



MUTUAL ALERT

AMB sends joint letter with the NAFCU, CUNA, and ABA to CFPB Director Chopra seeking his intervention in protecting mutual banks and credit unions from state judicial actions to undermine GLB privacy protections.

In prior alerts, we apprised you of the startling order issued by a Passaic County, New Jersey, judge in the litigation concerning the appropriate governance and member communication procedures for a mutual savings association in the context of a dissident member attempting to obtain a board seat. In the case of *Seidman v Spencer Savings Bank SLA*, the judge ordered Spencer to turn over approximately 42,000 depositor records to Mr. Seidman's proxy solicitor without any protections of their privacy or acknowledgment of the mandates of Graham Leach Bliley. AMB has been working with the various national trade groups to enlist their support in redressing this unprecedented invasion of depositor privacy. Attached is a joint letter to CFPB Director and FDIC Board member Chopra calling his attention to this threatening development and seeking his agency's involvement with state regulatory bodies to prevent the subordination of the cardinal principles embodied in the Graham Leach Bliley Act to the whims of state judges. For mutual thrifts and credit unions, a precedent which equates member rights with stockholder rights would put every mutual institution in the country at a tremendous competitive disadvantage in that the privacy of their members' financial information would not be secure. AMB will continue to work with its trade group counterparts to promote the critical interests of mutuals and welcomes their support. Attached is a joint letter to CFPB director Chopra signed by the NAFCU, CUNA, ABA and AMB.

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