

November 4, 1998

Bruce A. Hauck, President & CEO  
Carmel Credit Union  
90 Spruce Street  
P.O. Box 505724  
Chelsea, MA 02150

Re: Conversion of a Federally Insured Credit Union to a Cooperative, Your Letter dated October 21, 1998.

Dear Mr. Hauck:

You have asked whether §202 of the Credit Union Membership Access Act, enacted on August 7, 1998, applies to a federally insured credit union converting to a state chartered cooperative bank that is a mutual. Pub. L. No. 105-21. As explained below, the answer is yes.

Section 202 applies to an insured credit union converting to "a mutual savings bank or savings association (if the savings association is in mutual form), as those terms are defined in §3 of the Federal Deposit Insurance Act." 12 U.S.C. §1785(b)(2)(A). Included in the §3 definition of savings associations are state chartered cooperative banks. 12 U.S.C. §1813(b)(3)(B). Therefore, because the cooperative bank falls within the definition of a savings association and it is in mutual form, §202 of the Credit Union Membership Act applies.

Sincerely,

Sheila A. Albin  
Associate General Counsel

GC/MFR:bhs  
SSIC 3000  
98-1040

cc: Region I