



June 22, 2026

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Bank Conversions and Mergers, Subpart C-Merger of Insured Credit
Unions Into Banks
(Docket No. NCUA-2026-0982; RIN 3133-AG02)

Dear Ms. Conyers-Ausbrooks:

On behalf of its member credit unions, the Cooperative Credit Union Association, Inc. ("Association") appreciates the opportunity to comment on the National Credit Union Administration (NCUA) Board's proposed rule on Bank Conversions and Mergers, Subpart C-Merger of Insured Credit Unions Into Banks. This proposed rule is "Round Ten" of the NCUA Deregulation Project. The Association is the state trade association representing nearly 200 state and federally-chartered credit unions located in the states of Delaware, Massachusetts, New Hampshire, and Rhode Island, which further serve over 5 million consumer members. The Association developed these comments in consultation with our members.

The Association opposes this proposal and urges the Board not to finalize this rule. As proposed, NCUA's regulations on credit union mergers into banks would be amended to remove the requirement that notices to members regarding the proposed merger into a bank be "clear and conspicuous" as well as to remove the newspaper notice publication requirement, eliminate members' ability to communicate with other members concerning the proposed merger into a bank, and rescind guidance on how a fair merger vote should be conducted.

A merger of a not-for-profit credit union into a bank fundamentally changes the nature of the institution by stripping the credit union members of their ownership interest as well as by transforming a not-for-profit enterprise into a for-profit one. While members are legally the credit union's equity owners and shareholders, *see, e.g.,* 12 U.S.C. 1757(6) ("[T]o receive from its members... payments, representing equity, on shares..."), federal appeals courts have held that, at a mutual savings bank and most other mutual thrifts, "[n]ominally the customers own the mutual, but it is ownership in name only." *E.g., Ordower v. OTS*, 999 F.2d 1183, 1188 (7th Cir. 1993) (Opinion of Easterbrook, J.). Further, at a bank organized as a joint-stock company, the former credit union members would simply be customers of the bank without any ownership interest.

In addition to changing the credit union from a not-for-profit cooperative into a for-profit bank, this means such mergers also change the legal and equitable nature of the member's interest in the institution from one of an equity shareholder to that of a bank customer. These conversions also are not in the members' interests as an economic matter because the institution, by being absorbed into a for-profit bank, will now increase rates at the members' expense both because it will seek to maximize profits as well as because it would no longer be tax-exempt.

The Board eliminating the requirement that the notice to members be "clear and conspicuous" would not be in the public interest because then the notice could be written in small type at the top of a periodic credit union account statement in a placement where no members would notice.

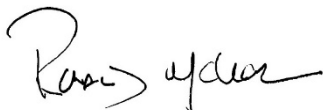
Removing the newspaper publication notice in a local newspaper of record—something that is required for far more common and sundry transactions such as auctions of repossessed vehicles or regarding the probate of deceased estates—would not be in the public interest because these notices are typically also posted on the internet, are systematically reviewed by local law firms, and also serve as a form of permanent legal record in the local community that publication in more ephemeral media, like the internet, does not achieve.

Eliminating members' ability to share their concerns about a proposed merger with a bank is also not in the public interest. Credit union members are the institution's shareholders and should have the right to communicate with other shareholders in relation to a proposed merger just like the shareholders of joint stock companies do. It would also not be in the public interest to delete the Section 708a.312 guidance on voting requirements because NCUA adopted this rule to address abuses in how credit-union-to-mutual-thrift conversions were conducted in the 2000s that now no longer occur.

The Association therefore urges the Board not to finalize this rule. It is not broken, so there is no reason to fix it.

Thank you for the opportunity to comment on the NCUA's proposed rule on Bank Conversions and Mergers, Subpart C-Merger of Insured Credit Unions Into Banks. If you have any questions or desire further information, please do not hesitate to contact the Association at (508) 481-6755 or govaff-reg@ccua.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald McLean", written in a cursive style.

Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.
rmclean@ccua.org