



**Testimony of**

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**On behalf of**

**The National Association of Federal Credit Unions**

***“H.R. 3206, The Credit Union Charter Choice Act”***

**Before the**

**House Financial Services Committee**

**Subcommittee on Financial Institutions and Consumer Credit**

**United States House of Representatives**

**May 11, 2006**

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## Introduction

The National Association of Federal Credit Unions (NAFCU) appreciates the opportunity to participate in this discussion regarding credit union conversions and *The Credit Union Charter Choice Act*, H.R. 3206. We would like to thank Chairman Bachus, Ranking Member Sanders, Representative McHenry and Members of the Subcommittee for having us here today. NAFCU is the only national organization exclusively representing the interests of the nation's federally chartered credit unions. NAFCU is comprised of over 800 federal credit unions—member owned financial institutions across the nation—representing over 27 million individual credit union members. NAFCU—member credit unions collectively account for approximately two-thirds of the assets of all federal credit unions in the United States.

I am Marc Schaefer and I currently serve as the President and CEO of Truliant Federal Credit Union headquartered in Winston-Salem, North Carolina, a position I have held for the last 11 years. Truliant FCU is a multi-occupational credit union serving over 170,000 members-owners and representing more than \$1 billion in member assets. More importantly, Truliant provides affordable and attainable products and services to our member-owners; with over 16% of our members joining through employment in the furniture and textile industries and over 45% through manufacturing jobs. I have been involved in the credit union movement for more than 24 years, and have previously served for nine years on NAFCU's Board of Directors.

Recognizing that the issue of conversions is a growing one for the credit union community, the NAFCU Board of Directors created the NAFCU Conversions Task Force in 2005 to examine the issue of credit unions converting to mutual savings banks. The NAFCU Task Force made certain policy recommendations to the NAFCU Board, which evaluated and incorporated those ideas into a “white paper” on credit union conversions that was issued on September 19, 2005 in conjunction with NAFCU’s Congressional Caucus. The white paper outlined NAFCU’s principles and policy recommendations regarding credit union conversions.

### **NAFCU Recommendations Regarding Credit Union Conversions**

NAFCU believes that credit unions should have the ability to convert their charters should it be in the best interest of the members. NAFCU also believes the only way to ensure that the conversion process is fair is to make sure the process is transparent so members are adequately informed of the potential benefits and potential detriments that a conversion may have on the interests of the membership. NAFCU also supports the ability of NCUA to use all of its powers, as granted by Congress, to effectively regulate federal credit unions, including ensuring that conversions take place in a fair manner and that adequate consumer protections are in place. Specifically, NAFCU proposes the following policy to protect credit union membership:

- 1) Transparency is paramount. As such:
  - a) A credit union should be required to hold a meeting of its membership, prior to the mailing of the ballots, to announce a credit union's intent to convert.
  - b) Resources should be allocated, or an opportunity should be provided, for members opposed to the conversion to express their concerns.
  - c) Clear, plain language disclosures should be used to inform credit union members of the vote to convert.
  
- 2) Directors and/or senior management of a converted credit union should not be able to benefit financially from the transaction until at least 10 years after the initial conversion has taken place. Furthermore, there should be full disclosure of the potential maximum benefit a director or senior management could receive if the converting credit union were to convert to a stock bank after the 10 year period. This would include an approximate amount in dollars that the director could potentially receive based on the size of the institution.
  
- 3) A minimum of 20% of a credit union's members eligible to vote should cast a ballot in the vote taken to convert and a majority of those credit union members must vote in favor of the conversion. This minimum requirement will serve as a "quorum" of the membership for the conversion vote (much the way that Members of Congress cannot decide an issue without quorum). Prior to 1998, federal law required a minimum of 20% participation in order for a conversion to go forward.

My testimony today will focus on the history, background and the current debate on the conversion issue.

### **Legal Authority for Conversions Pre-CUMAA**

Until 1998, the laws regarding insured credit unions converting to mutual savings banks went virtually unchanged. The Federal Credit Union Act (FCUA) stated that, prior to such a conversion, credit unions must obtain written approval from the NCUA. (12 U.S.C. § 1785 (1994)). NCUA implemented changes in its regulations in 1995 by adding language that set forth specific requirements for converting credit unions. (70 Fed. Reg. 4005 (1995)). The additional regulations required credit unions to give advance notice to members containing specific information and required the conversion to be approved by an affirmative vote of a majority of the entire credit union membership.

### **Legal Authority Under CUMAA**

In 1998, the Credit Union Membership Access Act (CUMAA) was signed into law. CUMAA significantly changed the law regarding credit union conversions to Mutual Savings Banks (MSBs) in three ways:

- It restricted NCUA's authority to regulate credit union conversions by providing that the conversions may take place without NCUA's prior approval.
- It eased the burden of converting credit unions by only requiring a majority of those voting to approve the conversion, in lieu of the previous super-majority requirement.

- It required NCUA to draft final charter conversion rules that were consistent with those promulgated by other financial regulators.

Although credit unions were not required to obtain NCUA approval, CUMAA still required credit unions to provide NCUA a notice of intent to convert and obtain verification from NCUA that the methods or procedures concerning the membership vote were administered correctly.

### **Post-Credit Union Membership Access Act**

In February 2004, NCUA approved final rules updating the conversion rules for the first time since the passage of CUMAA. NCUA was concerned that oftentimes members of credit unions pursuing a conversion to a MSB were not fully aware of what they were being asked to approve, especially with respect to the ramifications of the conversion on members' ownership interest, voting rights, and the potential for management and directors to benefit financially. Under current Federal Credit Union Bylaws, attendance of 15 members at a special meeting constitutes a quorum. Thus, if only 15 members of the credit union voted on the proposal to convert, a conversion could proceed with the approval of only 8 members, irrespective of the size of the credit union.

### **Types of Credit Union Conversions**

#### *Conversion to a Mutual Savings Bank*

As noted above, under the FCUA, a federally insured credit union may convert to a mutual savings bank or savings association in mutual form without prior approval of NCUA,

subject to the Act and regulations promulgated there under. (12 U.S.C. § 1785(b)(2)) (*See* 12 C.F.R. Part 708a) The Act requires that: a credit union conversion be approved by the credit union board and set for a vote of approval by the membership; notice of the conversion vote be sent to the members 90 days, 60 days and 30 days before the vote; and no director or senior management official receive a benefit in connection with a conversion other than fees or benefits paid in the ordinary course of business. In contrast, a federal credit union (FCU) is prohibited without prior approval of the NCUA Board from merging or consolidating with any non-insured credit union or institution, assuming liability to pay any member accounts of any non-insured institution, transferring assets to any non-insured credit union or institution or converting into a non-insured credit union or institution. (12 U.S.C. §1785(b)(1)).

#### *Conversion from a Mutual Savings Bank to a Credit Union*

A federally chartered MSB is a for-profit banking institution that is owned by its members and supervised by the Office of Thrift Supervision (OTS). The ability of a federally chartered MSB to convert to a credit union is not delineated in federal law. Under 12 U.S.C. § 1464 a federal savings association, including a mutual savings bank, may convert to a federal stock bank, state savings association, and state bank if in accordance with federal law, state law or regulation. (*See* 12 C.F.R. §§ 544 and 552). A MSB or a stock bank may consolidate or merge with a credit union. (12 C.F.R. §§ 456.2 and 552.13).

In 1995, Eastman Savings and Loan (ESL), a saving and loan organized under the law of New York, converted to a federal savings and loan pursuant to the laws of New York and subsequently became a FCU. Under New York requirements, the conversion was approved if

two-thirds of all eligible depositors voted in favor, or if three-quarters of those votes cast by members in person or by proxy at the special meeting were in favor, of the conversion. ESL also had a separate requirement in its bylaws that a majority of depositors voting had to approve the conversion. The conversion would be successful only if both methods resulted in voter approval. Both methods were successful and, in practical terms, ESL chartered a credit union under federal law and merged with the credit union after the conversion was approved. (See Appendix B: Institutions Converting to a Federal Credit Union). Other state laws permit the conversion of savings associations to federal charters as well.<sup>1</sup> Also, in 1997, EMSBLA Credit Union in Wisconsin converted from a savings and loan to a state-chartered credit union.

### **The Current Situation with Conversions**

In recent years, credit union conversions to mutual savings banks and subsequent conversions to stock banks or mutual holding companies have increased significantly. In fact, since August, 1998, when the law governing credit union conversions changed as part of the *Credit Union Membership Access Act*, **23** credit unions have converted to mutual savings banks. The trend of credit unions seeking to convert has continued, most recently with DFCU, a \$1.8 billion dollar credit union in Dearborn, Michigan, that sought to convert earlier this year until a campaign by members to save the credit union led to a reversal of that decision. Prior to the change in law in 1998, only six credit unions had converted to mutual savings banks. In all, **19** credit unions subsequently have converted to stock banks or mutual holding companies. (See Appendix A: Credit Unions Converting to MSBs.)

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<sup>1</sup> For instance, the state of Texas permits the conversion of a savings and loan into another institution upon the majority of those eligible to vote approving the conversion. See § 69.11 of the Texas Administrative Code.



## **Policy Concerns Regarding Conversions**

The Task Force examined all sides of the policy debate on conversions. Credit unions list a number of reasons as to why it may be in the best interest of a credit union to convert to a mutual savings bank. Field of membership issues, limitations on member business loans and the need to raise capital are three of the more commonly cited reasons. There is also anecdotal evidence that certain law and accounting firms market a conversion to credit union boards, CEOs and senior staff by highlighting financial gain that the directors, CEOs and senior staff could receive. This is an issue that Congress should study further.

There is concern among industry groups that oftentimes the reasons stated for converting are not valid reasons and that credit union members frequently are economically harmed by the conversion. NCUA has implemented strong disclosure requirements for conversions and has suggested two bylaws amendments that credit unions may implement should they choose to strengthen their own rules regarding conversions.

### *Equity and Voting Rights*

Credit unions are owned by their members equally. Each member has one vote in matters relative to the credit union, irrespective of the size of his/her deposit in the share account. (12 U.S.C. § 1760). Alternatively, a MSB is also cooperatively organized but may adopt a one-vote-per-member provision (12 C.F.R. § 544.2(b)(4)) or choose to permit voting relative to an individual's deposit in the institution (12 C.F.R. § 544.1(6)). When a credit union converts to an MSB, the question of who owns the equity of the credit union emerges. One possible solution is to return the equity to the members. Opponents to this view argue that the members have a right

only to the equity of the credit union upon liquidation. Further, an MSB is organized so that its members also have an ownership interest in the equity of the thrift; thus, a member's interest may be protected in the new institution. An MSB may be owned by its members, but is a for-profit institution and is not required to return profit to its members.

### *Raising Capital*

Directors of some converting credit unions indicate they are converting because they are unable to raise capital quickly enough to operate their credit unions in a competitive financial marketplace. Often, this inability to raise capital limits the ability to grow. Credit unions seeking to convert often encourage their members to support the conversion as a means to overcome the restraint on capital. In looking at the 29 credit unions that have converted or are attempting to convert, only three were/are not considered "well-capitalized" under NCUA's prompt corrective action regulations. (12 C.F.R § 702.102) (see Appendix C: Voting Record of Credit Union Conversions). Prior to the year of conversion or pending conversion, most of the credit unions had or have net worth ratios above 7 percent, an increasing net worth and had or have net worth growth during the previous three years that outpaced asset growth over the same period. Further, of the 29 completed or pending credit union to savings bank conversions, 18 have engaged in the sale of stock; thus, any capital that was raised in the conversion from a credit union is not necessarily benefiting the membership.

### *Member Business Lending*

Directors of some converting credit unions also indicate that they are converting because of the restrictive member business lending regulations. Credit unions seeking to convert

encourage their members to support the conversion as a means to overcome this restriction. Of the 29 credit unions that have converted or are attempting to convert, however, 19 (over 65 percent) had only negligible member business lending and only 4 exceeded the aggregate member business lending limit at the time of conversion. (12 C.F.R. § 723.16)

### *Insider Compensation*

One argument that has been raised against conversions is that insiders may receive exorbitant financial benefit if an institution converts to a stock bank. The FCUA prevents directors from receiving a benefit from the conversion to a MSB, but no such prohibition is in place for subsequent conversions to stock institutions.

#### A. Comparison of Bank and Credit Union Compensation

In the case of an MSB, the board has the ability to set the compensation of the directors. (12 C.F.R. § 544.5(b)(12)(ii)). In contrast, credit unions are run by a mostly volunteer board. Stock institutions may offer stock options as compensation to their compensated directors and officers.

In general, the compensation between credit union executives and bank executives is fairly comparable when compared by base salary at a given asset level. Best estimates put bank executives at an average 5% higher than credit union executives. However, the major difference in compensation comes in the area of variable pay (incentives and bonuses).

In the largest credit unions with total assets greater than \$1 billion, variable pay averages \$60-\$70,000, or close to 1/4 of base salary. In large banks, variable pay can double an executive's base salary (average more than \$300,000 in variable pay). While most pronounced in the largest banks and credit unions, this trend continues among all credit unions with bank executives' total compensation about 30% higher than comparable credit union executive total compensation.

B. Management and Employee Compensation After the Conversion of a Mutual Savings Bank to Stock Form

OTS outlines specific rules regarding a conversion of a mutual savings bank to a stock form, and included in those rules are provisions as to who can receive what percentage of the initial stock offering and subsequent stock offerings.

Under OTS rules, institutions must first offer conversion shares to all eligible account holders, as of a specified date. (12 C.F.R. § 563b.320). Thus, the members of the mutual savings association have first priority to purchase stock. The stock is then offered in the following priorities: employee stock ownership plan (ESOP); depositors as of a supplemental eligibility record date; other voting members who have subscription rights; community offering and/or the general public. There are also specific limitations as to how much stock may go to the remaining priorities. There is a concern that those credit union members of modest means are particularly vulnerable to losing their rights in a conversion, as they likely have fewer resources available to purchase stock and remain owners in the new institution.

The ESOP may purchase stock at the time of conversion up to 10% of the stock sold in the offering. In a typical transaction, this number is 8%, due to aggregate limitations set on the total amount of stock that management may eventually purchase. A stock option plan (SOP) and a restricted stock option plan (RRP) may be established no earlier than six months after the initial offering. (12 C.F.R. 563b). A SOP gives the recipient the right to acquire the stock at a specific price over a period of time. A RRP is a type of deferred compensation plan in which shares are taxable compensation to the recipient upon vesting. There are also restrictions regarding these plans that are effective until one year after the initial offering. A SOP may consist of up to 10% of the shares sold in the stock offering. A RRP may consist of up to 4% of the number of shares sold in the stock offering, if the institution after converting has 10 percent tangible capital; it may consist of up to 3% of shares otherwise. Also, the total shares of stock included in the ESOP and the RRP plans that may go to management may not exceed 12%, again if the institution has 10 % tangible capital. Thus, including the SOP, approximately 20% of stock that is offered when a mutual savings bank converts may eventually be acquired by employees, directors, and other management.

### *Bylaws*

In addition to disclosures, which will be discussed below, some credit unions have sought to amend their bylaws to prevent the credit union from converting to a mutual savings bank charter. One suggestion is to increase voting requirements. However, on its face, any amendment to increase voting requirements is in contradiction to the FCUA and NCUA rules. (12 U.S.C. 1785(b)(2)(B); 12 C.F.R. § 708a.3(b)). Another suggestion is to prohibit the board of directors from considering a conversion to a non-credit union without the request of membership.

This proposal would allow the board to vote for or against a conversion. A final suggestion is to only nominate candidates who agree to sign a statement agreeing not to propose a conversion to a non-credit union. This provision may tie a director's hands if the credit union needed to convert to improve the safety and soundness of the institution.

### *Disclosures*

In 2004, NCUA amended its rules to provide for disclosures that a converting credit union must give to its members and to include specific voting requirements. In the approximately five years since NCUA first amended 12 C.F.R. Part 708a to comply with CUMAA, NCUA has become concerned that credit union members may not fully appreciate the effect a conversion to a mutual savings bank may have on their ownership interests. (69 Fed. Reg. 46111 (2004)). As noted above, CUMAA changed the role that NCUA could play in the conversion process. NCUA's rules provide for stringent disclosures of the conversion process to members.

NCUA believes its regulations enhance a member's ability to make informed decisions about the conversion without increasing the regulatory burden for converting credit unions and also help converting credit unions to more fully understand what NCUA expects of them. The rules require that a majority of the members voting on the conversion proposal must approve. (12 C.F.R. § 708a.3). The regulations also require that a converting credit union provide a notice to members that "adequately describes the purpose and subject matter of the vote to be taken." (12 C.F.R. §708a.4(c)). The rule (12 C.F.R. 708a.4(d)(1)(ii)) clarifies that an "*adequate description of the purpose and subject matter*" includes the following three disclosures in the credit union's notice of intent to convert given to its members:

- 1) The conversion could lead to members losing their ownership interest if the mutual savings bank subsequently converts to a stock institution and the members do not become stock holders;
- 2) How the conversion will affect members' voting rights, and;
- 3) Any conversion-related economic benefits that a director or senior management official may receive with a subsequent conversion to a stock institution—including a comparison of the opportunities to acquire stock that are available to officials and employees with the opportunities available to the general membership.

In addition, the final rule requires the converting credit union to include an “affirmative statement” with the notice to its members. The *affirmative statement* must include whether the credit union intends to:

- 1) Convert to a stock institution;
- 2) Provide any compensation, or increase compensation, (including any stock related benefits) to directors or senior management officials; and
- 3) Base member voting rights on account balances.

These disclosures must also be offset from the other disclosures in the text. NCUA refers to this as the “prominent and conspicuous” requirement; in the sample regulations, the disclosures are in a box. The disclosures must be provided to the Regional Director within the 90-day time period preceding the membership vote on conversion. In addition, the credit union

has an option to have the Regional Director make a preliminary determination regarding the methods and procedures applicable to the membership vote prior to the 90-day time period. Also, NCUA has the ability to disapprove the vote because the vote was not in accordance with the procedures set out in 12 C.F.R. §§ 708a.5 and 708a.7.

### *Agency Role and Regulatory Conflict*

Some critics argue that the NCUA's disclosure requirements regarding subsequent conversion to stock are in direct conflict with OTS conversion rules regarding the conversion from mutual to stock form. The FCUA requires that NCUA's rules be consistent with, and no more restrictive than, other agencies rules. As noted above, NCUA regulations require a credit union converting to a mutual savings bank to disclose whether it intends to convert to a stock institution at a later date, a requirement that may violate the confidentiality requirement in OTS regulation 563(b).120. Under this regulation, a mutual savings bank is required to keep all information about a stock conversion confidential until the board of directors adopts a plan of conversion.

In NAFCU's opinion, these two regulations are not necessarily in conflict. NCUA's rules regarding disclosure govern credit unions. At the moment in time that the credit union is disclosing that it may or may not seek to convert to a stock institution, the institution is governed by a credit union board of directors. The disclosure only relates to the materiality of the decision and intent of the credit union board. When the credit union converts to a mutual savings bank, the entity becomes a new institution with a new board of directors. (12 C.F.R. § 543.10). While in practical terms, many of the members of board may be the same, each mutual institution will



have the ability to decide to convert or not to convert to a stock bank based on the needs of the new institution, its operating strategy and its need for capital. When that vote is taken, it will be taken in accordance with OTS regulations, including the confidentiality requirement. In our view, all that NCUA's disclosure requirement does is inform members as to the true intent of the credit union directors at that moment in time when they voted for the conversion; legally, it does not necessarily speak to the intent of the mutual savings bank directors. Further, since OTS regulations require confidentiality until the vote by the MSB board, and NCUA disclosures are issued to members after the credit union board votes to convert, NCUA's rules are no less stringent than those of OTS. Also under OTS regulations, when an MSB wants to convert to a stock bank, it must seek permission from OTS; this is more restrictive than NCUA's rules. (12 C.F.R. § 543.8).

### **Litigation on Credit Union Conversions**

In December of 2004, Community Credit Union (CCU) of Plano, Texas through its attorneys alerted NCUA of its intent to convert to a mutual saving bank. CCU subsequently sent NCUA its voting disclosure materials for NCUA approval. The NCUA Regional Director contacted CCU and indicated that its materials were not sufficient because they were not conspicuous due to the way that they were folded. NCUA contends that in discussions with CCU, NCUA emphasized the need to make sure that the "boxed disclosures" were the first thing that a member sees, instead of the rebuttal, which was on the outside, based on the way the paper was folded. After NCUA raised this issue, CCU sent out a third set of disclosures in accordance with NCUA's instructions. The first two sets of materials had individuals voting approximately

72.5% in favor of the conversion; the third set had members voting 51% against the conversion. NCUA was concerned that the members who voted in the first two sets of mailing had not been adequately informed, as they potentially would not have seen the “boxed disclosures” first. Accordingly, NCUA disapproved the vote to convert. CCU initiated litigation against NCUA, asserting that the agency’s action in disapproving the vote was arbitrary and capricious. NAFCU and CUNA filed an amicus brief regarding the case. OmniAmerican Credit Union joined the suit, due to NCUA disapproving its voting methods as well.

On August 18, 2005, a federal magistrate judge held that NCUA had no basis for rejecting the membership vote at CCU. Relying on the administrative record, which did not include sufficient evidence of the agreement that NCUA contended it had reached with CCU, U.S. Magistrate Judge Don Bush found that the credit union complied with NCUA’s rules and regulations in its handling of the proposed conversion. Bush found the NCUA acted in an “arbitrary and capricious” manner in rejecting the membership vote. OmniAmerican Credit Union was scheduled to have a separate hearing on August 31, 2005; however, on August 30, the parties executed a settlement agreement, which provided: (1) NCUA would approve the conversion votes of both Community CU and OmniAmerican FCU; (2) as a result of that approval, the legal proceedings initiated by Community CU and OmniAmerican FCU were made moot; and (3) Magistrate Judge Bush vacate his decision and recommendations dated August 24, 2005.

Community Credit Union completed its conversion to a mutual savings bank, becoming Viewpoint Financial Group on January 1, 2006. Just 108 days later on April 18, 2006, Viewpoint filed with the Securities and Exchange Commission to become a stock institution. As

part of that filing, Viewpoint disclosed that the former credit union board members and top executives will purchase approximately 200,000 shares of stock in the new institution in addition to being eligible for an employee stock ownership plan, restricted awards of stock and stock options. The disclosure also indicated that former Community CU CEO, and current Viewpoint President and Director, would stand to make approximately \$1 million with just a \$3 increase in the price of Viewpoint stock from its initial \$10 offering price. (See Appendix E: News Articles on Converted CU's)

### **Past Legislative Action on the Conversion Issue**

In 1998, two Congressmen expressed separate concerns regarding the change to the FCUA in CUMAA regarding conversions. Former House Banking Committee Chairman James Leach (R-IA) recommended an amendment to CUMAA regarding conversions that prohibited any current or former (within the 5 years prior to the conversion) director, committee member or senior management officer from receiving an economic benefit as a result of the conversion. (*See* H.R. REP. NO. 105-472, at 9-10). Also under the proposal, a credit union that had already converted to a mutual savings bank could not convert to stock if the same individuals receive an economic benefit. Former House Banking Committee Ranking Member John LaFalce (D-NY) introduced a companion amendment and made remarks at the time CUMAA was passed regarding relaxing the minimum participation requirement needed to approve a charter conversion. (105 Cong. Rec. E1161 (June 18, 1989) (statement of Rep. LaFalce)). He highlighted the successful conversion of Eastman Savings and Loan in New York to a credit union (ESL FCU) even though its voting requirements were even more stringent than the

requirements for credit unions prior to CUMAA.<sup>2</sup> His amendment also would have retained the pre-CUMAA requirements for voting. (See Appendix C: Voting Record of Credit Union Conversions).

### **H.R. 3206 “*The Credit Union Charter Choice Act*”**

Representative Patrick McHenry (D-NC) along with Representatives Edolphus Towns, Paul Gillmor, Peter King, and Sam Johnson, introduced the *Credit Union Charter Choice Act* on July 12, 2006. The bill would in effect make NCUA’s current regulations invalid. Specifically, the bill:

- prevents NCUA from requiring a credit union to provide information regarding future governance of the institution;
- prevents NCUA from disseminating “inaccurate” information;
- prevents NCUA from disseminating information that distorts the impact of conversion on members of the credit union;
- prevents NCUA from promulgating regulations that conflict with regulations of other regulators; and
- disallows disclosures that are attributable to the views of the NCUA Board.

Among other things, the NCUA Board would be barred from disapproving voting procedures post-election, and pre-approve conversion materials within 30 days of receipt.

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<sup>2</sup> It is questionable whether a conversion would be successful today under those same requirements; at the time it converted to a credit union, ESL was a closely-held corporation with a small number of members.

NAFCU opposes H.R. 3206 as introduced, but recognizes its role in the ongoing debate about credit union conversions, and has sought to work with Representative McHenry to bring about changes to the legislation. We appreciate Representative McHenry's openness to having this dialogue with NAFCU.

Specifically, NAFCU has proposed a series of amendments that we believe should either be incorporated in any legislative action on conversions, or enacted through the regulatory process by NCUA, if permissible by law.

### **NAFCU's Proposed Amendments to the Requirements Governing the Conversion of Federally Insured Credit Unions to Mutual Savings Banks**

Following are NAFCU's proposed changes to the laws and regulations regarding conversions of federally insured credit unions to mutual savings banks, and subsequently, if applicable, to stock institutions. The changes are designed to preserve a credit union's right to convert to a mutual saving bank, but enhance a credit union's duties to make sure that the membership is informed at all steps in the conversion process.

In addition, NAFCU supports amending OTS rules and statutes to impose a 10-year minimum waiting period before a director or senior management official may receive any economic benefit in connection with a conversion of a mutual savings bank to a stock institution.

## **I. Conversion**

NAFCU believes the FCUA should be amended to require a minimum participation level of 20% of the credit union membership. Under current law, there is no minimum participation requirement. Thus, a very small number of members may in reality be approving the conversion.

## **II. Advance Notice to Members of Conversion Proposal**

NAFCU believes that a new section should be added to the FCU Act or NCUA regulations to require that members receive advance notice of the member vote on the conversion. This provision will provide credit union members with a more meaningful opportunity to engage in a dialogue with the credit union board about the conversion process and to comment on that process and the conversion plan. Under current rules, credit union members are not necessarily informed of the board of directors' decision to convert until called upon to vote on the conversion.

## **III. Notice of Special Meeting Requirements**

NAFCU believes that new requirements should be created to direct the credit union board to provide each voting member with several discrete pieces of information, which taken together, provide members with notice of the special meeting described above and with meaningful information about the proposed conversion as it relates to credit union management and officers. These new requirements should also require notice to members of the date, time and location of the special meeting and let them know that they have the right to vote on whether to go forward

with the proposed conversion and that they may do so either in person or by submitting a written ballot. In addition, there should be notice to inform the member on how to obtain a copy of the approved proposal and a notice to members that they will be given an opportunity at the special meeting to comment on the proposal.

Furthermore, the FCUA or regulations should require the notice to members to provide a description of the purpose and subject matter of the conversion and must tell them that their voting rights may be affected by the conversion and what “yes” and “no” on the ballot mean. Any potential monetary gain by directors or senior management as a result of the conversion should be disclosed in order for members to judge what, if any, bearing the financial incentive has on the proposal. The disclosure of any plans that the board might have for the subsequent conversion of the mutual savings bank to a stock institution and what impact that might have on members, directors and senior management must be included in the notice to members, along with disclosure that they may potentially lose their ownership interests in the institution if the mutual savings bank converts to a stock institution and they do not become stockholders.

The notice to members should also disclose any conversion related benefits that directors or senior management may receive including any increase in compensation, an explanation of any foreseeable stock related benefits – including an approximate dollar amount – if the converting credit union were to become a stock institution after the waiting period.

#### **IV. Required Notice of Conversion to NCUA**

There needs to be a requirement that a credit union provide the NCUA Board, or its designee, for its review and approval, a copy of the notice, ballot and other written materials to be mailed to members as described, and that the board certify that it has undertaken sufficient due diligence to ensure that the conversion will not be detrimental to the interests of the credit union or its members.

#### **Conclusion**

NAFCU believes that credit unions should have the ability to convert their charters should it be in the best interest of the members. The only way to ensure that the conversion process is fair is to make sure the process is transparent so that members are adequately informed of the potential benefits and potential detriments that a conversion may have on the interests of the members. We believe that NCUA has an important role in this process, and will continue to work with Chairman Johnson and the NCUA Board to develop the best policy on credit union conversions, balancing the interest of the institution, while looking out for the interests of credit union members. While we oppose H.R. 3206 as introduced, we welcome the opportunity to engage in debate on the conversion process. We look forward to working with Representatives McHenry, Towns, Hensarling, Gillmor and King, and the Subcommittee on this matter, as we think it is safe to say that, at the end of the day, we all want sound public policy on credit union conversions. I would welcome your questions and discussion on this matter.



**APPENDIX A: Credit Unions converting to MSBs**

<b>Credit Union</b>	<b>City</b>	<b>State</b>	<b>NCUA Conversion Date</b>	<b>OTS Approval Date</b>	<b>Bank Name</b>	<b>Mutual Holding Company Name</b>	<b>Current Corporate Form</b>	<b>Net Worth Ratio @ Conversion</b>	<b>Assets @ Conversion</b>
<b>Source:</b>						<b>Yahoo! Finance/web -sites</b>			
<b>NCUA</b>	<b>NCUA</b>	<b>NCUA</b>	<b>NCUA</b>	<b>OTS</b>	<b>OTS/FDIC</b>		<b>OTS/FFIEC</b>	<b>NCUA</b>	<b>NCUA</b>
Washington's CU	Lynnwood	WA	3/31/2004		1st Security Bank of Washington		Mutual	10.22%	\$289,973,775
Affiliated Federal CU	Hurst	TX	1/23/1998		Affiliated Bank, FSB		Fed Stock SL	25.10%	\$8,320,128
Allied Pilots	Naperville	IL	9/1/2001		Allied First Bank	Allied First Bancorp	Stock	5.16%	\$82,195,436
Atlantic Coast FCU	Jacksonville	FL	11/9/2000	9/25/2000	Atlantic Coast Federal Savings Bank	Atlantic Coast Federal Corp	Fed Stock SL	9.42%	\$315,987,310
AWANE Credit Union	Peterborough	NH	5/24/1996	11/17/1995	Monadnock Community Bank	Monadnock Community Bancorp	Fed Stock SB	20.45%	\$10,210,841
"@LANTEC Financial FCU"	Virginia Beach	VA	1/12/2004	12/1/2003	Bank @LANTEC		Fed Mutual SL	14.38%	\$94,079,080
Beacon Federal CU	East Syracuse	NY	8/4/1999	9/14/1998	Beacon Federal		Fed Stock SB	10.15%	\$170,350,651
Caney Fork Coop	McMinnville	TN	1/5/2001		Beacon Federal		Fed Stock SB	23.10%	\$278,117
Professional Teachers' CU	McMinnville	TN	8/9/2001		Beacon Federal		Fed Stock SB	12.11%	\$1,123,844

**APPENDIX A (continued)**

<b>Credit Union</b>	<b>City</b>	<b>State</b>	<b>NCUA Conversion Date</b>	<b>OTS Approval Date</b>	<b>Bank Name</b>	<b>Mutual Holding Company Name</b>	<b>Current Corporate Form</b>	<b>Net Worth Ratio @ Conversion</b>	<b>Assets @ Conversion</b>
BUCS Federal CU	Owings Mills	MD	2/28/1999	9/23/1997	BUCS Federal	BUCS Financial Corp	Fed Stock SB	9.13%	\$57,532,268
Roper Employees FCU	Charleston	SC	3/29/2001	2/9/2001	Carolina Federal Savings Bank		Fed Mutual SB	35.34%	\$6,706,367
Sacred Heart of Charleston SC FCU	Charleston	SC	8/20/1999	4/21/1999	Carolina Federal Savings Bank		Fed Mutual SB	12.69%	\$17,717,278
Citizens Community	Altoona	WI	12/18/2001	12/3/2001	Citizens Community Federal	Citizens Community Bancorp	Fed Stock SB	8.79%	\$109,181,417
Community Credit Union	Plano	TX	1/9/2006	5/13/2005	Viewpoint		PENDING	7.64%	\$1,433,757,086
Community Schools	Rochester Hills	MI	1/1/2002		Community Plus Savings Bank		Mutual	8.53%	\$40,655,878
AGE FCU	Albany	GA	7/11/2001	4/20/2001	Heritage Bank of the South	Heritage Financial Group/Heritage MHC	Stock	12.58%	\$268,816,906
I.G.A. Federal	Feasterville	PA	7/1/1998	6/30/1998	IGA Federal Savings Bank		INACTIVE	9.50%	\$159,967,270
Kaiser Permanente Federal CU	Pasadena	CA	11/1/1999	5/27/1999	Kaiser Federal	K-Fed Bancorp	Fed Stock SB	14.86%	\$184,795,705
Lusitania FCU	Newark	NJ	9/1/1995		Lusitania Savings Bank, FSB		Fed Stock SB	13.83%	\$55,195,398

## APPENDIX A (continued)

Credit Union	City	State	NCUA Conversion Date	OTS Approval Date	Bank Name	Mutual Holding Company Name	Current Corporate Form	Net Worth Ratio @ Conversion	Assets @ Conversion
Ohio Central FCU	Dublin	OH	6/1/1998	12/4/1997	Ohio Central Savings	OC Financial, Inc	Fed Stock SL	9.05%	\$27,744,591
OmniAmerican CU	Fort Worth	TX	1/6/2006	7/7/2005	OmniAmerican Federal		PENDING	9.03%	\$1,078,454,579
Pacific Trust FCU	Chula Vista	CA	1/1/2000	9/18/2000	Pacific Trust Bank FSB	First PacTrust Bancorp, Inc	Fed Stock SB	11.09%	\$223,963,996
Rainier Pacific, A Community	Tacoma	WA	1/1/2001		Rainier Pacific Bank	Rainier Pacific Financial Group, Inc.	Stock	8.71%	\$383,127,468
Salt City Hospital FCU	Syracuse	NY	2/24/2003	1/24/2003	Salt City Interim Federal Savings Association		INACTIVE	6.51%	\$8,418,386
Share Plus FCU	Plano	TX	10/25/2004	4/16/2004	Share Plus Federal		Fed Mutual SL	10.16%	\$174,194,445
CU of the Pacific	Seattle	WA	5/19/2003	4/14/2003	Sound Community Bank		Fed Mutual SL	9.08%	\$134,494,859
Synergy	Cranford	NJ	4/30/1998		Synergy Bank	Synergy Financial Group, Inc	Fed Stock SB	9.36%	\$176,164,575
AAL CU	Appleton	WI	8/23/2001		Thrivent Financial Bank	Thrivent Financial for Lutherans	Fed Stock SB	0.00%	\$37,169,723
AAL Members CU	Appleton	WI	8/7/2001		Thrivent Financial Bank	Thrivent Financial for Lutherans	Fed Stock SB	6.86%	\$177,443,885

**Source: National Credit Union Administration, Office of Thrift Supervision and Federal Deposit Insurance Corporation**

**APPENDIX B: Institutions Converting to a Credit Union**

<b>Credit Union</b>	<b>City</b>	<b>State</b>	<b>NCUA Conversion Date</b>	<b>Assets @ Conversion</b>	<b>Net Worth Ratio @ Conversion</b>	<b>Mutual Bank Name</b>	<b>Current Corporate Form</b>
ESL	ROCHESTER	NY	2/1/1996	\$1,170,000,000	11.04%	Eastman Savings and Loan	CU

**Source: National Credit Union Administration**

### APPENDIX C: Voting Record of Credit Union Conversions

CREDIT UNION NAME	ST	ASSETS	EVENT DATE	# MBRS	VOTED	% VOTED TO TOTAL	COMMENTS
LUSITANIA	NJ	54758839	9/30/1995				Information on voting not in files
AWANE	NH	8120209	5/31/1996				Information on voting not in files
BUCS	MD	57,532,268	2/28/1998	11,306	6632	58.66%	
SYNERGY	NJ	181,754,173	4/30/1998	23,380		0.00%	Information on voting not in files
I. G. A.	PA	159,967,270	7/1/1998	25,332	15,331	60.52%	
OHIO CENTRAL AFFILIATED	OH	27,744,591	7/22/1998				Information on voting not in files
BEACON	TX	8,264,877	7/27/1998	4,000	1232	30.80%	
SACRED HEART OF CHARLESTON SC	NY	170,350,651	8/4/1999	34,832	7750	22.25%	
KAISER PERMANENTE	SC	17,717,278	8/20/1999	2,788	1557	55.85%	
PACIFIC TRUST	CA	189,802,390	11/1/1999	34,099	5624	16.49%	
ATLANTIC COAST RAINIER PACIFIC, A COMMUNITY	CA	223,963,996	1/1/2000	28,039	4815	17.17%	
ROPER EMPLOYEES AGE	FL	325,606,472	11/9/2000	39,616	4506	11.37%	
ALLIED PILOTS ASSOCIATION	WA	383,127,468	1/1/2001	31,461	5789	18.40%	
CITIZENS COMMUNITY	SC	6,706,367	3/29/2001	2,226	490	22.01%	
COMMUNITY SCHOOLS	GA	268,754,134	7/11/2001	40,082	5318	13.27%	
SALT CITY HOSPITALS CREDIT UNION OF THE PACIFIC	IL	82,195,436	9/1/2001	6,508	2410	37.03%	
@LANTEC FINANCIAL WASHINGTON'S	WI	108,082,980	12/18/2001	23,177	2676	11.55%	
LYNNWOOD	MI	40,655,878	1/1/2002	7,078	1625	22.96%	
SHARE PLUS	NY	8,418,386	2/24/2003	3,786	732	19.33%	
	WA	140,524,148	5/19/2003	13,896	2094	15.07%	
	VA	94,079,080	1/12/2004	14228	2029	14.26%	
	WA	289,973,775	3/31/2004	58741	5938	10.11%	
	TX	182,423,390	10/25/2004	18379	2052	11.16%	

Source: National Credit Union Administration

**APPENDIX D: Net Worth, Asset Growth and Member Business Loans to Total Loans of Converted Credit Unions**

Credit Union	NCUA Conversion Date	Bank Name	Current Corporate Form	Assets @ Conversion	MBL/Total Assets @ Conversion	NW* Ratio @ Conversion	NW* Ratio-3 Years Prior	NW* Ratio-2 Years Prior	NW* Ratio-1 Year Prior	Net Worth Growth**	Asset Growth**
Atlantic Coast FCU	11/9/2000	Atlantic Coast Federal Savings Bank	Fed Stock SL	\$315,987,310	0.75%	9.42%	8.44%	8.53%	8.99%	18.04%	10.82%
Pacific Trust FCU	1/1/2000	Pacific Trust Bank FSB	Fed Stock SB	\$223,963,996	23.51%	11.09%	7.77%	9.71%	11.09%	45.27%	1.86%
Synergy	4/30/1998	Synergy Bank	Fed Stock SB	\$176,164,575	0.00%	9.36%	7.92%	8.58%	9.34%	23.75%	5.02%
"@LANTEC Financial FCU"	1/12/2004	Bank @LANTEC	Fed Mutual SL	\$94,079,080	0.13%	14.38%	11.99%	12.10%	14.38%	52.45%	27.07%
Beacon Federal CU	8/4/1999	Beacon Federal	Fed Stock SB	\$170,350,651	0.52%	10.15%	10.42%	10.48%	10.29%	29.76%	31.32%
Kaiser Permanente Federal CU	11/1/1999	Kaiser Federal	Fed Stock SB	\$184,795,705	0.00%	14.86%	14.06%	14.18%	14.04%	17.73%	17.88%
AGE FCU	7/11/2001	Heritage Bank of the South	Stock	\$268,816,906	13.89%	12.58%	12.53%	11.96%	12.58%	21.46%	20.96%
Share Plus FCU	10/25/2004	Share Plus Federal	Fed Mutual SL	\$174,194,445	0.00%	10.16%	9.73%	10.39%	10.53%	29.80%	16.35%
Affiliated Federal CU	1/23/1998	Affiliated Bank, FSB	Fed Stock SL	\$8,320,128	6.89%	25.10%	23.55%	24.24%	25.10%	4.38%	-2.06%
Sacred Heart of Charleston SC FCU	8/20/1999	Carolina Federal Savings Bank	Fed Mutual SB	\$17,717,278	0.00%	12.69%	11.84%	13.37%	13.18%	25.18%	12.49%
Salt City Hospital FCU	2/24/2003	Salt City Interim Federal Savings Association	Inactive	\$8,418,386	0.00%	6.51%	6.70%	6.26%	6.51%	4.12%	7.06%

**APPENDIX D (continued)**

<b>Credit Union</b>	<b>NCUA Conversion Date</b>	<b>Bank Name</b>	<b>Current Corporate Form</b>	<b>Assets @ Conversion</b>	<b>MBL/Total Assets @ Conversion</b>	<b>NW* Ratio @ Conversion</b>	<b>NW* Ratio-3 Years Prior</b>	<b>NW* Ratio-2 Years Prior</b>	<b>NW* Ratio-1 Year Prior</b>	<b>Net Worth Growth**</b>	<b>Asset Growth**</b>
BUCS Federal CU	2/28/1999	BUCS Federal	Fed Stock SB	\$57,532,268	0.26%	9.13%	8.34%	9.14%	9.18%	21.01%	9.98%
Roper Employees FCU	3/29/2001	Carolina Federal Savings Bank	Fed Mutual SB	\$6,706,367	2.82%	35.34%	29.38%	31.82%	35.34%	19.48%	-0.67%
I.G.A. Federal	7/1/1998	IGA Federal Savings Bank	Inactive	\$159,967,270	0.00%	9.50%	8.26%	9.08%	10.01%	17.64%	-3.00%
Lusitania FCU	9/1/1995	Lusitania Savings Bank, FSB	Fed Stock SB	\$55,195,398	20.18%	13.83%	11.96%	13.76%	13.76%	28.43%	11.59%
Allied Pilots	9/1/2001	Allied First Bank	Stock	\$82,195,436	0.00%	5.16%	4.30%	4.89%	5.16%	28.41%	6.89%
Ohio Central FCU	6/1/1998	Ohio Central Savings	Fed Stock SL	\$27,744,591	0.95%	9.05%	8.54%	9.15%	9.05%	9.44%	3.20%
Citizens Community	12/18/2001	Citizens Community Federal	Fed Stock SB	\$109,181,417	0.00%	8.79%	8.66%	8.87%	9.19%	17.94%	11.09%
Community Schools	1/1/2002	Community Plus Savings Bank	Mutual	\$40,655,878	0.00%	8.53%	8.10%	8.53%	8.53%	27.93%	21.46%
AWANE Credit Union	5/24/1996	Monadnock Community Bank	Fed Stock SB	\$10,210,841	25.14%	20.45%	18.36%	21.83%	20.45%	22.23%	9.79%
AAL CU	8/23/2001	Thrivent Financial Bank	Fed Stock SB	\$37,169,723	0.00%	9.24%	9.42%	9.49%	9.24%	9.25%	11.26%
Rainier Pacific, A Community	1/1/2001	Rainier Pacific Bank	Stock	\$383,127,468	7.39%	8.71%	7.63%	8.46%	8.71%	30.34%	14.20%
AAL Members CU	8/7/2001	Thrivent Financial Bank	Fed Stock SB	\$177,443,885	0.00%	6.86%	7.55%	7.61%	7.20%	18.55%	31.47%

**APPENDIX D (continued)**

<b>Credit Union</b>	<b>NCUA Conversion Date</b>	<b>Bank Name</b>	<b>Current Corporate Form</b>	<b>Assets @ Conversion</b>	<b>MBL/Total Assets @ Conversion</b>	<b>NW* Ratio @ Conversion</b>	<b>NW* Ratio-3 Years Prior</b>	<b>NW* Ratio-2 Years Prior</b>	<b>NW* Ratio-1 Year Prior</b>	<b>Net Worth Growth**</b>	<b>Asset Growth**</b>
Community Credit Union	1/9/2006	Viewpoint	Pending	\$1,433,757,086	6.28%	7.64%	7.57%	7.41%	7.68%	19.77%	20.84%
Washington's CU	3/31/2004	1st Security Bank of Washington	Mutual	\$289,973,775	1.88%	10.22%	10.24%	10.97%	10.38%	13.57%	12.00%
Caney Fork Coop	1/5/2001	Beacon Federal	Fed Stock SB	\$278,117	0.00%	23.10%	17.08%	18.86%	20.58%	9.49%	-9.12%
Professional Teachers' CU	8/9/2001	Beacon Federal	Fed Stock SB	\$1,123,844	0.00%	12.11%	11.50%	12.08%	14.27%	32.23%	6.50%
CU of the Pacific	5/19/2003	Sound Community Bank	Fed Mutual SL	\$134,494,859	9.44%	9.08%	8.82%	9.14%	9.22%	14.03%	9.09%
OmniAmerica n CU	1/6/2006	OmniAmerican Federal	Pending	\$1,078,454,579	7.94%	9.03%	7.33%	7.68%	8.00%	26.26%	15.60%

**Note:** \* Net Worth, \*\* Net Worth and Asset Growth is accumulative for the 3 year period prior to conversion.

**Source: National Credit Union Administration**



## **Appendix E: News articles on converted CU's**

### **CU Conversions, IPOs and The Local Rotary Club**

*FIFE, Wash.* (04/17/06) - When shares of Rainier Pacific Savings Bank hit \$16.26 earlier this year there was celebrating in the boardroom of the ex-credit union, once known as Rainer Pacific CU, if not at the local Rotary Club. Because that's when 88,000 Rainier Pacific options granted directors and management became 'in the money,' that is, worth a premium. The insiders, at least five of whom are brothers in the local Rotary Club, engineered the January 2001 conversion from credit union and subsequent August 2003 initial public offering, one of the most lucrative yet for directors and managers of a converted credit union. The maximum allowable 50,000 shares subscribed by all but two of the directors and managers at the \$10 offering price has yielded them each paper profits of \$258,500, or 72%, so far, according to documents filed with the Securities and Exchange Commission. In an unusual sweetener, each of the former volunteer credit union directors was also paid 7,200 restricted shares, worth \$123,614 last week; and options to buy 4,000 shares at \$16.26 each. Particularly sweet was the return by Chairman Edward Brooke, past president of the Tacoma Narrows Rotary Club, who received almost twice as many restricted shares-13,400 worth \$230,764-and twice as many options-8,000-to go with the \$358,500 profit he's earned on his IPO shares in two years. That makes the ex-credit union's IPO even sweeter than most because in most conversions the directors-Rainier Pacific's are paid \$10,000 a year in fees as well-don't receive any restricted stock or options. But the sweetest of the benefits went to fellow Rotarian John Hall, president and CEO of the former credit union. Hall was paid almost \$600,000 in cash compensation in 2004 and 2005; as well as 60,000 shares of restricted stock valued at \$1 million; 140,000 options worth about \$140,000; and employee stock ownership shares worth \$55,287-easily five times his compensation the last year he ran a credit union. He receives full ownership of the restricted shares in five annual installments but maintains voting rights to and receives dividends on all of the shares immediately. Also receiving restricted shares were: Victor Toy, senior vice president, 40,000 shares worth \$686,900; and Joel Edwards, chief financial officer and former CEO of Washington CU Share Guaranty Association, the defunct private deposit insurer, 22,500 shares worth \$386,325. (CU Journal Online 4/17/06)

### **Former Community CU Executives Poised for Payout**

DALLAS - The former executives, officers and board members of Community Credit Union, the \$1.4 billion credit union which converted to a mutual bank in 2005, are poised to cash in on the former CU's move.

According to documents filed with the Securities and Exchange Commission, the former board members and executives collectively will buy just under 200,000 shares of the

Viewpoint Financial Group, the company formed to make the stock offering, at the initial price of \$10.00 per share.

In addition, executives and directors of the new Viewpoint Bank will be eligible for an employee stock ownership plan, restricted awards of stock and stock options.

According to the SEC filing, the stock purchases will break down as follows.

- o Gary Base, CEO, director, 30,000 shares.
- o Gary Basham, director, 25,000 shares.
- o Jack Ersman, director, 25,000 shares.
- o James McCarley, director, 27,500 shares.
- o Karen O'Shea, director, 20,000 shares
- o Keith Sockwell, director, 16,000 shares.
- o Rosario (Rosie) Vela, director, 10,000 shares.
- o Kenneth Yarbrough, director, 20,000 shares.

Additionally, five other executives who are not directors have also purchased shares.

- o Mark Hord, general counsel to the CU, 7,500 shares.
- o Patti McKee, CFO for the CU, 5000 shares.
- o Patrick Ramsier, manager of commercial lending for the CU, 2000 shares
- o Donna Neal, chief lending officer for the CU, 1,500 shares

One other individual executive officer, unnamed, will take 10,000 shares the filing said. (Credit Union Times online 4/20/06)

#### **Stock Rise Would Add to Base's Current \$624,000 Compensation Package**

PLANO, Texas. - Viewpoint Bank, formerly Community Credit Union, has not yet set a date for its initial public offering, but documents filed with the Securities and Exchange Commission show that a \$3 per share "pop" or run up in the stock's price upon offering will make its former CU CEO, Gary Base, roughly \$100,000.

Should that come to pass, it will add to a total compensation package of roughly \$624,000 that Base received in 2005, according to the SEC filings. The filings indicate that Base's compensation was roughly 2.5 times the salary of the next highest paid executive whose 2005 compensation was disclosed.- (Credit Union Times online 4/20/06)

