

1301:9-2-16

Field of membership.

- (A) The field of membership of a credit union may include the families of members; that is, persons related by blood, adoption or marriage to or living in the same household with a person having the common bond, as well as surviving spouses of persons who have left the field of membership in good standing. When the individual member of a credit union leaves the field of membership, all persons who are members by virtue of his or her membership may continue as members.
- (B) A credit union may expand its field of membership through the submission of an application to the superintendent to add select groups having a common bond of occupation or association or groups within a well-defined neighborhood, community or rural district. Groups may be found to exist within a well-defined neighborhood, community or rural district, for purposes of this rule, on the basis of the geographic location of the person's residence, property, worship, school attendance, or employment. "Well-defined" means the proposed area has specific geographical boundaries, including a political subdivision of the state, or a clearly definable neighborhood.
- (C) In its application to expand its field of membership, the applicant credit union shall submit to the superintendent the following:
- (1) The articles of incorporation and, if appropriate, the code of regulations of the applicant credit union which authorize expansion of the field of membership to include the proposed group;
 - (2) A specific description of the group to be added, including the number of persons in the group, the potential membership size of the group, the dispersion of the group, and the general characteristics of the sponsor of the group, if any;
 - (3) Evidence that the group is within the operational area of the home office or a service facility of the applicant credit union or the applicant credit union provides evidence of one or more of the following:
 - (a) The associational or occupational group expresses its desire to obtain the credit union's services;
 - (b) The credit union has or will have the means to service the group;
 - (c) The majority of the potential new members can regularly access the credit union's services; or

- (d) The credit union meets any additional conditions or considerations the superintendent may deem reasonable for approval of the credit union's application.
 - (4) Evidence that the associational or occupational group, through its authorized representative, has requested service from the applicant credit union;
 - (5) Evidence demonstrating the credit union is financially and organizationally sound to provide credit union service to the group;
 - (6) Certification of the applicant credit union vote to approve extension of membership services to the group; and
 - (7) Any other information the superintendent requires.
- (D) A credit union may have multiple groups in its field of membership provided each group has its own common bond.
- (E) To add multiple groups to a credit union's field of membership the credit union shall submit the following to the superintendent in addition to the requirements of paragraph (C) of this rule:
- (1) Evidence that each affected associational or occupational group has requested service from the applicant credit union;
 - (2) Evidence that the applicant credit union is financially and organizationally sound to provide credit union service to each group;
 - (3) Evidence that the proposal is economically feasible and advisable;
 - (4) Evidence that each group is within the operational area of the home office or a service facility of the applicant credit union or the conditions of paragraphs (C) (3) to (C)(7) of this rule have been satisfied. "Operational area" means an area accessible by the home office, a service facility, a shared branch, shared service facility or any other means through which the credit union provides services that can reasonably be served by the applicant credit union as determined by the superintendent.
- (F) Subject to the applicable requirements and approval of the superintendent as identified in paragraphs (D) and (E) of this rule, the following applies, for service to underserved communities:
- (1) A field of membership may include, without regard to location, underserved communities, which are local communities, neighborhoods, or rural districts

which are investment areas as defined in section 103(16) of the Community Development Banking and Financial Institutions Act of 1994. More than one credit union may serve the same underserved area.

- (2) Once an underserved community has been added to the credit union's field of membership, the credit union must establish and maintain an office or service facility in the community. A "service facility" is defined as a place where shares are accepted for members' accounts, loan applications are accepted and loans are disbursed. This definition includes a credit union owned branch, a shared branch, an office or location operated on a regularly scheduled weekly basis, and a credit union owned electronic facility that meets these requirements, but not including an automated teller machine.
 - (3) The credit union adding the underserved community shall document that the community meets the definition of an underserved community in Ohio. The charter type of a credit union adding such a community group may change and the credit union may be able to receive the benefits afforded to low-income designated credit unions, such as:
 - (a) Expanded use of non-member deposits.
 - (b) Access to the community development revolving loan program for credit unions.
 - (4) The credit union must submit a business plan specifying how it will serve the underserved community. The business plan at a minimum must:
 - (a) Identify the credit, deposit, and other financial service needs of the community.
 - (b) Detail how the credit union plans to serve those needs.
 - (5) The credit union will be expected to regularly review the business plan to determine if the community is being adequately served. The superintendent may:
 - (a) Require periodic service status reports from a credit union about the underserved community to ensure that the needs of the area are being met.
 - (b) Require such reports before the superintendent permits a credit union to add an additional underserved community.
- (G) Upon receipt of an application to expand a credit union's field of membership to an association, occupation, or community group, the superintendent shall notify the

credit union not more than fifteen business days after the filing of the application to expand a credit union's field of membership to an associational, occupational, or community group whether the application is denied, approved or modified. If the superintendent does not respond within fifteen business days after the filing of the application it shall be deemed approved; unless the superintendent notifies the credit union in writing within fifteen business days of the credit union's request being filed that additional documentation is required. If additional documentation is required, the credit union shall have thirty days to file the additional documentation with the superintendent. If the superintendent does not respond within fifteen business days of receipt of the additional information, the application shall be deemed approved.

- (H) If the superintendent denies an application to expand a field of membership, the superintendent shall notify the credit union of the basis or reason for the denial and the credit union may request a hearing in accordance with the provisions of sections 119.01 to 119.13 of the Revised Code.
- (I) In considering whether to approve an application for expansion of a credit union's field of membership, the superintendent shall consider the following:
 - (1) Whether the convenience and needs of the members of the applicant credit union will be served by the proposed expansion;
 - (2) Whether the population and economic characteristics of the potential membership pool afford reasonable promise for adequate support for the proposed expansion;
 - (3) Whether the policies, condition and operation of the applicant credit union afford no basis for supervisory objection;
 - (4) Whether the proposed expansion shall occur within twelve months of approval unless the superintendent allows otherwise; and
 - (5) Any other pertinent factors relating to the field of membership expansion.
- (J) If the proposed group expands the credit union's field of membership outside of Ohio, the state supervisory authority of the state where the proposed group is located must give permission for the expansion before final approval by the superintendent can be granted.

Replaces: 1301:9-2-16, 1301:9-2-17

Five Year Review (FYR) Dates:

Certification

Date

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