

is clear which terms the requirement applies to.

6. *Guide to model clauses.* In the model clauses, italicized words indicate the type of disclosure a credit union should insert in the space provided (for example, a credit union might insert “March 25, 1995” in the blank for “(date)” disclosure). Brackets and diagonals (“/”) indicate a credit union must choose the alternative that describes its practice (for example, [daily balance/average daily balance]).

7. *Sample forms.* The sample forms (B-4 through B-11) serve a purpose different from the model clauses. They illustrate various ways of adapting the model clauses to specific accounts. The clauses shown relate only to the specific transactions described.

[59 FR 59899, Nov. 21, 1994, as amended at 60 FR 21699, May 3, 1995; 61 FR 68129, Dec. 27, 1996; 63 FR 71575, Dec. 29, 1998; 66 FR 33163, June 21, 2001; 70 FR 72899, Dec. 8, 2005; 72 FR 30246, May 31, 2007]

PART 708a—CONVERSION OF INSURED CREDIT UNIONS TO MUTUAL SAVINGS BANKS

Sec.

708a.1 Definitions.

708a.2 Authority to convert.

708a.3 Board of directors’ approval and members’ opportunity to comment.

708a.4 Disclosures and communications to members.

708a.5 Notice to NCUA.

708a.6 Membership approval of a proposal to convert.

708a.7 Certification of vote on conversion proposal.

708a.8 NCUA oversight of methods and procedures of membership vote.

708a.9 Other regulatory oversight of methods and procedures of membership vote.

708a.10 Completion of conversion.

708a.11 Limit on compensation of officials.

708a.12 Voting incentives.

708a.13 Voting guidelines.

AUTHORITY: 12 U.S.C. 1766, 12 U.S.C. 1785(b).

SOURCE: 71 FR 77167, Dec 22, 2006, unless otherwise noted.

§ 708a.1 Definitions.

As used in this part:

Clear and conspicuous means text in bold type in a font size at least one size larger than any other text used in the document (exclusive of headings), but in no event smaller than 12 point.

Credit union has the same meaning as insured credit union in section 101 of the Federal Credit Union Act.

Federal banking agencies have the same meaning as in section 3 of the Federal Deposit Insurance Act.

Mutual savings bank and *savings association* have the same meaning as in section 3 of the Federal Deposit Insurance Act.

Regional director means the director of the NCUA regional office for the region where a natural person credit union’s main office is located. For corporate credit unions, *regional director* means the director of NCUA’s Office of Corporate Credit Unions.

Senior management official means a chief executive officer, an assistant chief executive officer, a chief financial officer, and any other senior executive officer as defined by the appropriate federal banking agencies pursuant to section 32(f) of the Federal Deposit Insurance Act.

§ 708a.2 Authority to convert.

A credit union, with the approval of its members, may convert to a mutual savings bank or a savings association that is in mutual form without the prior approval of the NCUA, subject to applicable law governing mutual savings banks and savings associations and the other requirements of this part.

§ 708a.3 Board of directors’ approval and members’ opportunity to comment.

(a) A credit union’s board of directors must comply with the following notice requirements before voting on a proposal to convert.

(1) No later than 30 days before a board of directors votes on a proposal to convert, it must publish a notice in a general circulation newspaper, or in multiple newspapers if necessary, serving all areas where the credit union has an office, branch, or service center. It must also post the notice in a clear and conspicuous fashion in the lobby of the credit union’s home office and branch offices and on the credit union’s Web site, if it has one. If the notice is not on the home page of the Web site, the home page must have a clear and conspicuous link, visible on a standard monitor without scrolling, to the notice.