

## National Credit Union Administration

## § 708a.8

legal citation to the State law providing this authority. A federally-insured State chartered credit union will remain subject to any State law requirements for conversion that are more stringent than those this chapter imposes, including any internal governance requirements, such as the requisite membership vote for conversion and the determination of a member's eligibility to vote. If a federally-insured State chartered credit union relies for its authority to convert to a mutual savings bank on a State law parity provision, meaning a provision in State law permitting a State chartered credit union to operate with the same or similar authority as a federal credit union, it must include in its notice a statement that its State regulatory authority agrees that it may rely on the State law parity provision as authority to convert. If a federally-insured state chartered credit union relies on a State law parity provision for authority to convert, it must indicate its State regulatory authority's position as to whether Federal law and regulations or State law will control internal governance issues in the conversion such as the requisite membership vote for conversion and the determination of a member's eligibility to vote.

(c) If it chooses, the credit union may provide the Regional Director notice of its intent to convert prior to the 90 calendar day period preceding the date of the membership vote on the conversion. In this case, the Regional Director will make a preliminary determination regarding the methods and procedures applicable to the membership vote. The Regional Director will notify the credit union within 30 calendar days of receipt of the credit union's notice of intent to convert if the Regional Director disapproves of the proposed methods and procedures applicable to the membership vote. The credit union's prior submission of the notice of intent does not relieve the credit union of its obligation to certify the results of the membership vote required by § 708a.6 or eliminate the right of the Regional Director to disapprove the actual methods and procedures applicable to the membership vote if the

credit union fails to conduct the membership vote in a fair and legal manner.

[63 FR 65535, Nov. 27, 1998, as amended at 64 FR 28735, May 27, 1999; 70 FR 4009, Jan. 28, 2005]

### **§ 708a.6 Certification of vote on conversion proposal.**

The board of directors of the converting credit union must certify the results of the membership vote to the Regional Director within 10 calendar days after the vote is taken. The board of directors must also certify at this time that the notice, ballot and other written materials provided to members were identical to those submitted pursuant to § 708a.5 or provide copies of any new or revised materials and an explanation of the reasons for the changes.

### **§ 708a.7 NCUA oversight of methods and procedures of membership vote.**

(a) The Regional Director will issue a determination that the methods and procedures applicable to the membership vote are approved or disapproved within 10 calendar days of receipt from the credit union of the certification of the result of the membership vote required under § 708a.6.

(b) If the Regional Director disapproves of the methods by which the membership vote was taken or the procedures applicable to the membership vote, the Regional Director may direct that a new vote be taken.

(c) The Regional Director's review of the methods by which the membership vote was taken and the procedures applicable to the membership vote includes determining that the notice to members is accurate and not misleading, that all notices required by this section were timely, and that the membership vote was conducted in a fair and legal manner.

### **§ 708a.8 Other regulatory oversight of methods and procedures of membership vote.**

The Federal or State regulatory agency that will have jurisdiction over the financial institution after conversion must verify the membership vote and may direct that a new vote be taken, if it disapproves of the methods