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Congress of the United States
House of Representatives

Washington, DC 20515

December 13, 2005

Mr. David Walker
Comptroller General of the United States
441 G St., NW
Washington, DC 20548

Dear Comptroller Walker:

I am writing to request that the Government Accountability Office (GAO), investigate how the National Credit Union Association (NCUA) addresses the conversion of federally insured credit unions to mutual savings banks.

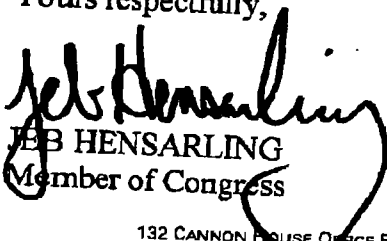
In recent years, there have been a number of credit union conversions that have received considerable attention because of the actions of the NCUA. Most recently, two credit unions in my home state of Texas were forced to seek redress in federal court in order to complete their conversion. I am requesting that you investigate and report on the following:

- 1) Whether the NCUA's actions conform with, or exceed, the powers granted by the 1998 Credit Union Membership Authorization Act (CUMAA) which grants the NCUA the authority to oversee the methods and procedures of a conversion vote.
- 2) Whether the NCUA's rules and guidelines for conducting a conversion are "no more or less restrictive than that applicable to charter conversion by other financial institutions," as required by law.
- 3) Whether the behavior of the NCUA in overseeing conversions acts as an undue hindrance on the ability of credit unions to convert.

Recent articles in several financial services trade publications have given the impression that a bias against credit union conversions may exist at the NCUA and could lead the administration to intentionally or unintentionally obstruct the ability of credit union members to decide freely and fairly the future of their credit union.

I appreciate you and your staff taking the time to examine this important matter. Should you have any questions about this request, please contact my office at (202) 225-3484.

Yours respectfully,


JEB HENSARLING
Member of Congress