent:** Tuesday, August 29, 2006 9:21 AM  
**To:** Jordan, Sheron  
**Subject:** FW: Part 708a Conversion of Insured Credit Unions to Mutual Savings Banks

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**From:** Beverley Rutherford [mailto:beverley.rutherford@vacu.org]  
**Sent:** Monday, August 28, 2006 9:20 AM  
**To:** \_Regulatory Comments  
**Subject:** Part 708a Conversion of Insured Credit Unions to Mutual Savings Banks

Thank you for the opportunity to comment on NCUA's proposed rule on conversions. I am responding on behalf of a 1.3 billion dollar state-chartered credit union located in Virginia.

We appreciate NCUA's desire to further clarify conversion rules for credit unions and its members. One of the areas we feel is critical for members to understand is the potential profit motive involved in conversions. For this reason, we support NCUA's proposed language in 708a.4(d) Item 3 which further clarifies in the member notice the potential profit for directors, officers from such conversion. We feel the language clarification change is adequate, and it is unnecessary to require the disclosure be delivered on a separate sheet of paper with no other text or to be offset by borders. Aside from the profit language clarification, we feel the existing regulations have appropriately addressed the process for conversion and provide adequate disclosures for members to make an informed choice about whether to vote in favor of conversion. We do not feel any further changes to the existing regulations regarding conversion are necessary and the proposed regulations will only serve to make it more complex and confusing.

Thank you for considering our comments. Please feel free to call me with any questions.

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