§ 487-a. Conversion of a credit union into a mutual savings bank. 1. Any credit union having its place of business in this state may convert to a mutual savings bank, subject to the requirements and procedures set forth in the laws and regulations governing mutual savings banks.

2. A proposal for a conversion described in this section shall first be approved, and a date set for a vote thereon by the members (either at a meeting to be held on that date or by written ballot to be filed on or before that date), by a majority of the directors of the credit union. Approval of the proposal for conversion shall be by the affirmative vote of a majority of the members of the credit union who vote on the proposal.

3. A credit union that proposes to convert to a mutual savings bank under this section shall submit notice to each of its members who is eligible to vote on the matter of its intent to convert. Such notice must adequately describe the purpose and subject matter of the vote to be taken at the meeting or by submission of a written ballot. Such notice shall be submitted:

a. ninety days before the date of the member vote on the conversion;

b. sixty days before the date of the member vote on the conversion; and

c. thirty days before the date of the member vote on the conversion. The notice submitted thirty days before the date of the member vote on the conversion shall contain a written ballot, and shall clearly inform the member that the member may vote at the meeting or by submitting the written ballot. Such notice also shall state the date, time and place of the meeting.

4. The superintendent shall require a credit union that proposes to convert to a mutual savings bank under this section to submit a notice to the superintendent of its intent to convert during the ninety-day period preceding the date of the completion of the conversion, accompanied by an investigation fee as prescribed pursuant to section

eighteen-a of this chapter.

5. No director or senior management official of a credit union may receive any economic benefit in connection with a conversion of the credit union as described in this section, other than:

a. director fees; and

b. compensation and other benefits paid to directors or senior management officials of the converted institution in the ordinary course of business.

c. For purposes of this subdivision, the term "senior management official" means a chief executive officer, an assistant chief executive officer, a chief financial officer, and any other senior executive officer as defined by the appropriate federal banking agency pursuant to section 32(f) of the Federal Deposit Insurance Act, 12 U.S.C. 1831i(f).

6. The member vote concerning charter conversion under this section shall be verified by the superintendent. If the superintendent disapproves of the methods by which the member vote was taken or procedures applicable to the member vote, the member vote shall be taken again, as directed by the superintendent.

7. Upon completion of a conversion described in this section, the credit union shall no longer be subject to any of the provisions of this article.

When the superintendent shall have approved the organization certificate and the proposed bylaws and shall have issued the authorization certificate, as provided in article six of this chapter, the credit union shall cease to be a credit union and shall thereupon be converted into a mutual savings bank; provided, however, that such credit union shall be deemed to be continued for the purpose of prosecuting or defending suits and of enabling it to wind up its affairs as a credit union and to dispose of and convey its property.

At the time when such conversion becomes effective, all the property of the credit union shall immediately by act of law and without any conveyance or transfer become the property of the mutual savings bank and the mutual savings bank shall succeed to all the rights, obligations and relations of the credit union.