

necessary to protect the insurability of associations by federal agencies.

Subsections (b)(2) and (3) are new provisions added for clarity to conform to practice.

In subsection (d) of this section, the former reference in Art. 23, § 161J to "representatives of associations of this or other states" was deleted as contradictory to the practice of the Board and to rights between savings and loan associations.

"Board of Commissioners", "Division Director", and "savings and loan association" are defined in § 9-101 of this title.

SUBTITLE 6. CONVERSIONS; EXTRAORDINARY ACTIONS.

PART I. MUTUAL ASSOCIATION CONVERSION TO CAPITAL STOCK ASSOCIATION.

9-601. AUTHORITY TO CONVERT.

A MUTUAL ASSOCIATION MAY CONVERT TO A CAPITAL STOCK ASSOCIATION IF:

- (1) ITS MEMBERS APPROVE;
- (2) ITS CHARTER IS AMENDED; AND
- (3) THE DIVISION DIRECTOR APPROVES.

COMMITTEE COMMENT: This section replaces former CA § 6-217(a), and the references in CA § 6-217(d)(2) and (f) to approval by the Division Director and the shareholders.

Item (1) of this section is added for clarity although it is inherent in item (2).

As to member approval, see § 9-607 of this subtitle. As to approval by the Division Director, see § 9-608 of this subtitle.

"Division Director", "capital stock association", and "mutual association" are defined in § 9-101 of this title.

9-602. APPLICATION TO CONVERT.

TO CONVERT TO A CAPITAL STOCK ASSOCIATION, A MUTUAL ASSOCIATION SHALL DELIVER TO THE DIVISION DIRECTOR:

- (1) A FILING FEE OF \$750;
- (2) AN APPLICATION FOR CONVERSION;