

**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;
 - b. After approval by the credit union's board of directors, application must be made to the state credit union board 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;
 - c. The credit union shall, at least thirty days prior to the date of consideration by the state credit union board, cause to be published a notice in the official newspaper of the county or counties affected by the proposed branch expansion. The notice must specify the field of membership, and, if an open charter, the geographical boundaries; and

- d. The notice must specify the time and place of the meeting of the state credit union board at which the application for establishing the branch will be acted upon. Written 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.
2. The state credit union board, 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. The negative impact to any other state or federally chartered credit union in North Dakota;
 - c. Any expressed opposition to the branch by any other credit union in North Dakota;
 - d. If the branch is for an open charter, whether the area being considered is satisfactorily served by a currently operating credit union;
 - e. The credit union must demonstrate ability to succeed with the branch; and
 - f. Any other factor that the state credit union board deems pertinent.

History: Effective April 1, 1988; amended effective June 1, 2002; January 1, 2007.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-06-06

13-03-15-05. 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.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-06-06