

# **CREDIT UNION APPLICATIONS MANUAL**

*(APPLICATIONS AND NOTIFICATIONS)*

## **DEPARTMENT OF BANKING AND FINANCE**

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# APPLICATIONS MANUAL

## HOW TO USE THIS MANUAL

The purpose of the Credit Union Applications Manual is to provide all applicable users a detailed guide to the processes and procedures involved in the various credit union transactions requiring Department approval, review, registration or notification. This Manual is designed to supplement the Financial Institutions Code (Title 7), and the Department's Rules and Regulations.

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

Specifically, the Department's Credit Union Applications Manual for each credit union transaction process covered will discuss:

- 1) Laws and regulations that affect and are affected by the proposed transaction;
- 2) Policy Statements or Regulatory Issuances which need to be reviewed to amplify the regulatory standards which will be applied;
- 3) Qualifying criteria for expedited processing of the application, if applicable;
- 4) Expedited processing procedures available and documents required for expedited processing, if applicable;
- 5) Regular processing procedures available and documents required for regular applications; and
- 6) Processing time for applications.

The Department believes this manual will help you better understand credit union application processes. If you have questions about the content of this Manual, please contact the Supervision Division at (770) 986-1633 or [dbfcorp@dbf.state.ga.us](mailto:dbfcorp@dbf.state.ga.us).

This Manual is available at the Department's website – <https://dbf.georgia.gov> under Publications, then Manuals & Handbooks.

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# APPLICATIONS

## 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

Initial contact should be made by phone with the Department at (770) 986-1645.

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

Initial contact should be made by phone with the Department at (770) 986-1645.

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.

### 2. 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-charted 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.



#### 4. DOCUMENTS REQUIRED

- Letter addressed to Department containing pertinent facts and a copy of application with original signatures as filed with the National Credit Union.
- If continuing credit union is not a Georgia-state chartered financial institution, submit the completed *Verification of Lawful Presence / Citizenship Affidavit* form.
- Department Fee, made payable to Department of Banking and Finance.
- Results of the vote of the members of the merging credit union approving the merger with and into the continuing credit union (unless the membership vote requirement is waived by the Department).
- *Notice of Credit Union Merger*.
- Post-closing consolidated financial statements for the combined institution (if continuing credit union Georgia state-chartered).

#### 5. PROCESSING TIME

30 business days after acceptance of application.

#### 6. FEES

Merger Fee	\$1,000**
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\*\***NOTE:** The Department may waive the merger fee in the event it is deemed prudent for safety and soundness reasons to do so. The applicant should request such a waiver prior to or upon filing the merger application with the Department.

## NEW BRANCH OFFICES

### 1. LAW AND REGULATIONS

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

Section 7-1 665. Subsidiary Offices.

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

**NOTE:** *Relocation or expansion of facilities provided by or subsidized by a sponsor may usually be effected without prior approval of the Department; however, the Department should be notified, by letter, of the credit union's plans to expand or relocate.*

### **APPLICANTS WHO QUALIFY FOR EXPEDITED PROCESSING SHOULD REFER TO THE EXPEDITED PROCESSING PROCEDURES OUTLINED BELOW.**

#### **Criteria for Expedited Processing of Credit Union Branch Applications:**

1. The credit union must be well-capitalized as defined by the capital requirements of the Department and the National Credit Union Administration (NCUA);
2. The credit union must have received a CAMEL composite 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. Total investments in fixed assets do not exceed 60 percent of total equity capital and reserves (excluding the allowance for loan losses).

#### **2. PROCEDURE (EXPEDITED PROCESSING)**

1. Applicant should submit a letter form application to the Department.
2. The Department should act on the application within 10 days of receipt.

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

The letter form application should contain the following information:

- Statement certifying that the credit union qualifies for expedited processing;
- Description of the fixed asset expansion plans that are contemplated;
- Indicate the total proposed amount of fixed asset investment and the percentage that this investment represents of total equity capital and reserves (excluding the Allowance for Loan Losses account);
- Indicate the dollar amount of depreciation that would be recognized annual and the effective life being used to write off fixed assets; and,
- An indication that there is no involvement by any director, committee member, officer or employee of the credit union or any related interest thereof, in the fixed asset expansion. If there is any involvement, it should be detailed in the letter form application.

#### **3. PROCEDURE (REGULAR PROCESSING)**

1. Applicant should call the Department to request the [Application for Credit Union Expansion of Fixed Assets](#) or obtain the application from the Department's website - <https://dbf.georgia.gov>.
2. The Department should act on the application within 21 days of receipt of the application.

#### **3a. DOCUMENTS REQUIRED (REGULAR PROCESSING)**

1. [Application for Credit Union Expansion of Fixed Assets](#).

#### **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 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 application should be in letter form and should address each item in Sections 7-1-635.1(a) & (b).

**5. PROCESSING TIME**

Expedited Application	10 days from receipt
Regular Applications	21 days from receipt
Interstate (Georgia as host state)	Maximum of 10 business days

**6. FEES**

Expedited Fee	None
Regular Fee	None
Interstate Fee (Georgia as host state)	None

## RELOCATIONS

### 1. LAW AND REGULATIONS

- Section 7-1-634. Amendment of Articles and Bylaws.
- Section 7-1-635. Procedures for Department.
- Section 7-1-665. Subsidiary Offices.
- Rule 80-2-4-.02 Investment of Credit Union Funds in Fixed Assets.

**NOTE:** *Relocation or expansion of facilities provided by, or subsidized by, a sponsor may usually be effected without prior approval of the Department; however, the Department should be notified, by letter, of the credit union's plans to expand or relocate.*

### **APPLICANTS WHO QUALIFY FOR EXPEDITED PROCESSING SHOULD REFER TO THE EXPEDITED PROCESSING PROCEDURES OUTLINED BELOW.**

#### **Criteria for Expedited Processing of Credit Union Branch Applications:**

1. The credit union must be well-capitalized as defined by the capital requirements of the Department and the NCUA;
2. The credit union must have received a CAMEL composite 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. Total investments in fixed assets do not exceed 60 percent of total equity capital and reserves (excluding the allowance for loan losses).

### **3. PROCEDURE (EXPEDITED PROCESSING)**

2. Applicant should submit a letter form application to the Department.
2. The Department should act on the application within 10 days of receipt.

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

The letter form application should contain the following information:

- Statement certifying that the credit union qualifies for expedited processing;
- Description of the fixed asset expansion plans that are contemplated;
- Indicate the total proposed amount of fixed asset investment and the percentage that this investment represents of total equity capital and reserves (excluding the Allowance for Loan Losses account);
- Indicate the dollar amount of depreciation that would be recognized annually and the effective life being used to write off fixed assets; and,
- An indication that there is no involvement by any director, committee member, officer or employee of the credit union or any related interest thereof, in the fixed asset expansion. If there is any involvement, it should be detailed in the letter form application.

### **3. PROCEDURE (REGULAR PROCESSING)**

1. Applicant should call the Department to request the [Application for Credit Union Expansion of Fixed Assets](#) or obtain the application from the Department's website - <https://dbf.georgia.gov>. If the relocation does not involve a significant change in the credit union's fixed asset investment, the application may be letter form and the information required may be streamlined to a certain degree.
2. The Department should act on the application within 21 days of receipt of the application.

#### **3a. DOCUMENTS REQUIRED (REGULAR PROCESSING)**

2. [Application for Credit Union Expansion of Fixed Assets](#).

**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 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 application should be in letter form and should address each item in Sections 7-1-635.1(a) & (b).

**5. PROCESSING TIME**

Expedited Application	10 days from receipt
Regular Applications	21 days from receipt
Interstate (Georgia as host state)	Maximum of 10 business days

**6. FEES**

Expedited Fee	None
Regular Fee	None
Interstate Fee (Georgia as host state)	None

**NOTE:** *Changes to the street address of the main office may require an amendment to the Articles of Incorporation. Amendments to the Articles of Incorporation will require additional procedures to those described above. Refer to O.C.G.A. §7-1-634 and §7-1-635 and the Department procedures outlined in this manual for processing amendments to the Articles of Incorporation.*

## NAME RESERVATIONS AND PERMISSIONS

### 1. LAW 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. (also pertains to use of "credit union")

### 2. POLICY STATEMENT

See the [Policy Statement for Title Changes](#) found in the Department's Statement of Policies. In addition, to title changes or name reservations for credit unions, use of the words "credit union", or any derivatives thereof, must receive the prior permission of the Department.

### 3. PROCESSING

Applications for name reservations may be faxed (770-986-1654 or 1655), or e-mailed to [dbfcorp@dbf.state.ga.us](mailto:dbfcorp@dbf.state.ga.us) (attention Supervision Division). Name reservations or permissions will be granted or denied within seven days of receipt of the request unless there is a conflict in the use of the requested name.

Name permission requests (i.e., permission to use the word "credit union") should be filed online at: <https://dbf.georgia.gov/webform/request-permission-use-bank-credit-union-trust-or-similar-words-name>.

### 4. PROCEDURE

1. The applicant will submit a letter form request for name reservation or permission.
2. Upon receipt of the request, the Department will either grant or deny the request and a letter will be written to the applicant with a copy transmitted to the Secretary of State's Office.

#### 4a. DOCUMENTS REQUIRED

In the case of a name reservation, the application should state whether the request is for a new financial institution or for a change in the name of an existing financial institution and the county location of the main office. In the case of a name permission request, sufficient documentation supporting the request must be submitted. As stated under "Processing", name permission requests may be filed online at the URL noted above.

**NOTE:** Amendment of the Articles of Incorporation is also required for a change in name of an existing credit union.

### 5. PROCESSING TIME

Regular Processing

7 days from receipt of written request

### 6. FEES

Name Reservation – None

Name Permission – 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

# NOTIFICATIONS

## LOCATION CLOSINGS

### 1. LAW AND REGULATIONS

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

Section 7-1-111 Emergency Closings

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

#### **General Definition:**

Closing: An existing credit union location is shut down indefinitely. A closing requires a notification to the Department **and to members** (Code Section 7-1-110.1).

### 2. POLICY STATEMENT

See [Policy Statement for Relocations, Redesignations, and Closings](#).

### 3. PROCESSING

Prior notification to the Department and the NCUA is required for branch office closings. The NCUA should be consulted to determine if procedures differ from those outlined below.

### 4. PROCEDURE

1. Branch office closings must receive approval of the Board of Directors.
2. The credit union must provide a letter form notification to the Department containing the following:
  - a. The location of the branch office to be closed;
  - b. A statement of the reasons and a summary of the information supporting the institutions decision for closing; and
  - c. The anticipated closing date.
3. If the notice is acceptable, the Department will issue a “no objection” letter.
4. The credit union must also notify its members of the closing by prominent notice posted in the lobby of the location to be closed for a period of not less than 30 days prior to the effective date of the closing and by circulation in regular statement mailings or a separate mailing at least 30 days prior to the effective date of the closing.
5. If the actual closing date is different from the anticipated closing date stated in the letter form notification to the Department, the credit union must write informing the Department of the actual closing date within 15 days of the closing.

#### 4a. DOCUMENTS REQUIRED

1. Letter form notification containing information noted above.
2. No newspaper publication is required; however public notice to members is required.
3. As noted in item 5 above, if the actual closing date differs from the anticipated date provided in the original notification to the Department, the credit union should provide written notification to the Department of the actual closing date.

### 5. 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

## **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