

***FINANCIAL INSTITUTIONS DIVISION***  
***STATE CREDIT UNION CONVERSION PACKAGE***

A federally chartered credit union may convert to a federally insured state chartered credit union in accordance with Section 58-11-60 of the New Mexico Credit Union Regulatory Act [NMSA 1978, Sections 58-11-1 - 58-11-65,] [”the Act”]. The federal credit union must comply with the provisions of Section 125 of the Federal Credit Union Act and with the membership notice and voting procedures set forth in Part 708 of NCUA’s Rules and Regulations (Refer to Exhibit A). An example of all the required NCUA forms is provided (Refer to Exhibit B).

Federal credit unions converting to a New Mexico State Charter must file with the Director of the Financial Institutions Division (FID), Regulation and Licensing Department, State of New Mexico in accordance with Section 58-11-10, NMSA 1978 (Refer to the Credit Union Regulatory Act). The converting credit union may also have to refile an application for insurance with the National Credit Union Administration, Regional Director, Region V, (contact NCUA for specific details). Upon approval of a majority vote of the board of directors at meeting held in accordance with the existing federal credit union bylaws, the conversion package must be submitted to the Director and will include:

- Articles of Incorporation and Bylaws consistent with the New Mexico Credit Union Regulatory Act;
- Business Plan;
- Current financial report;
- Copy of most recent Financial Performance Report (FPR);
- Current delinquent loan schedule;
- Resolution of the board of directors requesting conversion;
- Resumes and personal financial statements for all Board Members, Supervisory Committee Members and Senior Management (CEO and Executive Management);
- Confidential Report of Official (refer to attachment);
- Proposed Notice of Special Meeting of the Members regarding conversion; and
- Board certification stating that all federal conversion requirements has been met.

Once the package is reviewed by the FID Director and he determines that the credit union has complied with all the provisions of the Act, the Board and membership have voted to convert to a state chartered credit union; FID has conducted a pre-conversion examination of the credit union and, the credit union has met all federal conversion requirements, he may approve the conversion. Converting credit unions are not subject to a fee assessment until the next annual assessment of supervision fees, which are due March 1<sup>st</sup> of each year. The fee is assessed on total assets as of December 31<sup>st</sup>.