

# **CREDIT UNION APPLICATIONS MANUAL**

## **DEPARTMENT OF BANKING AND FINANCE**

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## APPLICATIONS MANUAL

The purpose of the Georgia Department of Banking and Finance (Department) Applications Manual is to provide all users a detailed guide to the processes and procedures involved in the various corporate transactions requiring Department approval, registration, or notification. The Applications Manual is available on our website at: <https://dbf.georgia.gov> under Forms and Applications. Generally, applications and related fees should be submitted electronically; however, payments for the Secretary of State that are required to be remitted by the Department on behalf of the applicant must be in the form of a check made payable to the Secretary of State. Please contact your Supervisory Manager or [DBFCorp@dbf.state.ga.us](mailto:DBFCorp@dbf.state.ga.us) if you need assistance.

The Applications Manual is designed to supplement the Financial Institutions Code (Title 7), the Department's Rules and Regulations, and the Department's Statement of Policy by providing certain details related to corporate transactions requiring regulatory approval, registration, or notification. The applications manual will routinely refer to the Department's Statement of Policy as it guides you through the application process.<sup>1</sup>

The corporate processes described in this manual are under continuous review and are regularly modified to reflect current standards in processing regulatory transactions. Where appropriate and when a credit union qualifies, the Application Manual will provide for expedited processing. The Department's goal is to always provide timely decisions on any process requiring its approval, registration, or notification.

Specifically, for each identified corporate transaction process, the Applications Manual will identify:

- 1) Relevant laws and regulations;
- 2) Application, notification, or registration procedures;
- 3) Documents required;
- 4) Processing time; and
- 5) Fees.

The Department believes this manual will help explain the corporate application process. If you have questions about the content of the Applications Manual, please consult with your Supervisory Manager or [DBFCorp@dbf.state.ga.us](mailto:DBFCorp@dbf.state.ga.us).

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<sup>1</sup>In the event of any conflict between the Applications Manual and Georgia Law, the Department's rules and regulations, or the Department's Statement of Policy, such other provisions shall control over the Applications Manual.

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## CREDIT UNION CHARTERS

### 1. LAWS AND REGULATIONS

Section 7-1-130 thru 134. Names, Registered Offices, and Advertising.

Section 7-1-630 thru 7-1-636. Article 3 - Credit Unions - General Provisions; Organization.

Chapter 80-1-1 Applications, Registrations and Notifications.

Chapter 80-5-1 Supervision, Examination, Registration and Investigation Fees. Administrative Late Fees.

### 2. POLICY STATEMENT/REGULATORY ISSUANCES

Refer to the Department's charter information package titled "**Guideline's for Organizing a State Chartered Credit Union**".

### 3. PROCESSING PROCEDURES

1. When the organizing group has been formed, a meeting will be scheduled with the Commissioner (or Senior Deputy Commissioner) and the Deputy Commissioner for Supervision at the main office of the Department of Banking and Finance with all proposed directors/organizers to be in attendance. A representative from the National Credit Union Association (NCUA) will also be invited to attend the meeting to discuss Share/Deposit Insurance issues. *The Charter Application Package will be distributed during this meeting at no cost to the organizers.*
2. The Department's application should be filed concurrently with the NCUA. The applicant will be notified of acceptance of the application within ten business days of receipt. The Department will notify the applicant when the application is substantially complete and schedule a field investigation at that time. For the convenience of the applicant, the field investigation will be conducted jointly with the NCUA.
3. The Department should act within 90 days of acceptance of the application unless the processing time is extended by a request of additional information prior to or during the investigation process.

#### 3a. DOCUMENTS REQUIRED

1. Charter Application which should include the exact street address location of the proposed main office or a specific location. The application package includes the following items:
  - Confidential Report of Officials should be completed for each officer, director, and each member of the Credit and Supervisory Committees. Additional blank forms are available on the Department's website at: <https://dbf.georgia.gov>
  - Credit reports on all directors, officers, and committee members - see application for further information.
  - State Certificate to Application for Approval of Charter.
  - Two copies of the bylaws (recommended standard form bylaws are available on the Department's website at: <https://dbf.georgia.gov>)
  - The results of the organizer's findings on forms prescribed by the Department.
  - Other exhibits as necessary to complete the application. Please refer to specific exhibits and pages of exhibits on the application form itself.
2. Certificate of name reservation with the Secretary of State's Office pursuant to Code Section 7-1-131 (Refer to the name reservation section of this Manual for details on reserving a name for the credit union).
3. Three copies of the Articles of Incorporation (two with original signatures) and a check made payable to the Secretary of State for the applicable fee.

**4. PROCESSING TIME**

Regular Processing

Generally 90 days from acceptance

**5. FEES**

The Department will charge an application fee, as established by Department Regulation (up to \$20,000), to defray the cost of the charter investigation required by Code Section 7-1-632. However, the Department may waive this fee if it is determined that it would discourage the organization of the credit union.

## **BRANCH OFFICE (ESTABLISH OR RELOCATE)**

### **1. LAWS AND REGULATIONS**

Section 7-1-635.1 Out-of-State Credit Unions

Section 7-1 665 Branch Offices

Rule 80-2-4-.02 Investment of Credit Union Funds in Fixed Assets; Requirements

Rule 80-2-4-.08 Application or Notice Requirements for Branch Offices

Rule 80-2-4-.09 Relocation, Simultaneous Redesignation of Two or More Credit Union Locations, and Closing of a Branch Location

Rule 80-2-11-.02 Mobile Credit Union Units

Chapter 80-5-1 Supervision, Examination, Registration and Investigation Fees Administrative Late Fees

### **INSIDER INVOLVEMENT AND FIXED ASSET LIMITATION**

If an insider is involved in the transaction or if the anticipated fixed asset investment will cause the credit union to exceed 60% of total equity capital and reserves (excluding the allowance for loan losses) (hereinafter "TEC") the following information should be submitted for all applications:

- Details of insider involvement should be provided describing the individual's involvement. If appropriate, two independent appraisals of the property (or fair market value estimates of leased property) should be submitted.
- Where the proposed expansion will result in a greater investment in fixed assets than allowed by law, the credit union must provide for an orderly plan for restoring the fixed asset investment to the 60% TEC limitation within not more than five years.

### **CRITERIA FOR EXPEDITED PROCESSING OF CREDIT UNION BRANCH APPLICATIONS**

- The credit union must be well-capitalized as defined by the capital requirements of the Department and the NCUA;
- The credit union must be a Georgia state-chartered credit union;
- The credit union must have received a CAMELS composite rating of "1" or "2" at the most recent Department or NCUA examination;
- The credit union is not subject to any written agreements, orders or other enforcement actions, or administrative agreements with the Department or the NCUA; and
- Total investments in fixed assets do not exceed 60 percent of TEC.
- In addition, the Department may deny or remove from expedited processing, any credit union's application where it finds that:
  - Safety and soundness concerns of the Department dictate a more comprehensive review;
  - Other supervisory concerns, legal issues, or policy issues come to the attention of the Department;
  - Any acquisition of fixed assets that would cause the institution to exceed the fixed asset limitation; or
  - Any other good cause exists for denial or removal.

In the event the Department determines expedited processing is not available, the credit union will be notified of the fact with the reason for the decision and instructions as how to proceed.

### **MOBILE BANKING UNITS**

Since a mobile banking unit will function as a branch, application for approval is made through this branch office process. Refer to Rule 80-2-11-.02 for additional ongoing requirements for mobile banking units.

**2. EXPEDITED PROCESSING APPLICATION PROCEDURES**

The credit union must provide a letter form application to the Department. The application must include the following information: (1) the physical address of the proposed branch office; (2) a statement regarding whether or not an insider is involved in the acquisition, construction, or leasing of the property; (3) the anticipated fixed asset investment for this proposal (i.e., will the credit union be in compliance with Rule 80-2-4-.02); and (4) a statement certifying that the applicant qualifies for expedited processing under the applicable qualifying criteria.

The Department will generally act on the application within 10 days of receipt. In the event the application does not qualify for expedited processing, the Department will use its best efforts to advise the applicant of this fact within two business days of receipt. In such cases, the applicant may file an application that will be processed under regular processing procedures.

If the transaction involves the purchase and assumption of assets and/or deposits, and would require a merger application with the NCUA, a copy of the NCUA’s application can be submitted in lieu of the Department’s letter form application.

**2a. EXPEDITED PROCESSING DOCUMENTS REQUIRED**

- Letter form application as noted.

**3. REGULAR PROCESSING APPLICATION PROCEDURES**

- Applicant should complete and submit the Branch Office Application located on the Department’s website - <https://dbf.georgia.gov>.
- The Department will utilize its best efforts to notify the applicant of delivery within two business days of receipt of the application and the appropriate filing fee.

**3a. REGULAR PROCESSING DOCUMENTS REQUIRED**

- Branch Office Application
- The Department will provide filing fee instructions after the submission of the application.

**4. INTERSTATE APPLICATIONS (OUT-OF-STATE CREDIT UNIONS)**

An out-of-state credit union may establish a place of business in this state to serve its existing membership but must seek prior written approval from the Department. The out-of-state credit union must meet the requirements detailed in O.C.G.A. §7-1-635.1 when seeking approval from this Department to establish a branch office in Georgia. The out-of-state credit union should submit the Branch Office Application and address each item in Sections 7-1-635.1(a) & (b). The Department will provide filing fee instructions after the submission of the application.

**5. PROCESSING TIME**

Regular and Interstate Applications 30 days from receipt of completed application  
Expedited Application 10 business days from receipt of completed application

**6. FEES**

Expedited Application: None  
Regular and Interstate (Georgia as a host state): \$1,250

## **REDESIGNATION OF BRANCH AND MAIN OFFICE**

### **1. LAWS AND REGULATIONS**

Section 7-1-665 Branch Offices

Rule 80-2-4-.09 Relocation, Simultaneous Redesignation of Two or More Credit Union Locations, and Closing of Branch Location

Rule 80-5-1-.06(f) Fees for Credit Unions

### **2. APPLICATION PROCEDURES**

The credit union must provide a letter form application to the Department. The application must include the following information: (1) detailed narrative of the proposed redesignation; (2) description of the overall condition of the credit union; (3) anticipated costs of the redesignation; (4) disclosure of insider interests; and (5) calculation of the resultant level of fixed assets in relation to statutory limitations.

### **3. DOCUMENTS REQUIRED**

Letter form application as noted above.

### **4. PROCESSING TIME**

7 days from receipt

### **5. FEES**

None

\*Changes in the address of the main office may require an amendment to the Articles of Incorporation. Any amendments to the Articles of Incorporation will require additional procedures to those described above. Refer to the Articles of Incorporation section of this Applications Manual.

\*In the event the credit union intends on closing the former main office as part of a redesignation, then the closing procedures for a credit union location must be followed in addition to these procedures. Refer to the Branch Office Closing section of this Applications Manual.



## **BRANCH OFFICE CLOSINGS**

### **1. LAWS AND REGULATIONS**

Section 7-1-110.1 Posting Notice of Intent to Close Banking Business

Section 7-1-111 Emergency Closings

Rule 80-2-4-.09 Relocation, Simultaneous Redesignation of Two or More Credit Union Locations, and Closing of a Branch Location

Chapter 80-5-2 Temporary Changes in Operating Hours, Emergency Closings

Rule 80-5-2-.03 Permanent Closings

### **2. PRIOR NOTIFICATION PROCEDURES**

The credit union must provide a letter form notification to the Department. The notification must include the following information: (1) the location of the branch office to be closed; (2) a statement of the reasons and a summary of the information supporting the decision for closure; and (3) the anticipated closure date.

The credit union must post notice of the closing at such location at least 30 days in advance of the intended closure. The credit union must also disclose the closure on its website at least 30 days in advance of the intended closure. Such notices shall be posted for at least 30 consecutive days. Within two days of posting the notices, the credit union must forward to the Department a copy of the notices posted at the location and on the website.

\*If the actual closing date is different from the anticipated closing date contained in the letter form notification to the Department, the credit union must inform the Department in writing of the actual closing date within 15 days of the closing.

### **3. DOCUMENTS REQUIRED**

- Letter form notification as detailed above.
- Notices posted at the physical location and on the website. Notices must be forwarded to the Department within two days of posting.
- Notification of new closing date if different from the anticipated date provided in the original notification to the Department.

### **4. PROCESSING TIME**

Department records will be updated at the time of notification. The Department will acknowledge receipt of the notification within 10 days.

### **5. FEES**

None

## **EMERGENCY CLOSING OF A BRANCH OR MAIN OFFICE**

Office closings due to emergency situations should be communicated to the Department as soon as transmission is feasible. Furthermore, credit unions should make every effort to reopen as quickly as possible to address the needs of their members.

## **EXTENSION OF EXISTING OFFICES AND FACILITIES**

### **1. LAWS AND REGULATIONS**

Section 7-1-664 Extensions of Existing Banking Locations; Automated Teller Machines, Cash Dispensing Machines, Point-of-Sale Terminals, and Other Extensions  
Chapter 80-2-11 Extensions of Existing Offices and Facilities, Auxiliary Services

### **AUTOMATED TELLER MACHINE (ATM), CASH DISPENSING MACHINE, NIGHT DEPOSITORY, AND POINT OF SALE TERMINAL**

Consistent with Rule 80-2-11-.05, application and/or notification is **not** required for an ATM, Cash Dispensing Machine, Night Depository, or Point-of-Sale Terminal.

### **EXTENSIONS OF AN EXISTING FACILITY**

An extension that is 1) located within the boundary lines of a single contiguous area of property owned or leased by the credit union and used as a branch location, or 2) within 200 yards of such branch location requires written notification to the Department. An extension does not have to be physically connected to the existing facility.

### **ALL OTHER EXTENSIONS**

The credit union must provide a letter form application to the Department for all other extensions.

## **EXTENSION OF AN EXISTING FACILITY**

### **2. PRIOR NOTIFICATION PROCEDURES**

The credit union must provide a letter form notification to the Department. The notification must include the following information: (1) exact location of proposed extension; (2) nature of service that will be performed at the extension; (3) distance of extension from credit union; (4) ownership of the location; (5) cost of establishing the extension, and if site is to be leased, a copy of the proposed lease agreement; and (6) whether or not extension is connected to any branch location.

### **3. DOCUMENTS REQUIRED FOR EXTENSION OF EXISTING FACILITY**

Letter form notification as detailed above.

### **4. PROCESSING TIME FOR EXTENSION OF EXISTING FACILITY**

Department records will be updated at the time of notification. If the Department determines that the extension does not meet the requirements of O.C.G.A. § 7-1-664, communication will be provided to the credit union within 10 days from receipt of the notification. In the event the Department does not make such a determination, then the Department will acknowledge receipt of the notification within 10 days.

### **5. FEES**

None

## **ALL OTHER EXTENSIONS**

### **2a. APPLICATION PROCEDURES**

The credit union must provide a letter form application to the Department. The application must include the following information: (1) detailed narrative of the proposed extension; (2) anticipated costs of the extension; (3) distance of extension from closest branch location; (4) description of the overall condition of the credit union; (5) disclosure of insider interests; and (6) calculation of the resultant level of fixed assets in relation to statutory limitations.

**3a. DOCUMENTS REQUIRED FOR ALL OTHER EXTENSIONS**

Letter form application as detailed above.

**4a. PROCESSING TIME FOR ALL OTHER EXTENSIONS**

10 days from receipt of a completed application.

**5a. FEES**

None

## **PURCHASE OF REAL ESTATE FOR FUTURE EXPANSION**

### **1. LAWS AND REGULATIONS**

Section 7-1-650(8) Purchase, Hold, and Convey Real Estate

Rule 80-2-4-.04 Purchase of Real Estate for Future Expansion; Letter Notification

### **2. NOTIFICATION PROCEDURES**

The purchase of real property for expansion purposes may be made through notification procedures when the real property is to be utilized as credit union premises within five years of the date of purchase, the purchase of the real property does not result in the credit union exceeding the fixed asset limitation, the credit union is not subject to any special requirements whereby the Department requires prior approval for such purchases, and if a director, officer, or committee member is party to the transaction, a certification is provided stating that all requirements of O.C.G.A. § 7-1-656 and the provisions of any applicable federal requirement have been satisfied.

If notification requirements are met, the credit union must provide a letter form notification to the Department. The notification must include the following information: (1) date of purchase; (2) purchase price; (3) location of the property; and (4) why the credit union qualifies for letter notification under the provisions of Rule 80-2-4-.04.

#### **2a. NOTIFICATION PROCEDURES DOCUMENTS REQUIRED**

- Letter form notification as noted above.

### **3. APPLICATION PROCEDURES**

If notification requirements cannot be satisfied, the credit union must submit a letter form application to the Department for prior approval. Approval shall only be granted in those cases where the credit union provides reasonable assurance that it plans to utilize the property as credit union premises within five years from the date of purchase. The application must include: (1) a description of the property; (2) proposed purchase price; (3) method of financing for the purchase; (4) management's plans for the property, and how the purchase and management's plans fit within the credit union's overall business plan and objectives; and (5) proposed date of purchase. If a director, officer, or committee member is a party to the transaction, the credit union must also indicate how all the requirements of O.C.G.A. §7-1-656 and provisions of any applicable federal requirement will be addressed.

#### **3a. APPLICATION PROCEDURES DOCUMENTS REQUIRED**

- Letter form application as noted above.
- Two independent appraisals if property is purchased from an insider.

### **4. PROCESSING TIME**

Notification: Department records will be updated at time of notification. The Department will acknowledge receipt of notification within 10 days.

Application: 10 days from receipt of a completed application.

### **5. FEES**

None

**NOTE:** The ability to hold property for future expansion shall expire five years from the date of purchase unless the property is utilized as credit union premises prior to that time. Credit unions holding property beyond the five-year period must divest themselves of the property through sale unless the time limitation is extended by the Department.

## **APPROVAL TO LEASE REAL PROPERTY**

### **1. LAWS AND REGULATIONS**

Section 7-1-650(8) Purchase, Hold, and Convey Real Estate

Rule 80-2-4-.05 Credit Union as a Lessor of Real Estate

### **2. APPLICATION PROCEDURES**

The credit union must provide a letter form application to the Department. The application must include: (1) a detailed description of the lease that is contemplated, including, but not limited to, the terms of the lease, a description of the proposed lessee's operations, the relationship, if any, between the credit union and the proposed lessee, the real estate that is proposed to be leased, and the percentage of the real estate that will be occupied by the lessee; (2) the total amount of the credit union's fixed assets that will be leased in the event the lease is approved; (3) an affirmative statement that there is no involvement by any director, committee member, officer, or employee of the credit union or any related interest of such individuals with the individual or entity that is the proposed lessee, or, in the event there is any such involvement, the details of the involvement; and (4) a copy of the resolution adopted by the Board of Directors authorizing the lease of the specific premises to the proposed lessee.

### **3. DOCUMENTS REQUIRED**

- Letter form application as noted above.

### **4. PROCESSING TIME**

30 days from receipt of a completed application.

### **5. FEES**

None

## **AUXILIARY SERVICES**

### **1. LAWS AND REGULATIONS**

Section 7-1-241 Restrictions on Engaging in Banking Business

Chapter 80-2-11 Extensions of Existing Offices and Facilities; Auxiliary Services

### **ACCOUNT SERVICE REPRESENTATIVES**

Credit unions may provide account service representatives in accordance with Rule 80-2-11-.03.

### **SCHOOL SAVINGS AND BANKING EDUCATION PROGRAMS**

Credit unions may participate in school savings and banking education programs in accordance with Rule 80-2-11-.04.

### **2. APPLICATION PROCEDURES**

The credit union must provide a letter form application to the Department for account service representatives and school savings and banking education programs. The application must include the following information: (1) a detailed narrative of the proposed auxiliary service; (2) description of the overall condition of the credit union; (3) anticipated costs; and (4) disclosure of insider interests.

Additionally, applications for account services representatives applications should also include: (1) detail of the availability of access to the designated location for other financial institutions; and (2) confirmation that account paying and receiving services will not be provided during visits other than an initial deposit into a new account.

### **3. DOCUMENTS REQUIRED**

Letter form application as noted above.

### **4. PROCESSING TIME**

10 days from receipt of completed application.

### **5. FEES**

None

# CONVERSION TO A STATE-CHARTERED CREDIT UNION

## 1. LAWS AND REGULATIONS

Section 7-1-668 Conversion of State and Federal Credit Unions  
Chapter 80-5-1-.06(c) Fees for Credit Unions

## 2. APPLICATION PROCEDURES

A meeting with the Department should precede the filing of an application.

The credit union must provide a letter form application and other required documents as detailed below to the Department. The letter form application must include, at a minimum, the following information: (1) general comments stating overall purpose for conversion, general business strategy, and products and services currently provided; (2) current name, proposed name, current primary office address, and branch locations; (3) key officers and contact information; (4) a copy of management's response to the most recent examination conducted by the regulatory authority; (5) overview or copy of the current strategic/business plan and budget including any anticipated changes in operations, membership, management, strategy, market area, main office location, funding, loan composition, portfolio, products, or services post conversion; (6) current field of membership and any desired expansion of field of membership through SEG group or geographic common bond; (7) list of subsidiaries or affiliates and the activities which they perform; (8) copy of any agreements or administrative actions between the financial institution and regulatory authorities; (9) identify any fiduciary powers to be exercised; and (10) desired effective date of conversion.

The Plan of Conversion, attached as an exhibit to the publicly filed Articles of Conversion, must describe, at a minimum, the overall purpose of the conversion and any significant business plan change as a result of the conversion.

The Department will request previous examinations of the credit union from the appropriate federal or state regulators. The Department will also conduct an on-site conversion investigation to review the condition of the financial institution and other operating factors.

NCUA rules and regulations regarding the conversion process should be reviewed as it may impact the strategic planning of conversion. Relevantly, NCUA regulations require evidence that the state regulator has conditionally approved the conversion proposal as part of the NCUA's approval process. In addition, NCUA regulations further require a member vote to follow NCUA's approval of the conversion application. The NCUA should be consulted directly for direction related to any specific federal requirements.

## 3. DOCUMENTS REQUIRED

- Letter Form Application as detailed above;
- Board Resolution Approving Contemplated Conversion (see website for sample resolution);
- State Certificate to Apply for Approval to Convert to a State-Chartered Financial Institution (see website for certificate);
- Articles of Conversion in compliance with Section 7-1-668 (see website for sample articles);
- A check made payable to the Secretary of State for applicable fees;
- Name reservation as defined in the "Name Permission, Reservation, and Change" section of this Applications Manual, if applicable;
- Confidential Report of Officials for executive officers and directors (see website for form);
- Verification of Lawful Presence/Citizenship Affidavit (see website for application);
- Current and Proposed Articles of Incorporation and Bylaws; and

- Within 10 days of the conversion approval, a verified copy of the conversion resolution approved by the board should be filed with the Department.

Electronic payment instructions will be provided by the Department after submission of the application. Payment must be remitted to the Department prior to acceptance of the application. Once the application has been accepted, the Department will request additional information that must be provided for the investigation.

#### **4. PROCESSING TIME**

- The Department will notify the applicant when the application is deemed substantially complete and formally accepted.
- An investigation will then be scheduled at that time.
- The Department will take action within 90 days of acceptance of a completed application unless the processing time is extended by a request for additional information as part of the investigation process.

#### **5. FEES**

\$1,000



# **CONVERSION OF STATE-CHARTERED CREDIT UNION TO A FEDERAL CREDIT UNION**

## **1. LAWS AND REGULATIONS**

Section 7-1-6 Notices; waiver of notices

Section 7-1-554 National bank to state bank or trust company conversions - Issuance of certificate of conversion

Section 7-1-668 Conversion of State and Federal Credit Unions

## **2. APPLICATION PROCEDURES**

The credit union must provide a letter form application and other required documents as detailed below to the Department. The letter form application must include, at a minimum, the following information: (1) general comments stating overall purpose for conversion, general business strategy, and products and services currently provided; (2) current field of membership and any desired expansion of field of membership through SEG group or geographic common bond; and (3) desired effective date of conversion. The notice of a meeting of the members to vote for proposed conversion must be approved by the Department prior to distribution to the members.

## **3. DOCUMENTS REQUIRED**

- Letter Form Application as detailed above;
- Board Resolution Approving Contemplated Conversion (see website for sample resolution);
- Name reservation as defined in the “Name Permission, Reservation, and Change” section of this Applications Manual, if applicable;
- Notice of a meeting of the members to vote for proposed conversion (must be approved by Department prior to distribution to members);
- Affidavit of the president of the credit union and supporting documentation of proof of giving member meeting notice; and
- Within 10 days of the conversion approval, a verified copy of the conversion resolution approved by the board should be filed with the state or federal authority under whose supervision the converting credit union is to operate.

## **4. PROCESSING TIME**

- The Department will notify the applicant when the application is deemed substantially complete and formally accepted.
- The Department will give approval of the notice of a meeting of the members to vote for proposed conversion prior to distribution to the members.
- The Department will take action within 90 days of acceptance of a completed application unless the processing time is extended by a request for additional information as part of the evaluation process.
- Upon the receipt of the written approval of the Department, the credit union is required to file with the Secretary of State a certificate of the approval of the transaction. The Secretary of State shall immediately issue to the resulting credit union a certificate of conversion and shall retain a copy of such certificate, the articles, and the approval from the Department.

## **5. FEES**

None

# **MERGER OF A GEORGIA STATE-CHARTERED CREDIT UNION THAT RESULTS EITHER IN A (1) GEORGIA STATE CHARTERED CREDIT UNION OR (2) A NON-GEORGIA STATE-CHARTERED CREDIT UNION**

## **1. LAWS AND REGULATIONS**

Section 7-1-667 Mergers

Section 7-1-6 Notices; waivers of notice

Rule 80-5-1-.06(b) Fees for Credit Unions

## **2. APPLICATION PROCEDURES**

The credit union must provide a letter form application and other required documents as detailed below to the Department. The letter form application must include, at a minimum, the following information: (1) general comments stating overall purpose for merger, general business strategy, and products and services currently provided; (2) current name, proposed name, current primary office address, and branch locations; (3) key officers and contact information; (4) a copy of management's response to the most recent examination conducted by the regulatory authority; (5) overview or copy of the current strategic/business plan and budget including any anticipated changes in operations, membership, management, strategy, market area, main office location, funding, loan composition, portfolio, products, or services post merger; (6) current field of membership and any anticipated requests for an expansion of field of membership through SEG group or geographic common bond; (7) list of subsidiaries or affiliates and the activities which they perform; (8) copy of any agreements or administrative actions between the financial institution and regulatory authorities; (9) identify any fiduciary powers to be exercised; and (10) desired effective date of merger.

The credit union must provide a copy of the application filed with the NCUA. If the NCUA's application includes the information detailed above, that application can be submitted in lieu of a separate Department application.

If a consummation date has not been submitted as of the Department's approval date, the original approval certificate will be retained by the Department and, upon receipt of a written requested consummation date, will be forwarded to the Secretary of State along with one of the originally signed copies of the Articles of Merger and the check for the fee made payable to the Secretary of State.

Upon request, the Department may waive the requirement for membership approval of the merger upon a finding that the merging credit union is in eminent danger of failing or that the field of membership is no longer a viable group and a membership meeting cannot be realistically held.

NCUA rules and regulations regarding the merger process should be reviewed as it may impact the strategic planning of conversion. Relevantly, NCUA regulations require a member vote to follow NCUA's approval of the merger application. The NCUA should be consulted directly for direction related to any specific federal requirements.

## **3. DOCUMENTS REQUIRED**

- Letter form application as detailed above;
- Copy of application filed with the NCUA;
- Articles of Merger containing all elements required by Section 7-1-667;
- Name reservation as defined in the "Name Permission, Reservation, and Change" section of this Applications Manual, if applicable;
- A check made payable to the Secretary of State for applicable fees;
- The Plan of Merger describing the overall purpose of the merger;

- The results of the membership vote approving the merger with and into the continuing credit union (unless the membership vote requirement is waived by the Department);
- Notice of Merger (see website for sample notice); and
- Approvals from all relevant federal and/or state supervisory agencies.

Electronic payment instructions will be provided by the Department after submission of the application. Payment must be remitted to the Department prior to acceptance of the application.

If approved, the Department will give the Secretary of State written notice of approval with a copy of the Articles of Merger and Notice of Merger.

The Department will request previous examinations and/or ratings of the credit union from the appropriate federal or state regulators. The Department may conduct an examination into the condition of the non-Georgia state-chartered credit union to the extent deemed necessary to review the condition of the financial institution and other operating factors. The cost of such examination shall be charged to the applicant in addition to the normal merger fee.

#### **4. PROCESSING TIME**

Within 90 days after receipt of the required filings, or within an additional period of not more than 30 days after an amendment to the application is received, the Department shall, in its discretion, approve or disapprove the merger.

#### **5. FEES**

\$1,000

## NAME PERMISSION, RESERVATION, AND CHANGE

### 1. LAWS AND REGULATIONS

Section 7-1-130 Permissible Names

Section 7-1-131 Reservation of Name

Section 7-1-243 Restrictions on Banking and Trust Nomenclature

### NAME PERMISSION

### 2. APPLICATION PROCEDURES

Entities seeking the Department's permission to use a name containing restricted word(s) should file the online application located on the Department's website at: <https://dbf.georgia.gov/webform/request-permission-use-bank-credit-union-trust-or-similar-words-name>. Sufficient documentation supporting the name request should be included with the application. If approval is granted, a letter will be sent to the applicant. Applicants receiving a name permission from the Department should follow the procedures outlined by the Secretary of State's Office for submission of the Department's approval letter.

### 3. DOCUMENTS REQUIRED FOR NAME PERMISSION

Online application as detailed above.

### 4. PROCESSING TIME

Name permissions will be acted upon within ten days of receipt of the application unless there are concerns about conformity with the statutory requirements.

### 5. FEES

None

## NAME RESERVATION AND CHANGE

### 2a. APPLICATION PROCEDURES

Credit unions seeking a name reservation or change should submit a letter form application. The application should state whether the request is for a new credit union and include the intended county for the main office, or for a change in the name of an existing credit union. An amendment of the Articles of Incorporation is also required for a change in the name of an existing credit union. If approval is granted, a letter will be sent to the applicant. The Department will transmit a copy of the approval letter to the Secretary of State's Office for name reservations and name changes.

### 3a. DOCUMENTS REQUIRED FOR NAME RESERVATION AND CHANGE

- Letter form application as detailed above.
- If submitted by an existing credit union, a draft of Amended Articles of Incorporation.

### 4a. PROCESSING TIME

Name reservations and changes will be acted upon within ten days of receipt of the application unless there are concerns about conformity with the statutory requirements. Name reservations are valid for a period of six months.

### 5a. FEES

None

## **ADOPTION OF TRADE NAME**

### **1. LAWS AND REGULATIONS**

Section 7-1-130 Permissible Names

Section 7-1-243 Restrictions on Banking and Trust Nomenclature

Section 10-1-490 Business Using Trade, Partnership, or Other Name Now Showing Ownership to File Registration Statement; Indexing; Fee

### **2. NOTIFICATION PROCEDURES**

Applicant should submit a letter form notification stating the desired trade name and the county or counties in which that trade name will be used and registered.

### **3. DOCUMENTS REQUIRED**

- Letter form notification as detailed above.
- Effective date of trade name from the County Clerk's Office of Superior Court, if registered.

### **4. PROCESSING TIME**

Department records will be updated at the time of notification. If the Department determines that the trade name does not meet the requirements of O.C.G.A. § 7-1-130, communication will be provided to the credit union within ten days from receipt of the notification. If the Department does not make such determination, then the Department will acknowledge the receipt of the notification within ten days. Following the Department's acknowledgement, the applicant is directed to register the trade name with the County Clerk's Office of Superior Court in which the business will operate or in the county of its legal domicile as detailed in O.C.G.A. § 10-1-490.

### **5. Fees**

None

# AMENDMENT OF ARTICLES OF INCORPORATION OR BYLAWS

## 1. LAWS AND REGULATIONS

Section 7-1-634 Amendment of Articles and Bylaws

Section 7-1-635 Procedures for Department

Amendments to the bylaws may be adopted and amendments of the Articles of Incorporation may be requested if appropriate notices from the Board of Directors have been given and required affirmative votes of the Board of Directors have been obtained as required by O.C.G.A. § 7-1-634. No amendment of the bylaws or Articles of Incorporation shall become effective until approved in writing by the Department. The Department will evaluate the application utilizing evaluation factors contained in O.C.G.A. § 7-1-634 as well as all other related Code sections.

**NOTE:** If the amendment of the articles involves a name change, the process outlined in the “Name Permission, Reservation, and Change” section of this Applications Manual should also be followed. If an amendment of bylaws involves expanded field of membership, the process outlined in the “Field of Membership Expansion” section of this Applications Manual should also be followed.

## 2. APPLICATION PROCEDURES

The credit union must file a letter form application.

## 3. DOCUMENTS REQUIRED

- Letter form application that includes the amended bylaws or Articles of Incorporation which clearly notate changes adopted.
- Certified copy of the Resolution by the Board of Directors as stated in O.C.G.A. § 7-1-634.
- Articles of Amendment or bylaw amendment signed by two duly authorized officers of the credit union under its seal, containing the items listed in O.C.G.A. § 7-1-634, where applicable to the type of amendment being made.
- For amendment of Articles of Incorporation only: the filing fee required by O.C.G.A. § 7-1-862, made payable to the Secretary of State.

## 4. PROCESSING TIME

The Department will take action within 90 days of a completed application. If the amendment of Articles of Incorporation are approved, the Department will forward a copy of the amendment and the submitted filing fee to the Secretary of State. Once issued by the Secretary of State, each amendment shall become effective, and the articles shall be deemed to be amended accordingly.

## 5. FEES

No Department fees. If the application is an amendment of Articles of Incorporation, the recording fee required by O.C.G.A. § 7-1-862, made payable to the Secretary of State, must be provided to the Department.

## **FIELD OF MEMBERSHIP EXPANSION**

### **1. LAWS AND REGULATIONS**

Section 7-1-630 Initial Subscribers; Contents and Filing of Articles; Other Required Filings

Section 7-1-634 Amendment of Articles of and Bylaws

Section 7-1-635 Procedures for Department

Rule 80-2-8-.01 Definitions

Rule 80-2-8-.02 Expedited Applications for Non-Geographic Group Common Bonds

Rule 80-2-8-.03 Requirements for Adding Additional Common Bond Groups to a Credit Union's Field of Membership

Rule 80-2-8-.04 Requirements for Geographic Groups

### **CRITERIA FOR EXPEDITED PROCESSING OF CREDIT UNION APPLICATIONS – NON-GEOGRAPHIC COMMON BOND:**

- The credit union must have received a CAMELS composite rating of "1" or "2" at the most recent Department or NCUA examination;
- The credit union is not subject to any written agreements, orders or other enforcement actions, or administrative agreements with the Department or the NCUA;
- The requested field of membership addition consists of 5,000 potential members or less;
- The requested field of membership is not a geographic common bond;
- The requested field of membership is located entirely within the state of Georgia; and
- The requested field of membership satisfies all requirements in Rule 80-2-8-.03.
- In addition, the Department may deny or remove from expedited processing, any credit union's application where it finds that:
  - safety and soundness concerns of the Department dictate a more comprehensive review;
  - other supervisory concerns, legal issues, or policy issues come to the attention of the Department; or
  - any other good cause exists for denial or removal.

In the event the Department determines expedited processing is not available, the credit union will be notified of the fact with the reason for the decision and instructions as how to proceed.

### **2. EXPEDITED APPLICATION PROCEDURES – NON-GEOGRAPHIC COMMON BOND**

A credit union that qualifies for expedited processing must submit a completed Expedited Field of Membership (FOM) Expansion Application located on the Department's website at <https://dbf.georgia.gov>.

#### **2a. EXPEDITED PROCESSING DOCUMENTS REQUIRED**

- Expedited Field of Membership (FOM) Expansion Application.
- Board Resolution approving requested FOM.
- Sponsor Request Letter for requested FOM.

### **3. REGULAR APPLICATION PROCEDURES – NON-GEOGRAPHIC COMMON BOND**

A credit union applying for a non-geographic common bond that does not meet expedited application criteria must submit a letter form application which includes the following information: (1) name, city, state of requested group; (2) date Board of Directors approved the addition of the group to the field of membership; (3) date of written request from a senior policy-making official of the requested organization; (4) defined common bond type, i.e. occupation, association or interest, membership in a specific type of organization, etc.; (5) date of most recent approved comprehensive business plan; and

(6) determination that credit union management has sufficient managerial capacity and the credit union has sufficient financial capacity to safely serve the expanded membership.

**3a. REGULAR PROCESSING – NON-GEOGRAPHIC COMMON BOND DOCUMENTS REQUIRED**

- Letter form application as noted above.
- Board Resolution approving requested FOM.
- Sponsor Request Letter for requested FOM.

**4. REGULAR APPLICATION PROCEDURES – GEOGRAPHIC COMMON BOND**

A credit union applying for a geographic common bond must submit a letter form application which includes the following information: (1) location of well-defined geographic area requested; (2) the manner in which the credit union intends to service the targeted neighborhood, community, or rural district; (3) the financial services that will be provided to the targeted neighborhood, community, or rural district; (4) a projection of the expected growth into the target market over a three-year period, to include consideration of the market’s current financial service providers; (5) the impact of the proposed addition on credit union capital, property, equipment (including technology resources), and personnel resources; and (6) the adequacy and sufficiency of fixed assets and data processing facilities to serve the proposed geographic common bond including sufficient resources to meet the expected growth levels.

**4a. REGULAR PROCESSING – GEOGRAPHIC COMMON BOND DOCUMENTS REQUIRED**

- Letter form application as noted above.
- Board Resolution approving FOM.
- The Department will provide filing fee instructions after the submission of the application.

**5. PROCESSING TIME**

Expedited Application – Non-Geographic Common Bond: 10 days from receipt of complete application

Regular Application – Non-Geographic Common Bond: 90 days from receipt of complete application

Regular Application – Geographic Common Bond: 90 days from receipt of complete application and filing fee

**6. FEES**

Expedited Application – Non-Geographic Common Bond: None

Regular Application – Non-Geographic Common Bond: None

Regular Application – Geographic Common Bond: \$1,000 per geographic common bond group





## **SUBSIDIARIES**

### **1. LAWS AND REGULATIONS**

Section 7-1-650(6) Powers

Rule 80-1-1-.10 Qualifying Criteria for Expedited Processing for Applications by a Bank Other than Charter

Rule 80-2-4-.03 Investment of Credit Union Funds in Subsidiaries

Rule 80-2-13-.01(4) Procedures for Other Transactions, Applications

Rule 80-5-1-.06 Fees for Credit Unions

### **CRITERIA FOR EXPEDITED PROCESSING OF CREDIT UNION APPLICATIONS:**

- The credit union must be well-capitalized as defined by the capital requirements of the Department and the National Credit Union Administration (NCUA);
- The credit union must have received a CAMELS composite rating of "1" or "2" at the most recent Department or NCUA examination;
- The credit union is not subject to any written agreements, orders or other enforcement actions, or administrative agreements with the Department or the NCUA; and
- Total investments in fixed assets do not exceed 60 percent of total equity capital and reserves (excluding the allowance for loan losses).
- In addition, the Department may deny or remove from expedited processing, any credit union's application where it finds that:
  - Safety and soundness concerns of the Department dictate a more comprehensive review;
  - Other supervisory concerns, legal issues, or policy issues come to the attention of the Department;
  - Any acquisition of fixed assets that would cause the institution to exceed the fixed asset limitation; or
  - Any other good cause exists for denial or removal.

In the event the Department determines expedited processing is not available, the credit union will be notified of the fact with the reason for the decision and instructions as how to proceed.

### **2. EXPEDITED PROCESSING APPLICATION PROCEDURES**

A credit union that qualifies for expedited processing must submit to the Department a letter form application which includes: (1) confirmation that the credit union meets the expedited processing criteria; (2) a discussion of the functions that the subsidiary will perform, the relationship of these functions to banking and finance, and the risks associated with conducting these functions; (3) details regarding the funding of the creation of the subsidiary; (4) a discussion of the future capital requirements of the subsidiary; (5) a statement as to whether an insider is involved in the transaction in any manner; (6) a description of the applicable requirements, and the steps that have been taken, if the proposed activity triggers any licensing, registration, or notification requirements with another regulatory or government agency; and (7) any other information deemed appropriate for the particular entity.

#### **2a. EXPEDITED PROCEESING DOCUMENTS REQUIRED**

- Letter form application as noted above.

### **3. REGULAR PROCESSING APPLICTION PROCEDURES**

Credit unions applying under regular processing procedures should follow all procedures required by expedited processing.

**3a. REGULAR PROCESSING DOCUMENTS REQUIRED**

- Letter form application as noted above.

Electronic payment instructions will be provided by the Department after submission of the application. Payment must be remitted to the Department prior to acceptance of the application. Once the application has been accepted, the Department will request additional information that must be provided for the application processing.

**4. PROCESSING TIME**

Expedited Processing	10 business days from receipt of a completed application
Regular Processing	30 business days from receipt of complete application

**5. FEES**

Expedited Processing	None
Regular Processing	\$500

## **FIDUCIARY POWERS**

### **1. LAWS AND REGULATIONS**

Section 7-1-242 Restrictions on Corporate Fiduciaries

Section 7-1-310 Powers To Act As A Fiduciary And In Other Representative Capacities

Section 7-1-394 Investigation; Approval or Disapproval By Department; Abbreviated Procedures

Chapter 80-2-13-.01 Procedures for Other Transactions, Applications

Rule 80-5-1-.06 Fees for Credit Unions

### **CRITERIA FOR EXPEDITED PROCESSING OF SINGLE TRUST POWER**

- The credit union must be well-capitalized as defined by the capital requirements of the Department and the National Credit Union Administration (NCUA);
- The credit union must have received a CAMELS composite rating of "1" or "2" at the most recent Department or NCUA examination;
- The credit union is not subject to any written agreements, orders or other enforcement actions, or administrative agreements with the Department or the NCUA; and
- In addition, the Department may deny or remove from expedited processing, any credit union's application where it finds that:
  - Safety and soundness concerns of the Department dictate a more comprehensive review;
  - Other supervisory concerns, legal issues, or policy issues come to the attention of the Department;
  - Any acquisition of fixed assets that would cause the institution to exceed the fixed asset limitation; or
  - Any other good cause exists for denial or removal.

In the event the Department determines expedited processing is not available, the credit union will be notified of the fact with the reason for the decision and instructions as how to proceed.

### **2. SINGLE TRUST POWER EXPEDITED PROCESSING APPLICATION PROCEDURES**

A credit union that qualifies for expedited processing must submit to the Department a letter form application which includes: (1) a description of the proposed activity; (2) a detailed analysis of any changes the new activity is expected to have on the business plan; (3) a three-year projection of income and expenses associated with the single trust power; (4) information about the terms of the single trust power, as applicable; (5) a resume of the proposed trust officer; (6) a letter from legal counsel stating that all documents and agreements related to the proposed trust activity have been reviewed, including proposed, amended Articles of Incorporation; (7) details of Board and committee oversight structure and involvement; (8) confirmation that the trust activity will be included in annual internal and external audits; (9) copy of the Board Resolution approving the exercise of the trust power and the name of the entity that will be exercising that trust power; and (10) Board-approved trust policies and procedures.

#### **2a. SINGLE TRUST POWER EXPEDITED PROCESSING DOCUMENTS REQUIRED**

- Letter form application as noted above.

Electronic payment instructions will be provided by the Department after submission of the application. Payment must be remitted to the Department prior to acceptance of the application.

### **3. LIMITED TRUST POWERS APPLICATION PROCEDURES**

A credit union must submit to the Department a letter form application which includes: (1) a description of the types of fiduciary accounts that will be offered (personal trust, corporate trust, etc.); (2) a detailed analysis of any changes the new activity is expected to have on the business plan; (3) a three-year projection of income and expenses associated with the limited trust powers; (4) a resume of the proposed

trust officer; (5) details of Board and committee oversight structure and involvement including applicable resumes demonstrating trust expertise; (6) a letter from legal counsel stating that all documents and agreements related to the proposed trust activity have been reviewed; (7) a description of the methods to be used for record keeping of fiduciary accounts; (8) confirmation that the trust activity will be included in annual internal and external audits; (9) copy of the Board Resolution approving the exercise of the Trust power and the name of the entity that will be exercising that trust power; and (10) Board-approved trust policies and procedures.

### **3a. LIMITED TRUST POWER DOCUMENTS REQUIRED**

- Letter form application as noted above.

Electronic payment instructions will be provided by the Department after submission of the application. Payment must be remitted to the Department prior to acceptance of the application.

### **4. FULL TRUST POWERS APPLICATION PROCEDURES**

A credit union must submit to the Department a letter form application which includes: (1) a description of the types of fiduciary accounts that will be offered; (2) a detailed analysis of any changes the new activity will have on the business plan; (3) a three-year projection of income and expenses associated with the full trust powers; (4) a resume of the proposed trust officer and any additional support staff for trust operations; (5) details of Board and committee oversight structure and involvement including applicable resumes demonstrating trust expertise; (6) a letter from legal counsel stating that all documents and agreements related to the proposed trust activity have been reviewed; (7) a description of the methods to be used for record keeping of fiduciary accounts; (8) confirmation that the trust activity will be included in annual internal and external audits; (9) copy of the Board Resolution approving the exercise of the Trust power and the name of the entity that will be exercising that trust power; and (10) Board-approved trust policies and procedures.

### **4a. FULL TRUST POWERS DOCUMENTS REQUIRED**

- Letter form application as noted above or federal application.
- Name reservation as defined in the “Name Permission, Reservation, and Change” section of this Applications Manual, if applicable.

Electronic payment instructions will be provided by the Department after submission of the application. Payment must be remitted to the Department prior to acceptance of the application.

### **5. PROCESSING TIME**

Single Trust Power	7 business days from receipt of completed application
Limited Trust Powers	15 days from receipt of completed application
Full Trust Powers	30 days from receipt of completed application

### **6. FEES**

Single Trust Power	\$ 250
Limited Trust Powers	\$ 750
Full Trust Powers	\$1,250

## **DEBT CANCELLATION CONTRACTS AND DEBT SUSPENSION AGREEMENTS**

### **1. LAWS AND REGULATIONS**

Rule 80-2-7-.04 Debt Cancellation Contracts and Debt Suspension Agreements

Rule 80-2-7-.01 Contracts for Direct or Indirect Bank Services

### **DEBT CANCELLATION CONTRACTS (DCCs) AND DEBT SUSPENSION AGREEMENTS (DSAs) WITH NO CREDIT UNION UNDERWRITING**

The credit union must provide a letter form **notification** if intending to offer DCC or DSA products where either (1) the financial institution will offer products underwritten by third party service providers or (2) third party service providers will administer any part of the program.

### **DCCs AND DSAs WITH CREDIT UNION UNDERWRITING**

The credit union must provide a letter form **application** to the Department if intending to underwrite any part of the DCC or DSA product.

## **DCC AND DSA WITH NO CREDIT UNION UNDERWRITING**

### **2. PRIOR NOTIFICATION PROCEDURES**

The credit union must provide a letter form notification to the Department. The notification must include the following information: (1) a listing of the types of contracts offered and the underwriting standards for each product; (2) written policies and procedures for administration of DCC or DSA products and their compliance with Department policies; (3) identification of any vendor or third party service provider used in conjunction with the product offerings, including a list of the products and services being provided (see also Rule 80-2-7-.01); (4) the credit union's plan to administer claims; (5) an analysis of the credit union's risk evaluation and mitigation procedures, including plans to obtain insurance coverage to fully or partially indemnify losses resulting from the operation of the DCC or DSA product; (6) analysis of the expected impact on credit union staffing; (7) a description of the experience of the third party service provider in offering such DCC or DSA products; (8) an analysis of the financial stability of the third party service provider, including but not limited to: operating or cash flow statements, analysis of capital and reserves, and the use of external company ratings performed by a nationally recognized rating service; (9) in lieu of (7) and (8), the credit union may provide proof of the third party's appropriate licensure with the Office of Insurance; (10) a copy of the standard form contract to be utilized which contains assurance that the third party service provider will (a) make its books and records available for examination by the Department, and (b) the Department shall have the authority to periodically review the internal routine and controls of the service provider to ascertain that the operations are being conducted in a sound manner in keeping with industry practices and GAAP; (11) a schedule of fees to be charged for each product or service performed; and (12) a listing of reports, printouts, schedules, or program that will be provided by the third party service provider to the credit union to permit management, auditors, examiners, and other interested parties to monitor the services provided.

### **3. DOCUMENTS REQUIRED FOR DCC AND DSA WITH NO CREDIT UNION UNDERWRITING**

- Letter form notification as detailed above.

### **4. PROCESSING TIME FOR DCC AND DSA WITH NO CREDIT UNION UNDERWRITING**

Department records will be updated at the time of notification. If the Department determines that the DCC or DSA implementation plan or letter form notification does not meet the requirements of Rules 80-2-7-.04 and 80-2-7-.01, communication will be provided to the credit union within 10 days from

receipt of the notification. In the event the Department does not make such determination, then the Department will acknowledge receipt of the notification within 10 days.

## **5. FEES**

None

### **DCC AND DSA WITH CREDIT UNION UNDERWRITING**

#### **2a. APPLICATION PROCEDURES**

The credit union must provide a letter form application to the Department. The application must include the following information: (1) a listing of the types of contracts offered and the underwriting standards for each product; (2) written policies and procedures for administration of DCC or DSA products and their compliance with Department policies; (3) identification of any vendor or third party service provider used in conjunction with the product offerings, including a list of the products and services being provided (see also Rule 80-2-7-.01); (4) the credit union's plan to administer claims; (5) an analysis of the credit union's risk evaluation and mitigation procedures, including plans to obtain insurance coverage to fully or partially indemnify losses resulting from the operation of the DCC or DSA product; (6) analysis of the expected impact on credit union staffing; (7) analysis of management expertise, based on education and experience, in the areas of product design, underwriting, actuarial analysis, claims processing and risk reserving and accounting practices to support the ability to provide these functions in-house; (8) an explanation of the risk management techniques the credit union will undertake, including product design criteria, underwriting procedures, limitations and conditions on DCC or DSA products, and other risk mitigation procedures in order to limit risk exposure to the credit union; (9) a well-documented analysis of risk of the products being proposed, including the risks posed by catastrophic events that could result in unusually high claims upon the credit union; (10) an outline of the proposed practices for properly reserving for risks related to these products based on industry practices and GAAP; and (11) an analysis of the financial institution to support that the credit union has the proper financial position, cash flow performance, and capital position to sustain continued operations in the event of an unusually high claims event.

#### **3a. DOCUMENTS REQUIRED FOR DCC AND DSA WITH CREDIT UNION UNDERWRITING**

- Letter form application as detailed above.

#### **4a. PROCESSING TIME FOR DCC AND DSA WITH CREDIT UNION UNDERWRITING**

30 days from receipt

#### **5a. FEES**

None