

51

APR02'08 AM 7:17 BOARD

Date March 22, 2008

Ms. Mary Rupp
NCUA Board Secretary
1775 Duke Street
Alexandria, VA 22314-3428.

Reference: Comments on Advance Notice of Proposed Rulemaking for Parts 708a and 708b

Dear Ms. Rupp,

Thank you for the opportunity to submit the following comments.

Should the agency's rules be amended to address issues relevant to members' interests in charter changes or federal share insurance termination? *Yes*

Should NCUA promulgate new rules for credit union mergers or conversions into an institution other than a mutual savings bank or should it continue to address these issues on a case-by case basis?
a comprehensive rule for all

If a new rule is in order, what should it cover?
the right to a special membership meeting with petitions to expel board members - No use of funds to merge

Should NCUA develop a rule to address the fiduciary duties that credit union directors owe to members?
Yes

If a federal fiduciary standard is advisable, what elements of care should it address? Should there be a separate standard for directors to uphold when the transaction involves a charter change to another type of institution?
Records of board meeting open to members - advance notification of by-law changes

Should NCUA regulate against insider enrichment?
Yes

If yes, should there be requirements regarding the record date for members voting on a conversion proposal or other transaction that would result in a different type of financial institution?
member access to board voting record

Should credit unions merging or converting to another type of institution be required to provide a merger dividend to their members as part of the process? *Yes*

If not, should the directors be required to consider this issue as part of its due diligence and then justify their decision to the membership? *Yes*

Should NCUA prohibit communications from credit union officials that state or imply NCUA has endorsed a charter change or charter materials provided to members? *Yes.*

Should NCUA require a credit union to include a statement in its materials that NCUA has not endorsed the transaction? *Yes*

Should credit unions seeking to convert or merge be required to conduct research to determine if they will close branches or modify other services available to members when the transaction is completed and then disclose that information to the members? *Yes*

Alternatively, should NCUA adopt a more general rule regarding the need for full and accurate information to members?
the right of members to petition on CU property

Should NCUA issue a new rule on "hostile" mergers and what should it adders to protect members' interests? *Yes.*

Should credit union management be prohibited from obtaining interim voting tallies from the election teller during the voting process in a merger or conversion to another type of institution? *Yes.*

Should credit union management be prohibited from obtaining lists from the election teller of members who have not voted?
Yes, unless the members have access to same info

Should credit union employees be prohibited from soliciting members to vote? *Yes*

Should employees be prohibited from completing member ballots or handling ballots? *Yes*

Do members have the right to a recount if sufficient evidence exists that the original vote is unreliable? Under what circumstances should a recount be undertaken? What procedures should be followed for a member to exercise such a right? *Yes. Allow member meeting to vote again*

Are there any other relevant issues that NCUA should consider?

Not allow management to advertise their candidates and campaigns with CU funds & property.

name

Genevieve KORTES

address

*5011 NE 128th Avenue
Vancouver, WA 98684*