

**STATE OF NEW MEXICO**

**GENERAL INFORMATION AND INSTRUCTIONS**  
**FOR THE CONVERSION OF A FEDERAL CREDIT UNION TO A STATE**  
**CHARTERED CREDIT UNION**

**Who must file?**

This package must be prepared and filed with the Director of Financial Institutions to obtain authorization to convert an existing federally chartered credit union (“the Applicant”) into a state-chartered credit union pursuant to Section 58-11-60 of the New Mexico Credit Union Regulatory Act which states: “...A credit union organized under the laws of this state may be converted to a credit union organized under the laws of any other state or under the laws of the United States, subject to regulations issued by the director. A credit union organized under the laws of the United States or of any other state may convert to a credit union organized under the laws of this state. To effect such a conversion, a credit union shall comply with all of the requirements of the jurisdiction under which it was originally organized and file proof of such compliance with the director. The conversation package should be sent to the Financial Institutions Division (the Division). If there are any questions pertaining to this application, please contact the Division.

Upon receipt of all of the required documentation, the Division will notify the Applicant that the application for conversation has been accepted for processing. The Division will then review the documentation and will subsequently notify the Applicant whether the application has been approved subject to certain conditions, or denied.

Note: Applicant will be bound by, and will be expected to conform in all material respects with, all oral and written representations and commitments made in connection with this package.

**Name Reservation**

To secure the exclusive use of the proposed name of the credit union as a state-chartered institution, the Applicant may reserve the name with the Division. The reservation request should be submitted to the Division along with a check in the amount of \$25.00 payable to the State Corporation Commission, for the filing fee. Upon receipt of the reservation request, the Division will determine if the name conflicts with that of any current state-chartered credit union in New Mexico and, if no conflict exists, will forward the request to the State Corporation Commission. The State Corporation Commission will then determine if the name conflicts with that of any corporation in the state. If there is no conflict, will reserve the name for the Applicant’s use. The name reservation will remain in effect for the period of time provided in New Mexico law.

### **Contents of Package**

This process consists of two phases. Phase I relates to the approval of the conversion by the Applicant's directors and members and the National Credit Union Administration ("NCUA"). Phase II commences when all of these approvals have been obtained and involves the submission of various documents by the Applicant to enable the Division to evaluate the credit union and the proposed conversion. The package will not be deemed complete and will not be acted upon by the Division until all of the required documentation is submitted. Furthermore, the Division may require additional information from the Applicant as is deemed necessary for the proper analysis of the conversion.

#### **Phase I:**

In Phase I, the Applicant shall submit the following:

1. A letter to the National Credit Union Administration seeking approval to convert from a federal credit union charter to a New Mexico state credit union charter and stating the Applicant's reasons for the conversion. The letter must also include a statement ensuring that the Applicant will retain share insurance from the National Credit Union Share Insurance Fund ("NCUSIF"). Finally, the letter should state the name, title, and telephone number of the contact person to whom questions or requests for additional information regarding the application are to be directed.
2. A certified copy of the resolution adopted by a majority of the members of the credit union's board of directors, which approves the conversion to a state-chartered institution and sets a date of the credit union's membership vote on the conversion.
3. A copy of the notice sent to the members regarding the membership vote on the proposed conversion.(Refer to sample notice)
4. A certified copy of the results of the membership vote which demonstrates that the proposed conversion to a state-chartered credit union was approved by a majority of the members who voted.
5. A list of the Applicant's cores membership groups and select groups.
6. A copy of the decision issued by the Regional Director of the NCUA approving or disapproving the proposed conversion to a state-chartered credit union. If the NCUA denies the request for conversion and the Applicant appeals to the NCUA for reconsideration, submit a copy of the appeal and the NCUA's decision upon reconsideration. If the NCUA rejects the appeal or reconfirms the denial upon appeal, the Applicant shall immediately notify the Division and withdraw its conversion.

**Phase II:**

1. A copy of the notice provided to the members notifying them that the membership approved the conversion to a state-chartered credit union.
2. Original executed copies of the proposed articles of organization (attached forms) and certificate of approval by the Director of Financial Institutions Division. These must conform to the Credit Union Regulatory Act and the general corporation laws of New Mexico.
3. A list of the names and addresses of the directors and officers of the proposed state chartered credit union and confidential Report of Officials.(attached form)
4. A copy of the latest annual audit report and current financial report and business plans.
5. A list of names and addresses of Applicant's service facilities, including any pending or approved-but-unopened service facilities.
6. A copy of Applicant's most recent 5300 Call Report.
7. Detailed information concerning the present status of any formal or informal regulatory agreements or supervisory actions or orders presently in effect or entered against the Applicant within the past five years.

**Entrance Examination**

Upon receipt of the package, the Division will request a copy of the most recent report of examination of Applicant from NCUA. After a thorough review of the information contained in the package and the report of examination the Division will conduct an on-site entrance examination to evaluate the assets and liabilities and overall safety and soundness of the Applicant.