

# **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, review, registration or notification. The Applications Manual is available on our website at: <http://dbf.georgia.gov> under Forms and Applications.

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, review, 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, review, 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 the Corporate Manager or your assigned Supervisory Manager.

For credit union related applications or registrations, unless otherwise noted herein, you may contact your Supervisory Manager, call 770-986-1633, or email [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. LAW 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 (\$100).

**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.

## CONVERSION TO A STATE-CHARTERED CREDIT UNION

### 1. LAW 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.

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

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 **Policy Statement on Conversions** (NOTE: While written in terms of banking institutions, policies contained in the Statement of Policies is generally applicable to credit unions unless clearly inapplicable by statute, regulation or other policy statements issued specifically in those areas.) The Department's Statement of Policies is available on the Internet at: <https://dbf.georgia.gov>.

### 3. PROCESSING PROCEDURES

1. A meeting with Management will be normally be conducted at the Department's main office prior to filing the application.
2. A letter form application should be filed concurrent with the documentation required below. The Department will acknowledge receipt of the application within 10 business days from filing and will notify the applicant when the application is substantially complete and schedule a field investigation at that time.
3. The Department should act within 60 days of filing a completed application unless the processing time is extended by a request of additional information prior to or during the investigation process.

#### 3a. DOCUMENTS REQUIRED

1. A letter form application (application package to be provided by the Department includes various forms and sample forms referenced in items 2, 5, 6, and 9 below).
2. State Certificate to Application for Approval of Charter.
3. Certificate of name reservation with the Secretary of State's Office pursuant to Code Section 7-1-131, if the name will be changed. (NOTE: See name reservation section of this Manual if requesting a new name).
4. A Board Resolution approving the contemplated conversion and authorizing the Department to perform an investigation/examination of the credit union. The conversion must also be approved by the shareholders in accordance with Code Section 7-1-668.
5. Three copies of the Articles of Conversion with original signatures and a check made payable to the Secretary of State for the applicable fee (\$100).
6. 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>
7. Two copies of the bylaws (recommended standard form bylaws are available on the Department's website at: <https://dbf.georgia.gov> )
8. The most recent financial statement of the existing credit union and, if applicable, any significant changes anticipated upon conversion.
9. A copy of Management's "Report of Findings for Conversion of a Federal Credit Union" (forms prescribed by the Department).
10. A copy of any agreements or administrative action between the credit union and the NCUA.
11. A copy of management's response to the most recent examination conducted by the NCUA.

**3a. DOCUMENTS REQUIRED** *(Continued)*

Once the application has been accepted, a listing of additional information to be made available during the investigation will be forwarded to management. The application processing time may be extended by the time necessary to obtain the additional information.

**4. PROCESSING TIME**

Regular Processing	60 days from acceptance of completed application
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**5. FEES**

Conversion Fee	\$1,000
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## MERGERS

### 1. LAW AND REGULATIONS

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

Section 7-1-667. Mergers.

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

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

### POLICY STATEMENT/REGULATORY ISSUANCES

See **Policy Statement for Mergers**. (NOTE: While written in terms of banking institutions, policies contained in the Statement of Policies is generally applicable to credit unions unless clearly inapplicable by statute, regulation or other policy statements issued specifically in those areas.) The Department's Statement of Policies is available on the Internet at: <https://dbf.georgia.gov>.

### General Comments:

A Georgia state-chartered credit union may, with the approval of the Department and in accordance with such uniform rules and regulations as the Department shall make and promulgate, be merged with another federally insured Georgia state-chartered credit union, a federally insured federal credit union, or a federally insured state credit union chartered by another state credit union regulator. Such merger may occur regardless of whether the credit unions serve the same field of membership, so long as there is adopted a plan agreed upon by the majority of the board of each credit union joining the merger and approved by not less than a majority of the members of the credit union being acquired present and eligible to vote at the meeting called for that purpose. When a credit union merges with another credit union, one shall be designated as the continuing credit union by the credit unions participating in the merger. The participating credit union that is not the continuing credit union shall be designated as the merging credit union.

Upon request, the Department may waive the requirement for membership approval upon a finding that the dissolving/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.

### 3. PROCESSING PROCEDURES

- .The continuing credit union shall submit to the Department one full copy of all applicable merger application forms with original signatures as filed with the National Credit Union Administration, along with a cover letter addressed to the Department which summarizes the salient facts of the proposed merger and the merger application fee.
- .The merging credit union shall submit to the Department 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).
- .After all regulatory approvals are received and the continuing credit union submits the results of the membership vote (if required), the merger may be consummated. Within 30 days of the merger effective date, the continuing credit union shall submit the signed *Notice of Credit Union Merger* form. If the continuing credit union is Georgia state-chartered, the continuing credit union shall also submit post-closing consolidated financial statements for the combined institution.
- .Upon receipt of the signed *Notice of Credit Union Merger*, the Department shall inform the Office of Secretary of State of the merger completion and request that the Certificate of Merger be issued (if the continuing credit union is Georgia state-chartered) or the Certificate of Dissolution be issued (if the continuing credit union is not Georgia state-chartered) as of the merger effective date.





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

### **1. LAW 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 through either or both of the following means:
  - Regular annual depreciation charges consistent with current accounting regulations, or
  - Predetermined plans for restructuring the capital accounts to increase TEC to a sufficient level.

### **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 National Credit Union Administration (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 PROCEDURES**

A credit union that qualifies for expedited processing must submit to the Department a letter form application from the credit union or its representative which includes 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 (2) 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 above or accompanied by an application filed with NCUA, if the underlying transaction involves a purchase and assumption.

**3. REGULAR PROCESSING 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 a Branch Location

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

### **2. APPLICATION PROCEDURE**

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. LAW 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. NOTIFICATION PROCEDURES – PRIOR NOTIFICATION**

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 customers.

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

### **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**

### **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.

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

Letter form notification as detailed above

### **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.

### **FEES**

None

## **ALL OTHER EXTENSIONS**

### **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.

### **DOCUMENTS REQUIRED FOR ALL OTHER EXTENSIONS**

Letter form application as detailed above.

### **PROCESSING TIME FOR ALL OTHER EXTENSIONS**

10 days from receipt of a completed application.

### **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

## **NAME PERMISSION, RESERVATION, AND CHANGE**

### **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**

#### 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: <http://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.

#### DOCUMENTS REQUIRED FOR NAME PERMISSION

Online application as detailed above

#### 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.

#### FEES

None

### **NAME RESERVATION AND CHANGE**

#### 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.

#### 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

#### 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.

#### 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

## **APPROVAL TO PAY DIVIDENDS**

### **1. LAW AND REGULATIONS**

Section 7-1-660. Dividends, interest.

Rule 80-2-3-.03 Payment Periods for Dividends.

Rule 80-2-3-.04 Departmental Approval of Dividends.

### **2. POLICY STATEMENT**

Rules 80-2-3-.03 and 80-2-3-.04 sets certain conditions upon which dividends and interest may be paid by the credit union without any requirement to notify the Department or request for the Department's approval of the dividend. Any dividend to be declared by the Board of Directors of a credit union at a time when each of the conditions in Rule 80-2-3-.04 does not exist must be approved, in writing, by the Department prior to the payment thereof. Requests for approval of dividends shall be on forms prescribed by the Department.

### **3. PROCESSING**

The Department will approve or disapprove the payment of a dividend within five days of receipt of the request for payment of dividend form.

### **4. PROCEDURE**

A credit union which is required to obtain prior approval of the Department before payment of a dividend must submit the "Request for Approval of a Dividend" form to the Supervisory Manager for the credit union at least two weeks prior to the date the dividend is to be paid. The credit union should contact its Supervisory Manager for a copy of the form or it can be downloaded from our website at: <https://dbf.georgia.gov>.

### **5. DOCUMENTS REQUIRED**

Request for Approval of a Dividend, Credit Union Form 19-29.

### **6. PROCESSING TIME**

Regular Processing

5 days from receipt of a completed application

### **7. FEES**

None

## **AMENDMENT OF ARTICLES OF INCORPORATION**

### **1. LAW AND REGULATIONS**

Sections 7-1-634 & 635 Amendment of Articles and Bylaws and Procedures for Department

### **2. POLICY STATEMENT**

A credit union may, in the manner provided by law, amend its articles at any time in order to make any change therein which would then be authorized for inclusion in original articles including without limitation an amendment:

- To adopt a new name permitted to be used;
- To renew the term for which it is to exist or to provide for perpetual duration;
- To change, add to, or diminish the statement of its purpose or purposes;
- To restate the articles in their entirety; or
- To change its main office location to a new location.

### **3. PROCESSING**

Acknowledgment of receipt of Articles of Amendment will be sent within two days of receipt of the articles. If necessary, a request for additional information will be included with the acknowledgment. Following receipt of completed required documentation, acceptable articles of amendment will be approved.

### **4. PROCEDURE**

1. A letter form application to amend the articles should be submitted along with the documentation listed below.
2. If you have questions, you should contact the Department at 770-986-1645.

### **5. DOCUMENTS REQUIRED**

1. Certified copy of the Resolution by the Board of Directors as stated in Section 7-1-634.
2. Three original copies of the Articles of Amendment signed by two duly authorized officers of credit union under its seal, containing the items listed in Section 7-1-634, where applicable to the type of amendment being made.
3. The fee required by Code Section 7-1-634, made payable to the Secretary of State of Georgia.

**NOTE:** If the amendment of articles involves a change in the name of the credit union, it shall reserve the proposed new name under the application procedures for Name Reservations and Permissions.

### **6. PROCESSING TIME**

Regular Processing                      7 days from receipt of articles and other documentation required

### **7. FEES**

The fee required by Code Section 7-1-634, made payable to the Secretary of State of Georgia (\$20).

## FIELD OF MEMBERSHIP EXPANSIONS AND OTHER BYLAW AMENDMENTS

### 1. LAW AND REGULATIONS

Sections 7-1-634 & 635 Amendment of Articles and Bylaws and Procedures for Department.

Rule 80-2-8-.01 Definitions.

Rule 80-2-8-.02 Affiliated Organizations as Additions to Non-Geographic 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.

### 2. POLICY STATEMENT

A credit union may adopt amendments to its bylaws requested by the affirmative vote of two-thirds of the authorized number of members of the Board of Directors at any duly held meeting thereof if the members of the Board have been given prior written notice of the meeting and said notice contains a copy of the proposed amendment(s). Field of Membership (FOM) expansion applications based on residence and employment (Geographic Common Bond) must provide sufficient documentation as discussed within the Department's *Policy Statement Regarding Criteria and Issues Related to Geographic Common Bonds*.

### 3. PROCESSING

**Expedited Processing** (Adding Additional Common Bond Groups or Affiliated Organization Groups as Non-Geographic Common Bonds)

If the bylaw amendment relates to a change in the credit union's FOM, the credit union may qualify for expedited processing. *Expedited processing is not available for applications for a geographic common bond*. The expedited FOM Expansion application is to be used only for qualifying credit unions. In order to file this expedited application, the credit union must meet **all** the following criteria:

1. Received a Composite Rating of "1" or "2" at their most recent examination.
2. Have no outstanding supervisory or administrative actions.
3. The FOM request is for potential membership of **5,000 persons or fewer**.
4. The FOM request is related to an occupation, employment, association, or interest group. (**NOT geographic common bond**)
5. The FOM request must meet **all** the criteria contained in Rule 80-2-8-.02 or 80-2-8-.03 of the Department's Rules and Regulations.

**NOTE:** The expedited application may **ONLY** be used for proposed FOM additions located in Georgia. If the proposed group to be added is not located in Georgia, a regular application must be filed.

Credit unions that do not meet the above criteria must file a written application with the Department (regular processing procedures for bylaw amendments).

**The addition of a geographic common bond to the FOM requires a written application under regular processing procedures.**

**Regular Processing** (All Common Bond Groups)

Acknowledgment of receipt of the bylaw amendment(s) will be sent within two days of receipt of the bylaws. If necessary, a request for additional information will be submitted prior to completion of the review of the application. Following receipt of completed required documentation, acceptable bylaw amendment will be approved.

#### 4. PROCEDURES & DOCUMENTS REQUIRED

##### **Expedited Processing** (Non-Geographic Common Bond)

1. The expedited FOM application on the Department's website should be completed and submitted per instructions.
2. If the application qualifies for expedited treatment and contains responses to each item, the Department will issue its approval, which will serve as amendment of the credit union's Bylaws and will contain the amended Bylaws.

**NOTE:** During the credit union's regular exam, examiners will verify that the credit union has maintained the appropriate documentation to support their answers to question #3, involving the requirements of 80-2-8-.03(3) of the Department's Rules and Regulations, for any group added since the previous exam. If examiners find insufficient documentation or information contrary to the application, the credit union could be required to divest itself of the approved group and approval could be rescinded.

##### **Regular Processing** (Non-Geographic Common Bond)

A written application to amend the bylaws should be submitted to the Department. Checklists and Instructions for submitting the application can be found on the Department's website at: <https://dbf.georgia.gov>.

##### **Regular Processing** (**Geographic Common Bonds**)

A written application to amend the bylaws and application fee should be submitted to the Department.

If you have questions, you should contact the Department at 770-986-1645.

#### 6. PROCESSING TIME

Regular Processing (Non-Geographic FOM)	15 business days from receipt of bylaws and other documentation required
Regular Processing (Geographic FOM)	45 to 90 days from receipt of bylaws and other documentation required
Expedited Processing	10 business days from receipt of a complete application

#### 7. FEES

Expedited Processing	None
Regular Processing (Non-Geographic FOM)	None
Regular Processing (Geographic FOM)	\$1,000

## **APPROVAL OF THIRD PARTY PAYMENT SERVICES (TPPS)**

### **1. LAW AND REGULATIONS**

Section 7-1-670. Third Party Payment Services.

Rule 80-2-3-.05. Third Party Payment Services.

### **2. POLICY STATEMENT**

Code Section 7-1-670 states that any credit union may apply to the Department for permission to offer third-party payment services (TPPS) to its members. Rule 80-2-3-.05(3) sets forth the financial and management criteria by which the credit union may qualify for a [notice procedure](#) rather than having to seek prior approval from the Department.

**REFER TO THE NOTIFICATIONS SECTION OF THIS MANUAL FOR FURTHER INFORMATION AND PROCESSING INSTRUCTIONS FOR THE NOTICE ONLY PROCEDURE.**

### **3. PROCESSING PROCEDURE**

The Department will approve or disapprove a TPPS proposal within 30 days of receipt of the letter form application with all supporting documentation as outlined below.

### **4. DOCUMENTS REQUIRED**

A letter form application, signed by an officer of the credit union, should be submitted to its Supervisory Manager.

The letter form application for prior written approval must demonstrate that:

1. There exists a need among the membership of the credit union for the proposed TPPS and that the proposed plan will serve that need;
2. The proposed plan can compete favorably with TPPS offered by other financial institutions serving its members (quality of service and costs of service to the members); and,
3. The proposed plan can be implemented on a profitable basis as determined by a 3-year projection of the number of accounts, volume of transactions, and average aggregate balances in such accounts (taking into account the influence, if any, due to the stability or instability of the credit union's common bond).

The letter form application should also contain the following schedules, exhibits, or statements:

4. A resolution of the Board of Directors of the credit union authorizing management to file the application and stating that the Board has reviewed the application in its entirety and concurs with its contents;
5. A statement of assets and liabilities of the credit union as of a date not more than 30 days prior to the date of the application;
6. Appropriate assurance that the credit union will post all transactions occurring on its books on a daily basis, including the preparation of a daily statement of assets and liabilities;
7. Appropriate assurance that all necessary personnel are familiar with the requirements of the Uniform Commercial Code as applicable to checks and deposits and that the credit union will comply with the provisions of that Code. In this regard, the application should include a copy of the proposed signature card contract to be signed by the accountholder and a general outline of the proposed TPPS program;
8. A statement of the Board's policy relative to the charge off of losses and their policy with regards to the replenishing of the statutory reserve account following such charge-offs;
9. A statement of the Board's policy relative to the interest payments to be made on the proposed TPPS accounts including frequency and amount of interest to be paid;
10. A statement relative to any changes in management or other personnel resources, internal control and operating procedures, and equipment and premises which might be proposed to implement the TPPS program. Copies of all data processor and clearing-bank contracts should be included in the application; and,
11. Such other information as the applicant feels has bearing upon the application.

**5. PROCESSING TIME**

Regular Processing

30 days from receipt of a completed application

**6. FEES**

None

## **THIRD PARTY PAYMENT SERVICES (TPPS) NOTICE ONLY PROCEDURE**

### **1. LAW AND REGULATIONS**

Section 7-1-670. Third Party Payment Services.

Rule 80-2-3-.05. Third Party Payment Services.

### **2. POLICY STATEMENT**

Code Section 7-1-670 states that any credit union may apply to the Department for permission to offer third-party payment services (TPPS) to its members. Rule 80-2-3-.05(3) sets forth the financial and management criteria by which the credit union may qualify for a notice procedure rather than having to seek prior approval from the Department.

#### **Criteria for Notice Only Procedures for Third Party Payment Services:**

1. The credit union must have received a CAMEL composite rating of "1" or "2" at the most recent examination;
2. The credit union must have received a CAMEL Management component rating of "1" or "2" at the most recent examination;
3. 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,
4. The credit union must be well-capitalized according to regulatory and policy requirements of the Department and the NCUA; and,
5. The credit union must have total assets of at least \$1 million.

**NOTE:** If the credit union does not meet the above criteria, it must seek prior approval from the Department to offer TPPS. See the Applications Section of this Manual for further information.

### **3. PROCESSING PROCEDURE**

If the credit union meets the notice only procedure and files such notice at least 30 days prior to offering the TPPS, the proposed TPPS plan may be implemented by the credit union at the expiration of the 30-day period, provided that no notification to the contrary has been received from the Department during that time period.

### **4. DOCUMENTS REQUIRED**

A letter form notification from an officer of the credit union, should be submitted to its Supervisory Manager. The letter form notification should state the following:

1. That the credit union meets the criteria outlined in Rule 80-2-3-.05 and that it has determined that the all factors in Code Section 7-1-670(a) have been satisfied.

### **5. PROCESSING TIME**

Notice Only Procedure

TPPS plan may be implemented by the credit union at the expiration of the 30-day period referenced under processing procedures above.

### **6. FEES**

None



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

### **1. LAW AND REGULATIONS**

Section 7-1-668. Conversion of state and federal credit unions.

### **2. PROCEDURE**

A Georgia state-chartered credit union may convert into a federal credit union upon approval of the NCUA and upon compliance with applicable federal laws and state laws.

### **3. DOCUMENTS REQUIRED**

A state-chartered credit union which converts into a federal credit union shall notify the Department of the proposed conversion and shall provide the following:

1. Evidence of the adoption of the plan of conversion (by Board Resolution) as required by Section 7-1-668(b)(1).
2. Evidence of members' approval as required by Section 7-1-668(b)(2).
3. Notify the Department of any abandonment or disapproval of the plan.
4. File with the Department a copy of the NCUA's approval of the conversion and, if applicable, any certificate of conversion issued by the NCUA. The transaction will be effective upon compliance with these provisions or upon the notification of a specific effective date to the Department and the Secretary of State.

### **4. FEES**

None