



DIVISION OF FINANCE

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Mick Campbell
Acting Commissioner

April 4, 2022



Dear [REDACTED]

On behalf of your client and pursuant to § 362.106(4), you have requested a determination from the Missouri Division of Finance that a Missouri state-chartered mutual savings bank be permitted to provide notice of member meetings on the same basis and subject to the same standards and requirements applicable to a federally chartered mutual savings bank.

Applicable Missouri and Federal Laws and Regulations

Under current Missouri law, § 369.708.4 mandates that mutual savings banks provide meeting notices in accordance with § 362.044.4, which requires your client to send meeting notices to each member by regular or electronic mail.

As you represent in your letter, unlike a Missouri state-chartered mutual savings bank, a federally chartered savings bank is not required to mail notice of an annual or special meeting to its members. Instead, it can choose to publish notice twice in a single newspaper and post a copy of the notice in its banking offices. Specifically, 12 C.F.R. § 5.21(j)(2)(iii) provides that:

Notice specifying the date, time, and place of the annual or any special meeting and adequately describing any business to be conducted must be published for two successive weeks immediately prior to the week in which such meeting will convene in a newspaper of general circulation in the city or county in which the principal place of business of the association is located, or mailed postage prepaid at least 15 days and not more than 45 days prior to the date on which such meeting will convene to each of its

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members of record. A similar notice must be posted in a conspicuous place in each of the offices of the association during the 14 days immediately preceding the date on which such meeting will convene.

Findings

After reviewing the applicable Missouri and federal laws and regulations, and your client's request, I have determined that the proposed activity is not unsafe or unsound, and that the bank meets the conditions prescribed for federally chartered mutual savings banks based on the following:

- The expense and effort required to mail or send electronic notice of an annual members' meeting to over 16,500 members on a yearly basis is particularly burdensome for your client, a mutual savings bank;
- Requiring the bank to incur this expense and effort would place it at a significant disadvantage compared to federally chartered mutual savings banks, given the likelihood that the bank would not be able to pass this expense along to customers;
- The bank's recent experience of converting from a federal savings bank to a Missouri-chartered mutual savings bank further justifies your client's request, which required it to mail a notice to its approximately 16,500 members to approve the conversion, only to have 13 members (other than bank employees and directors) attend the meeting in person. According to the bank, this attendance is consistent with the bank's experience at previously held, pre-conversion annual meetings; and
- Allowing the bank to use the notice requirements set forth in 12 C.F.R. § 5.21(j)(2)(iii) will not disadvantage or harm its members.

Therefore, your client's request to use the notice requirements set forth in 12 C.F.R. § 5.21(j)(2)(iii) is approved.

All Missouri mutual savings banks may provide notice of any annual or special member meeting by:

- Complying with § 362.044.4; **or**

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- Publishing for two successive weeks immediately prior to the week in which such meeting will convene in a newspaper of general circulation in the city or county in which the principal place of business of the savings bank is located **and** posting a copy of the notice in a conspicuous place in each of the offices of the savings bank during the 14 days immediately preceding the date on which such meeting will convene.

This letter will be filed today with the Office of the Missouri Secretary of State and posted on the public internet website of the Division of Finance. It will become effective ten days after filing with the Secretary of State. If you have any questions regarding this matter, please contact James Gallaher, Division of Finance General Counsel.

Sincerely,



Mick Campbell
Acting Commissioner

MC:cs