

## **CHAPTER 13-03-15 BRANCHING**

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### **13-03-15-01. 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 the outer perimeters of the area which may be served as expressed in the field of membership authority and may be expressed by city, county, township, or highway boundaries, or a stated radius from the principal office of the credit union.
4. "Open charter" means a credit union charter issued to serve groups within a well-defined rural or urban district.
5. "Principal office" means the location or place of business, or both, in which the credit union was organized and stated on the certificate of organization or any amendments thereto and recorded with the secretary of state.

**History:** Effective April 1, 1988.

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

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

### **13-03-15-02. Establishment of a branch.**

1. Any North Dakota state-chartered credit union may establish a branch facility subject to approval of the state credit union board and in accordance with the provisions of this chapter.
2. All branch facility advertising and building signs must state the identity of the credit union.

**History:** Effective April 1, 1988; amended effective October 1, 1990; January 1, 2007.

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

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

### **13-03-15-03. Location of branch.**

1. Branches of "closed charter" credit unions established pursuant to the provisions of this chapter must be reasonably necessary in order to properly serve units of the field of membership which are not being properly served by the principal credit union office. The location of such office shall not be restricted except that, in the judgment of the state credit union board, it must be located so as to accomplish the above.

2. Branches of "open charter" credit unions must be located within the geographical boundaries which are authorized by the charter. The establishment of such branch facility may not, of itself, expand the geographical boundaries of the credit union's field of membership.

**History:** Effective April 1, 1988.

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

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

#### **13-03-15-04. Application to establish a branch.**

1. A credit union wishing to establish a branch shall comply with the following:
  - a. Approval to establish the branch must be given by the board of directors of the credit union by a majority of that board; and
  - b. After approval by the credit union's board of directors, application must be made to the state credit union board or to the commissioner to establish the branch. The necessary forms for "application to establish a branch", including the business plan and the financial impact to the credit union, may be secured from the department of financial institutions.
2. The state credit union board or commissioner, when considering the branching of a credit union, shall consider the following:
  - a. If the branch is for an open charter, and if the application to establish the branch is accompanied by an application to expand the field of membership, the exact geographical boundaries, expressed by city, county, township, or highway boundaries, or a stated radius from the branch office, must be clearly spelled out;
  - b. Whether the credit union has demonstrated the ability to succeed with the branch; and
  - c. Any other factor that the state credit union board or commissioner deems pertinent.
3. If the commissioner's decision with respect to an application is unfavorable, the applicant credit union may appeal the decision to the state credit union board by filing a notice of appeal with the commissioner within twenty days after the commissioner has notified the applicant credit union of the decision.

**History:** Effective April 1, 1988; amended effective June 1, 2002; January 1, 2007; January 1, 2013; January 1, 2019; April 1, 2022.

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

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

#### **13-03-15-05. Waiver.**

The state credit union board or commissioner, in the exercise of their 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; amended effective April 1, 2022.

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

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

#### **13-03-15-06. Notice regarding closing of a branch.**

Any credit union intending to close a branch shall provide its membership and the commissioner with notice of the closing at least thirty days prior to the closing date.

**History:** Effective January 1, 2013.

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

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

**13-03-15-07. Operations during epidemic or emergency - Notice to department.**

A credit union that operates physical facilities in any area that is experiencing an epidemic or other emergency may adjust the credit union's operations in any manner that is reasonable to protect the credit union's members, employees, assets, or business. Under this section, a credit union may temporarily close or relocate offices, employees, or operations; restrict access to offices or services; and change the manner in which the credit union provides services. A credit union shall notify the department of financial institutions of any actions the credit union takes under the authority of this section if such action results in a closure greater than one business day. The credit union shall give the department notice promptly and in any case within three business days of the credit union's decision to adjust the credit union's operations. The notice must describe the credit union's actions and the expected duration of the credit union's adjusted operations. Unless extended by the commissioner, a credit union's authority to change the credit union's operations under this section may not exceed sixty days.

**History:** Effective April 1, 2022.

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

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