**Section 1075.1820 Prohibition on Approval of Certain Applications for Conversion**

No application for conversion may be approved by the Director if:

a) The plan of conversion adopted by the applicant's board of directors is not in accordance with this Subpart;

b) The conversion reasonably could be expected to result in a reduction of the applicant's capital below requirements established by the Director and by Federal law;

c) The conversion may result in a taxable reorganization of the applicant under the United States Internal Revenue Code of 1986 (26 USC 1 et seq.), and the Director upon a written finding determines that the reorganization will endanger the safety and soundness of the converting savings bank;

d) The converted savings bank does not secure insurance of its deposit accounts backed by the full faith and credit of the United States government before commencing business; or

e) Where a holding company is contemplated, the holding company will not be either a bank holding company registered with the Federal Reserve Board under the Bank Holding Company Act (12 USC 1841 et seq.) or a savings and loan holding company registered with the Office of Thrift Supervision under the Home Owners' Loan Act (12 USC 1461 et seq.).

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)