

May 8, 2002

Rosemary Brady Hardiman, Attorney at Law
Hardiman & Hardiman
6464 Blarney Stone Court
Springfield, VA 22152

Re: Electronic Voting on a Proposal to Convert to Nonfederal Insurance.

Dear Ms. Hardiman:

You have asked if a credit union may allow its members the option of voting electronically on a proposal to convert to nonfederal insurance. Yes, a credit union may allow electronic voting in this circumstance.

NCUA's rules provide that, with NCUA approval, a federally-insured credit union may convert to nonfederal insurance if the credit union properly notifies its members of its proposal to convert and the members vote to do so. 12 C.F.R. §708b.203, 204. As part of the voting requirement, the rule provides that members must be "given the opportunity to vote by mail ballot". 12 C.F.R. §708b.204(b). This is intended to give members an alternative to voting in person. This is not intended to limit the voting options to mail ballot and voting in person. Accordingly, so long as a credit union complies with all other provisions of Part 708b and the integrity of the electronic voting process is maintained, a credit union may offer members the flexibility of voting electronically in addition to voting in person and by mail ballot.

Sincerely,

Sheila A. Albin
Associate General Counsel

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