



Regulatory Comment: Bank Conversions and Mergers, Subpart A- Conversion of Insured Credit Unions to Mutual Savings Banks

THE ISSUE:

On February 11, 2026, the National Credit Union Administration (NCUA) issued a [notice of proposed rulemaking](#) regarding a proposed regulation to eliminate certain prescriptive procedural, disclosure, and communication requirements governing the conversion of insured credit unions into banks.

IMPACT TO CREDIT UNIONS:

These amendments would reduce both the cost and complexity of the conversion process for credit unions. Boards of directors would have greater discretion to exercise their fiduciary judgment in how they communicate with members, rather than adhering to rigid regulatory prescriptions that may not reflect modern communication best practices. Credit unions would also see reduced administrative overhead by no longer needing to involve Regional Directors in disputes over member-submitted materials, allowing management to resolve those issues more efficiently. The changes would give credit unions more operational flexibility while simplifying compliance by drawing a clearer line between binding legal obligations and advisory guidance.

KEY POINTS:

- The proposal would remove prescriptive formatting and typographical requirements for member disclosures, including the "clear and conspicuous" definition and specific font/bold mandates.
- It would modernize notice requirements by eliminating the newspaper publication mandate, expanding posting to branch offices and home banking landing pages, and reducing procedural requirements for handling member-submitted conversion materials involving Regional Directors.
- It would remove the non-binding "Voting Guidelines" from the Code of Federal Regulations entirely.

ACTION NEEDED: Deadlines and contacts

Please use the comment link below to respond to America's Credit Unions' survey. This will help shape the discussion and better address your needs in our comment letters.

- Comments due to America's Credit Unions: March 26, 2026 — [Submit here](#).
- Comments due to NCUA: April 13, 2026
- Questions? Contact [James Akin](#), Head of Regulatory Advocacy, America's Credit Unions
- Agency contact: Ariel Woodard-Stephens, Staff Attorney, Office of General Counsel, at (703) 518-6540.

QUESTIONS TO CONSIDER:

1. Should America's Credit Unions support revisions that facilitate credit union-to-mutual savings bank conversions?
2. Are the proposed reductions in formatting, notice, and procedural requirements appropriate, or are there specific member protections in the current rule that should be preserved?

BACKGROUND:

The Board adopted regulations under 12 CFR part 708a, subpart A, through a final rule published in the *Federal Register* on December 22, 2006 (71 FR 77167). Subpart A was originally designed to govern the process for a federally insured credit union to convert to a mutual savings bank. Section 708a.101 sets forth definitions applicable to this part, including "clear and conspicuous," which serves as the standard for notice requirements in both subpart A and subpart C. Section 708a.103 specifies the media that credit union boards must use when notifying members before a vote on a conversion proposal. Section 708a.104 establishes disclosure requirements that a credit union board must satisfy after completing the notice procedures under § 708a.103. Section 708a.113 offers a set of non-binding voting guidelines intended to help credit unions conduct a fair and legal member vote, with suggestions addressing state law applicability, member eligibility, and the use of voting incentives.

SECTION BY SECTION ANALYSIS:

§ 708a.101 -- "Clear and conspicuous" definition

- Currently, this section defines "clear and conspicuous" as "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."
- The proposal would remove this definition entirely.

§ 708a.103(a)(1) -- Notice requirements

- Currently, this section requires the board to publish notice in a newspaper, post it in the lobby of the home office, and post it on the home page of the credit union's website in a "clear and conspicuous" fashion no later than 30 days before the board votes on a conversion proposal.
- The proposed revision would:
 - remove the newspaper publication requirement,
 - expand the lobby posting requirement to include branch offices in addition to the home office,
 - add a requirement to post notice on a member's home banking landing page if the credit union has one, and
 - replace the requirement that notice appear on the website's home page with a requirement that if the notice is not on the home page, the home page must have a clear and conspicuous link to the notice visible on a standard monitor without scrolling.

§ 708a.104(d)(2) -- Typographical requirements

- Currently, this subparagraph defines specific typographical requirements for member disclosures following a board vote on a proposed conversion.
- The proposal would remove and reserve this paragraph.

§ 708a.104(e) -- Plain language standard

- Currently, this paragraph requires communications to be written "in a manner that is simple and easy to understand," defines that phrase as meaning "the communications are written in plain language," and provides examples.
- The proposal would retain the first two sentences but remove the final sentence containing examples.
 - The retained text would read: "Simple and easy to understand means the communications are written in plain language designed to be understood by ordinary consumers, and use clear and concise sentences, paragraphs, and sections."

§ 708a.104(f)(5) -- Regional Director submission of disputed materials

- Currently, subparagraph (f)(5) requires a credit union that believes a member's request to distribute conversion-related materials is improper to submit those materials to the Regional Director within 7 days of receipt.
- The proposal would remove this subparagraph and redesignate current subparagraphs (f)(6) through (f)(10) as (f)(5) through (f)(9) respectively.

§ 708a.104(f)(8) (current (f)(10)) -- Improper member materials

- Currently, subparagraph (f)(8) in the original numbering (now redesignated) directs credit unions to send improper member materials to Regional Directors.
- Under the proposal, newly redesignated subparagraph (f)(7) would have its third sentence deleted, removing the direction for credit unions to send improper member materials to Regional Directors.

§ 708a.113 -- Voting Guidelines

- Currently, this section provides a set of non-binding voting guidelines described as "suggestions to help a credit union obtain a fair and legal vote," covering topics such as state law applicability, member eligibility for voting, and scheduling of meetings.
- The proposal would remove this section entirely from the Code of Federal Regulations.