

PART 239—MUTUAL HOLDING COMPANIES (REGULATION MM)

Subpart A—General Provisions

- Sec.
239.1 Authority, purpose, and scope.
239.2 Definitions.

Subpart B—Mutual Holding Companies

- 239.3 Mutual holding company reorganizations.
239.4 Grounds for disapproval of reorganizations.
239.5 Membership rights.
239.6 Contents of Reorganization Plans.
239.7 Acquisition and disposition of savings associations, savings and loan holding companies, and other corporations by mutual holding companies.
239.8 Operating restrictions.
239.9 Conversion or liquidation of mutual holding companies.
239.10 Procedural requirements.
239.11 Subsidiary holding companies.
239.12 Communication between members of a mutual holding company.
239.13 Charters.
239.14 Charter amendments.
239.15 Bylaws.
239.16 Voluntary dissolution.

Subpart C—Subsidiary Holding Companies

- 239.20 Scope.
239.21 Charters.
239.22 Charter amendments.
239.23 Bylaws.
239.24 Issuances of stock by subsidiary holding companies of mutual holding companies.
239.25 Contents of Stock Issuance Plans.
239.26 Shareholders.
239.27 Board of directors.
239.28 Officers.
239.29 Certificates for shares and their transfer.
239.30 Annual reports; books and records.
239.31 Indemnification; employment contracts.

Subpart D—Indemnification; Employment Contracts

- 239.40 Indemnification of directors, officers and employees.
239.41 Employment contracts.

Subpart E—Conversions from Mutual to Stock Form

- 239.50 Purpose and scope.
239.51 Acquiring another insured stock depository institution as part of a conversion.
239.52 Definitions.

- 239.53 Prior to conversion.
239.54 Plan of conversion.
239.55 Filing requirements.
239.56 Vote by members.
239.57 Proxy solicitation.
239.58 Offering circular.
239.59 Offers and sales of stock.
239.60 Completion of the offering.
239.61 Completion of the conversion.
239.62 Liquidation accounts.
239.63 Post-conversion.
239.64 Contributions to charitable organizations.
239.65 Voluntary supervisory conversions.
239.66 Board review of the voluntary supervisory conversion application.

APPENDIX A TO PART 239—MUTUAL HOLDING COMPANY MODEL CHARTER

APPENDIX B TO PART 239—SUBSIDIARY HOLDING COMPANY OF A MUTUAL HOLDING COMPANY MODEL CHARTER

APPENDIX C TO PART 239—MUTUAL HOLDING COMPANY MODEL BYLAWS

APPENDIX D TO PART 239—SUBSIDIARY HOLDING COMPANY OF A MUTUAL HOLDING COMPANY MODEL BYLAWS

AUTHORITY: 12 U.S.C. 1462, 1462a, 1464, 1467a, 1828, and 2901.

SOURCE: Regulation MM, 76 FR 56357, Sept. 13, 2011, unless otherwise noted.

Subpart A—General Provisions

§ 239.1 Authority, purpose, and scope.

(a) *Authority.* This part is issued by the Board of Governors of the Federal Reserve System (“Board”) under section 10(g) and (o) of the Home Owners’ Loan Act (“HOLA”).

(b) *Purpose.* The principal purposes of this part are to:

(1) Regulate the reorganization of mutual savings associations to mutual holding companies and the creation of subsidiary holding companies of mutual holding companies;

(2) Define and regulate the operations of mutual holding companies and subsidiary holding companies of mutual holding companies; and

(3) Set forth the procedures for securing approval for these transactions.

(c) *Scope.* Except as the Board may otherwise determine, the reorganization of mutual savings associations into mutual holding companies, any related stock issuances by subsidiary holding companies, and the conversion of mutual holding companies into stock form are exclusively governed by

Federal Reserve System

§ 239.2

the provisions of this part, and no mutual savings association shall reorganize to a mutual holding company, no subsidiary holding company of a mutual holding company shall issue minority stock, and no mutual holding company shall convert into stock form without the prior written approval of the Board. The Board may grant a waiver in writing from any requirement of this part for good cause shown.

§ 239.2 Definitions.

As used in this part and in the forms under this part, the following definitions apply, unless the context otherwise requires:

(a) *Acquiree association* means any savings association, other than a resulting association, that:

(1) Is acquired by a mutual holding company as part of, and concurrently with, a mutual holding company reorganization; and

(2) Is in the mutual form immediately prior to such acquisition.

(b) *Acting in concert* has the same meaning as in § 238.31(b) of this chapter.

(c) *Affiliate* has the same meaning as in § 238.2(a) of this chapter.

(d) *Associate* of a person is:

(1) A corporation or organization (other than the mutual holding company, subsidiary holding company, or any majority-owned subsidiaries of such holding companies), if the person is a senior officer or partner, or beneficially owns, directly or indirectly, 10 percent or more of any class of equity securities of the corporation or organization.

(2) A trust or other estate, if the person has a substantial beneficial interest in the trust or estate or is a trustee or fiduciary of the trust or estate. For purposes of §§ 239.59(k), 239.59(m), 239.59(n), 239.59(o), 239.59(p), 239.63(b), a person who has a substantial beneficial interest in the mutual holding company or subsidiary holding company's tax-qualified or non-tax-qualified employee stock benefit plan, or who is a trustee or a fiduciary of the plan, is not an associate of the plan. For the purposes of § 239.59(k), the mutual holding company or subsidiary holding company's tax-qualified employee stock benefit plan is not an associate of a person.

(3) Any natural person who is related by blood or marriage to such person and:

(i) Who lives in the same home as the person; or

(ii) Who is a director or senior officer of the mutual holding company, subsidiary holding company, or other subsidiary.

(e) *Company* means any corporation, partnership, trust, association, joint venture, pool, syndicate, unincorporated organization, joint-stock company or similar organization, as defined in paragraph (u) of this section; but a company does not include:

(1) The Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or any Federal Home Loan Bank, or

(2) Any company the majority of shares of which is owned by:

(i) The United States or any State,

(ii) An officer of the United States or any State in his or her official capacity, or

(iii) An instrumentality of the United States or any State.

(f) *Control* has the same meaning as in § 238.2(e) of this chapter.

(g) *Default* means any adjudication or other official determination of a court of competent jurisdiction or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for a mutual holding company or subsidiary savings association of a mutual holding company.

(h) *Demand accounts* mean non-interest-bearing demand deposits that are subject to check or to withdrawal or transfer on negotiable or transferable order to the savings association and that are permitted to be issued by statute, regulation, or otherwise and are payable on demand.

(i) *Insider* means any officer or director of a company or of any affiliate of such company, and any person acting in concert with any such officer or director.

(j) *Member* means any depositor or borrower of a mutual savings association that is entitled, under the charter of the savings association, to vote on matters affecting the association, and any depositor or borrower of a subsidiary savings association of a mutual holding company that is entitled,