§ 239.5  Membership rights.

(a) Depositors and borrowers of resulting associations, acquiree associations, and associations in mutual form when acquired. The charter of a mutual holding company must:

(1) Confer upon existing and future depositors of the resulting association the same membership rights in the mutual holding company as were conferred upon depositors by the charter of the reorganizing association immediately prior to reorganization;

(2) Confer upon the borrowers of the resulting association who are borrowers at the time of reorganization the same membership rights in the mutual holding company as were conferred upon them by the charter of the reorganizing association immediately prior to reorganization, but shall not confer any membership rights in connection with any borrowings made after the reorganization; and

(3) Confer upon the borrowers of any acquiree association who are borrowers at the time of the acquisition the same membership rights in the mutual holding company as were conferred upon them by the charter of the acquiree association immediately prior to acquisition, provided that if the acquired association is merged into another association from which the mutual holding company draws members, the borrowers of the acquiree association shall instead receive the same grandfathered membership rights as the borrowers of the association into which the acquiree association is merged.

(b) Depositors and borrowers of associations in the stock form when acquired. A mutual holding company that acquires a savings association in the stock form, other than a resulting association or an acquiree association, shall not confer any membership rights upon the depositors and borrowers of such association, unless such association is merged into an association from which the mutual holding company draws members, in which case the depositors of the stock association shall receive the same membership rights as other depositors of the association into which the stock association is merged.