

Instructions for NCUA IC6: The converting state-chartered credit union must notify its members of a special meeting to vote on the conversion and provide its members a copy of the conversion ballot. The notice and ballot must be given to members (a) at least 14 days after the credit union notifies the NCUA Regional Director of its intent to convert and (b) not more than 30 nor less than 7 days before the date of the special meeting. When the converting credit union distributes this notice to its members it should also send a copy to the NCUA Regional Director, if it has not already done so.

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Notice of Proposal to Convert to Nonfederally Insured Status and Special Meeting of Members

(insert name of converting credit union)

On (insert date), the board of directors of your credit union approved a proposition to convert from federal share (deposit) insurance to private insurance. You are encouraged to attend a special meeting of our credit union at (insert address) on (insert time and date) to address this proposition.

Purpose of Meeting

The meeting has two purposes:

1. To consider and act upon a proposal to convert your account insurance from federal insurance to private insurance.
2. To approve the action of the Board of Directors in authorizing the officers of the credit union to carry out the proposed conversion.

Insurance Conversion

Currently, your accounts have share insurance provided by the National Credit Union Administration, an agency of the Federal Government. The basic federal coverage is up to \$100,000, but accounts may be structured in different ways, such as joint accounts, payable-on-death accounts, or IRA accounts, to achieve federal coverage of much more than \$100,000. If the conversion is approved, your federal insurance will terminate on the effective date of the conversion. Instead, your accounts in the continuing credit union will be insured up to \$ (insert dollar amount) by (insert name of insurer), a corporation chartered by the State of (insert name of the state). The federal insurance provided by the National Credit Union Administration is backed by the full faith and credit of the United States government. The private insurance you will receive from (insert name of insurer) is not guaranteed by the federal or any state or local government.

IF THIS CONVERSION IS APPROVED, AND THE (insert name of credit union) FAILS, THE FEDERAL GOVERNMENT DOES NOT GUARANTEE YOU WILL GET YOUR MONEY BACK.

Also, because this conversion, if approved, would result in the loss of federal share insurance, the credit union will, at any time between the approval of the conversion and the effective date of conversion and upon request by the member, permit all members who have share certificates or other term accounts to close the federally-insured portion of those accounts without an early withdrawal penalty. (This is an optional sentence. It may be deleted without the approval of the Regional Director. The members must be informed about this right, however, as described in 12 C.F.R. §708b.204(c).)

The board of directors has concluded that the proposed conversion is desirable for the following reasons: (insert reasons) (This is an optional paragraph. It may be deleted without the prior approval of the Regional Director.)

The proposed conversion will result in the following one-time costs associated with the conversion (List the total estimated dollar amount, including (1) the cost of conducting the vote, (2) the cost of changing the credit union's name and insurance logo, and (3) attorney and consultant fees.)

The conversion must have the approval of a majority of members who vote on the proposal, provided at least 20 percent of the total membership participates in the voting.

Enclosed with this Notice of Special Meeting is a ballot. If you cannot attend the meeting, please complete the ballot and return it to (insert name and address of independent entity conducting the vote) by no later than (insert time and date). To be counted, your ballot must reach us by that date and time.

BY ORDER OF THE BOARD OF DIRECTORS:

Board Presiding Officer
(insert title)

Date