(2) Filing instructions. Any Reorganization Notice submitted under § 239.3(a) must be filed in accordance with §238.14 of this chapter. Any stock issuance application submitted pursuant to §239.24(a) shall be filed in accordance with §239.55.

(3) Public notice, public comment, and meetings. Mutual holding company reorganizations are subject to applicable public notice, public comment, and meeting requirements under the Bank Merger Act regulations at §238.11(e) of this chapter and the Savings and Loan Holding Company Act regulations at §238.14 of this chapter.

(d) Amendments. Any mutual holding company may amend any notice or application submitted pursuant to this part or file additional information with respect thereto upon request of the Board or upon the mutual holding company's own initiative.

(e) Time-frames. All Reorganization Notices and applications filed pursuant to this part must be processed in accordance with the processing procedures at §238.14 of this chapter. Any related approvals requested in connection with Reorganization Notices or applications for approval of stock issuances (including, without limitation, requests for approval to transfer assets to resulting associations, to acquire acquiree associations, and to organize resulting associations or interim associations, and requests for approval of charters, bylaws, and stock forms) shall be processed pursuant to the procedures specified in this section in conjunction with the Reorganization Notice or stock issuance application to which they pertain, rather than pursuant to any inconsistent procedures specified elsewhere in this chapter. The approval standards for all such related applications, however, shall remain unchanged. The review by the Board of any materials used in connection with the issuance of stock under §239.24 must not be subject to the applications processing time-frames set forth in §§238.14(f) and (g) of this chapter.

(f) Disclosure. The rules governing disclosure of any notice or application submitted pursuant to this part, or any public comment submitted pursuant to paragraph (e) of this section, shall be the same as set forth in §238.14(b) of this chapter for notices, applications, and public comments filed under §238.14 of this chapter.

(g) Appeals. Any party aggrieved by a final action by the Board which approves or disapproves any application or notice pursuant to this part may obtain review of such action in accordance with 12 U.S.C. 1467a(j).

(h) Federal preemption. This part preempts state law with regard to the creation and regulation of mutual holding companies.

§ 239.11 Subsidiary holding companies.

(a) Subsidiary holding companies. A mutual holding company may establish a subsidiary holding company as a direct subsidiary to hold 100 percent of the stock of its subsidiary savings association. The formation and operation of the subsidiary holding company may not be utilized as a means to evade or frustrate the purposes of this part. The subsidiary holding company may be established either at the time of the initial mutual holding company reorganization or at a subsequent date, subject to the approval of the Board.

(b) Stock issuances. §§239.24 and 239.25 apply to issuance of stock by a subsidiary holding company. In the case of a stock issuance by a subsidiary holding company, the aggregate amount of outstanding common stock of the association owned or controlled by persons other than the subsidiary holding company’s mutual holding company parent at the close of the proposed issuance shall be less than 50 percent of the subsidiary holding company’s total outstanding common stock.

(c) Charters and bylaws for subsidiary holding companies. The charter and bylaws of a subsidiary holding company shall be in the form set forth in appendices B and D, respectively.

§ 239.12 Communication between members of a mutual holding company.

(a) Right of communication with other members. A member of a mutual holding company has the right to communicate, as prescribed in paragraph (b) of this section, with other members of the mutual holding company's affairs, except for “improper” communications, as defined in
paragraph (c) of this section. The mutual holding company may not defeat that right by redeeming a savings member’s savings account in the subsidiary savings association.

(b) Member communication procedures. If a member of a mutual holding company desires to communicate with other members, the following procedures shall be followed:

(1) The member shall give the mutual holding company a written request to communicate;

(2) If the proposed communication is in connection with a meeting of the mutual holding company’s members, the request shall be given at least thirty days before the annual meeting or 10 days before a special meeting;

(3) The request shall contain—

(i) The member’s full name and address;

(ii) The nature and extent of the member’s interest in the mutual holding company at the time the information is given;

(iii) A copy of the proposed communication; and

(iv) If the communication is in connection with a meeting of the members, the date of the meeting;

(4) The mutual holding company shall reply to the request within either—

(i) Fourteen days;

(ii) Ten days, if the communication is in connection with the annual meeting; or

(iii) Three days, if the communication is in connection with a special meeting;

(5) The reply shall provide either—

(i) The number of the mutual holding company’s members and the estimated reasonable cost to the mutual holding company of mailing to them the proposed communication; or

(ii) Notification that the mutual holding company has determined not to mail the communication because it is “improper”, as defined in paragraph (c) of this section;

(6) After receiving the amount of the estimated costs of mailing and sufficient copies of the communication, the mutual holding company shall mail the communication to all members, by a class of mail specified by the requesting member, either——

(i) Within fourteen days;

(ii) Within seven days, if the communication is in connection with the annual meeting;

(iii) As soon as practicable before the meeting, if the communication is in connection with a special meeting; or

(iv) On a later date specified by the member;

(7) If the mutual holding company refuses to mail the proposed communication, it shall return the requesting member’s materials together with a written statement of the specific reasons for refusal, and shall simultaneously send to the appropriate Reserve Bank a copy of each of the requesting member’s materials, the mutual holding company’s written statement, and any other relevant material. The materials shall be sent within:

(i) Fourteen days;

(ii) Ten days, if the communication is in connection with the annual meeting, or

(iii) Three days, if the communication is in connection with a special meeting after the mutual holding company receives the request for communication.

(c) Improper communication. A communication is an “improper communication” if it contains material which:

(1) At the time and in the light of the circumstances under which it is made:

(i) Is false or misleading with respect to any material fact; or

(ii) Omits a material fact necessary to make the statements therein not false or misleading, or necessary to correct a statement in an earlier communication on the same subject which has become false or misleading;

(2) Relates to a personal claim or a personal grievance, or is solicitous of personal gain or business advantage by or on behalf of any party;

(3) Relates to any matter, including a general economic, political, racial, religious, social, or similar cause, that is not significantly related to the business of the mutual holding company or is not within the control of the mutual holding company; or

(4) Directly or indirectly and without expressed factual foundation:

(i) Impugns character, integrity, or personal reputation,
(ii) Makes charges concerning improper, illegal, or immoral conduct, or
(iii) Makes statements impugning the stability and soundness of the mutual holding company.

§ 239.13 Charters.

(a) Charters. The charter of a mutual holding company shall be in the form set forth in appendix A of this part and may be amended pursuant to this paragraph. The Board may amend the form of charter set forth in appendix A to this part.

(b) Corporate title. The corporate title of each mutual holding company shall include the term “mutual” or the abbreviation “M.H.C.”

(c) Availability of charter. A mutual holding company shall make available to its members at all times in the offices of each subsidiary savings association from which the mutual holding company draws members a true copy of its charter, including any amendments, and shall deliver such a copy to any member upon request.

§ 239.14 Charter amendments.

(a) General. In order to adopt a charter amendment, a mutual holding company must comply with the following requirements:

(1) Board of directors approval. The board of directors of the mutual holding company must adopt a resolution proposing the charter amendment that states the text of such amendment;

(2) Form of filing—(i) Application requirement. If the proposed charter amendment would render more difficult or discourage a merger, proxy contest, the assumption of control by a mutual account holder of the mutual holding company, or involve a significant issue of law or policy; or involve a significant issue of law or policy; then, the mutual holding shall submit the charter amendment to the appropriate Reserve Bank for approval. Applications submitted under this paragraph are subject to the processing procedures at § 238.14 of this chapter.

(ii) Notice requirement. If the proposed charter amendment does not implicate paragraph (a)(2)(i) of this section and is permissible under all applicable laws, rules and regulations, the mutual holding company shall submit the proposed amendment to the appropriate Reserve Bank at least 30 days prior to the effective date of the proposed charter amendment.

(b) Approval—Any charter amendment filed pursuant to paragraph (a)(2)(i) of this section shall automatically be approved 30 days from the date of filing of such amendment with the appropriate Reserve Bank, provided that the mutual holding company follows the requirements of its charter in adopting such amendment, unless the Reserve Bank or the Board notifies the mutual holding company prior to the expiration of such 30-day period that such amendment is rejected or is deemed to be filed under the provisions of paragraph (a)(2)(i) of this section. Notwithstanding anything in paragraph (a) of this section to the contrary, the following charter amendments, including the adoption of the Federal mutual holding company charter as set forth in appendix A, shall be effective and deemed approved at the time of adoption, if adopted without change and filed with Board, within 30 days after adoption, provided the mutual holding company follows the requirements of its charter in adopting such amendments.

(1) Title change. (i) Subject to § 239.13 and this paragraph (b), a mutual holding company may amend its charter by substituting a new corporate title in section 1 of its charter.

(ii) Prior to changing its corporate title, a mutual holding company must file with the Board a written notice indicating the intended change. The Board shall provide to the mutual holding company a timely written acknowledgment stating when the notice was received. If, within 30 days of receipt of notice, the Board does not notify the mutual holding company of its objection to the corporate title change on the grounds that the title misrepresents the nature of the institution or the services it offers, the mutual holding company may change its title by amending its charter in accordance with § 239.14(b) or § 239.22 and the amendment provisions of its charter.

(2) Maximum number of votes. A mutual holding company may amend section 5 of its charter by substituting the