member of a Federal Home Loan Bank
and meet all requirements necessary to
obtain insurance of its accounts by the
Federal Deposit Insurance Corporation.

(d) Failure to complete. Organization
of a Federal savings association is
completed when the organization meet-
ing and the first meeting of its direc-
tors have been held, permanent officers
have been bonded, the association
holds the cash required to be paid on
subscriptions to its capital, if required,
Federal Home Loan Bank membership
has been obtained and Federal Deposit
Insurance Corporation insurance of ac-
counts has been confirmed and any
conditions imposed by the Office in
connection with approval of the appli-
cation have been met. If organization
is not so completed within six months
after issuance of a charter, or within
such additional period as the Director
or his or her designee may for good
cause grant, and in the case of an in-
terim Federal savings association, if a
merger, or other transaction facil-
itated by the existence of an interim as-
sociation, has not been approved, the
charter shall become void and all cash
collected on subscriptions shall there-
upon be returned.

§ 543.7 Limitations on transaction of
business.

No person may organize a Federal
savings association, collect money
from others for such purpose, or rep-
resent himself or herself as authorized
to do so, and no Federal savings asso-
ciation shall transact any business
prior to completion of its organization,
except as provided in this part.

§ 543.7–1 Federal savings association
created in connection with an asso-
ciation in default or in danger of
default.

The preceding sections of this part do
not apply to a Federal savings associa-
tion which is proposed by the Federal
Deposit Insurance Corporation or the
Resolution Trust Corporation under
section 11(c) of the Federal Deposit In-
surance Act (12 U.S.C. 1821(c)) or sec-
tion 21A of the Federal Home Loan
Bank Act (12 U.S.C. 1441A), or is other-
wise chartered by the Office in connec-
tion with an association in default or
in danger of default. Incorporation and
organization of such associations are
complete when the Director or his or
her designee so determines.

CONVERSION

§ 543.8 Conversion of depository insti-
tutions to Federal mutual charter.

(a) With the approval of the OTS, any
depository institution, as defined in
§552.13 of this chapter, that is in mu-
tual form, may convert into a Federal
mutual savings association, provided
that:

(1) The depository institution, upon
conversion, will have its deposits in-
sured by the Federal Deposit Insurance
Corporation;

(2) The depository institution, in ac-
complishing the conversion, complies
with all applicable state and federal
statutes and regulations, and OTS poli-
cies, and obtains all necessary regu-
latory and member approvals; and

(3) The resulting Federal mutual as-
sociation conforms, within the time
prescribed by the OTS, to the require-
ments of section 5(c) of the Home Own-
ers’ Loan Act.

(b) Recommendations regarding ap-
plications for issuance of Federal char-
ters are privileged, confidential and
subject to §510.5 (b) and (c) of this
chapter.

[54 FR 49482, Nov. 30, 1989, as amended at
57 FR 14339, Apr. 20, 1992; 60 FR 68717, Dec. 26,

§ 543.9 Application for conversion to
Federal mutual charter.

(a)(1) Filing. Any depository institu-
tion that proposes to convert to a Fed-
eral mutual association as provided in
§543.8 must, after approval by its board
of directors, file an application on
forms obtained from OTS. The appli-
cant must submit any financial state-
ments or other information OTS may
require.

(2) Procedures. An application for con-
version filed under this section is sub-
ject to the procedures for organization
of a federal mutual association at
§543.2(d) through (f) of this chapter.

(b) Plan of conversion. The applicant
shall submit with its application a plan
of conversion specifying the location of
the home office and any branch offices
§ 543.10 Organization after conversion.

Except as provided in §543.11, after a Federal charter is issued under §543.9 the association’s members shall, after due notice, or upon a valid adjournment of a previous legal meeting, hold a meeting to elect directors and take all other action necessary fully to effect the conversion and operate the association in accordance with law and these rules and regulations. Immediately thereafter the board of directors shall meet, elect officers, and transact any other appropriate business.

§ 543.11 Organization plan for governance during first years after issuance of Federal mutual savings bank charter.

(a) Organizational meeting. Except as provided in paragraph (c)(1) of this section, promptly upon receipt of a charter, the officers of a Federal mutual savings bank which, immediately prior to conversion, was a state chartered mutual savings bank, shall call a meeting of the members. Notice for, and conduct of, such meeting shall be in accordance with the bank’s Federal charter and bylaws. Business to be conducted at the organizational meeting shall include the election of trustees (who may also be known as a board of directors) and any other matters permitted by the charter and bylaws. Any action taken at such meeting shall be deemed an acceptance of the charter and bylaws approved by the Office pursuant to §544.1 of this chapter.

(b) First meeting of trustees. Upon election or appointment, the board of trustees shall hold a meeting to elect the officers of the bank in accordance with its Federal charter and bylaws, and to take other action necessary to permit the operation of the bank in accordance with the Home Owners’ Loan Act of 1933, as amended, the bank’s charter and bylaws, these rules and regulations, and orders of the Office.