

(C) THE EXAMINATION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:

(1) THE FINANCIAL HISTORY AND CONDITION OF THE MUTUAL ASSOCIATION INCLUDING:

(II) THE IDENTIFICATION OF OVERVALUED ASSETS, UNDISCLOSED NONPERFORMING LOANS, AND UNDERSTATED LIABILITIES;

(III) THE IDENTIFICATION OF ASSETS THAT MAY BECOME NONPERFORMING ASSETS UPON CONVERSION;

(IV) THE IDENTIFICATION OF LOANS IN DEFAULT AND LOANS PAST DUE OVER 60 DAYS;

(V) REVIEW OF MATERIAL LITIGATION AFFECTING THE MUTUAL ASSOCIATION, AND THE IDENTIFICATION OF SIGNIFICANT JUDGMENTS, ORDERS OR DECREES AFFECTING ITS FINANCIAL STATUS; AND

(VI) REVIEW OF MORTGAGE CONTRACTS, PARTICIPATING LOANS, AND OTHER COMMITMENTS.

(2) THE MANAGEMENT OF THE ASSOCIATION.

(D) AS A CONDITION OF APPROVAL OF AN APPLICATION OF CONVERSION, THE BANK COMMISSIONER MAY REQUIRE A MUTUAL ASSOCIATION TO HAVE ITS BOOKS AND RECORDS AUDITED AND CERTIFIED UNDER § 9-502 OF THIS TITLE.

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~~THE SECRETARY OF LICENSING AND REGULATION MAY APPOINT AN OFFICIAL TO~~

~~(1) COORDINATE AND ADMINISTER THE APPLICATION AND CONVERSION; AND~~

~~(2) ASSIST THE DIVISION DIRECTOR AND THE BANK COMMISSIONER.~~

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(A) IN REVIEWING AN APPLICATION FOR CONVERSION, THE DIVISION DIRECTOR AND THE BANK COMMISSIONER SHALL DETERMINE:

(1) WHETHER, AFTER CONVERSION, THE CREDIT UNION WILL BE IN SOUND FINANCIAL CONDITION AND WILL BE SOUNDLY MANAGED; AND

(2) THAT NO PERSON WILL RECEIVE ANY INEQUITABLE GAIN OR ADVANTAGE BY REASON OF THE CONVERSION.