

**CHAPTER 13-03-14**  
**FIELD OF MEMBERSHIP**

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**13-03-14-01. Definitions.**

1. "Branch", for the purpose of this chapter, means any credit union facility which is established apart from the principal office where credit union business is transacted, not including remote electronic facilities, such as automated teller facilities, point-of-sale terminals, etc.
2. "Closed charter" means a credit union charter issued to serve groups having a common bond of occupation or association.
3. "Geographical boundaries" means a geographical area that does not extend beyond a seventy-five-mile [120.70-kilometer] radius of the home office.
4. "Home office" means the location or place of business designated by the credit union as its home office which must be located in the credit union field of membership. Such a designation of a home office shall not expand a credit union's field of membership.
5. "Open charter" means a credit union charter issued to serve groups within a geographical boundary.

**History:** Effective April 1, 1988; amended effective September 1, 1988; January 1, 2007.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06, 6-06-07

**13-03-14-02. Field of membership expansion.**

1. A North Dakota state-chartered credit union may expand its field of membership subject to approval of the state credit union board and in accordance with the provisions of this chapter and North Dakota Century Code chapter 6-06.
2. The state credit union board, when considering the expansion of a charter, shall consider the following:

- a. If the expansion is for an open charter, the exact geographical boundaries, expressed by city, county, township, or highway boundaries, or a stated radius from the principal or branch office, must be clearly spelled out;
- b. The negative impact to any other state or federally chartered credit union in the expanded area;
- c. Any expressed opposition to the expansion by any other credit union;
- d. The credit union must demonstrate the ability to succeed in expanding their field of membership;
- e. Relevant public comment in favor of or in opposition to expanding the field of membership; and
- f. Any other factor that the state credit union board deems pertinent.

**History:** Effective April 1, 1988; amended effective October 1, 1997; January 1, 2007.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06, 6-06-07

**13-03-14-03. Application to expand field of membership.** A credit union wishing to expand its field of membership shall comply with the following:

1. Approval to expand the field of membership must be given by the board of directors of the credit union by a majority of that board;
2. After approval by the credit union's board of directors, application must be made to the state credit union board to expand its field of membership. The necessary forms for "application for field of membership expansion", including the business plan and the financial impact to the credit union and as required in subsection 3, may be secured from the department of financial institutions;
3. The application to expand the field of membership must be accompanied by the necessary documents for amendment of bylaws as required by North Dakota Century Code section 6-06-04;
4. The credit union shall, at least thirty days prior to the date of consideration by the state credit union board of an open charter application, cause a notice of the proposed field of membership expansion to be published in the official newspaper of the county or counties affected by the proposed charter expansion. The credit union shall, at least thirty days prior to the date of consideration by the state credit union board of a closed charter application, cause a notice of the proposed field of membership expansion to be published

in the eight major newspapers in the state set forth in subdivisions a through h of subsection 1 of section 13-01.1-04-01. However, if a closed charter credit union intends to limit its expansion into specified geographical areas within the state, the notice must only be published in the official newspaper of the county or counties affected by the proposed expansion; and

5. The notice must specify the time and place of the meeting of the state credit union board at which the application for the charter expansion will be acted upon. Comments may be submitted to the board concerning the application, or a written request for an opportunity to be heard before the board may be submitted. The board may, when it believes it to be in the public interest, order a hearing to be held.

**History:** Effective April 1, 1988; amended effective October 1, 1997; June 1, 2002.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06, 6-06-07

**13-03-14-04. Waiver.** The state credit union board, in the exercise of its discretion, may waive the provisions of this chapter when such waiver is in the best interests of a failing institution.

**History:** Effective April 1, 1988; June 1, 2002.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-08.2

**13-03-14-05. Field of membership of continuing credit union in the event of merger.** In the event of a merger between credit unions with different geographic fields of membership, the surviving credit union may, at the election of the surviving credit union, expand its field of membership to include the geographic field of membership of the merged credit union.

**History:** Effective January 1, 2007.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06, 6-06-07