



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE SERVICES  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS  
COMMISSIONER

**DATE:** July 12, 2004

**LETTER NO.:** 2004-CU-05

**TO:** The Board of Directors and Management of Michigan State-Chartered Credit Unions

**SUBJECT:** Field of Membership

The Michigan Credit Union Act of 2003 (Act) defines permissible fields of membership for state-chartered credit unions. This purpose of this letter is to provide guidance on the procedure(s) for amending a credit union's existing field of membership.

Field of Membership Requirements-Common Bond

Under the new Act, the most significant change is the explicit authority to combine occupational or group-based and geographical-based common bonds. Specifically, Section 352(2) of the Act permits state-chartered credit unions to serve one or more of the following:

- (a) One or more groups of any size that have a common bond of occupation, association, or religious affiliation.
- (b) One or more groups composed of persons whose common bond is residence, employment, or place of religious worship within a geographic area composed of 1 or more school districts, counties, cities, villages, or townships.
- (c) One or more groups whose common bond is common interests, activities, or objectives.

Field of Membership Application

Section 352(4) of the Act states that a credit union requesting a change in its field of membership must submit the proposed or revised field of membership to the Commissioner in an application format. The OFIS application guideline is included with this letter and is also available on our website at <https://www.michigan.gov/difs/forms/credit-union> or by contacting this office.

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Application Review and Extension Process

Upon receipt of the field of membership request, this office will review the application for completeness. A credit union applying for a geographical-based field of membership should ensure its business plan addresses how the credit union will serve members in the requested area. A credit union requesting a change in its field of membership to add one or more groups whose common bond is common interests, activities or objectives should include a description of how those interests, activities or objectives create a common bond. A change in the field of membership will generally not be considered for any credit union earning a less than satisfactory rating (CAMEL 3, 4, or 5).

When an application is deemed complete, this office will inform the credit union of the acceptance date. Within 60 days of that date, the Commissioner will approve or disapprove the application, or extend the review period for another 60 days. An extension notice will include the reason for the extension. The Commissioner may grant one or more additional 60-day extensions for administrative reasons or to allow for public comment. A credit union may treat any extension after the third extension as a disapproval of the application and may pursue any available administrative or legal remedies. If a common bond is established for the proposed field of membership, the Commissioner may only disapprove the application on the basis of safety and soundness of the credit union.

If you have any questions regarding field of membership issues, please contact the Enterprise Monitoring and Insurance Examination Division at 517-241-9981.

Sincerely,

Roger W. Little, Deputy Commissioner  
Credit Union Division

Enclosure

## Application for Field of Membership

The Commissioner of the Office of Financial and Insurance Services has determined that this application is available for public inspection or copying pursuant to the provisions of the Freedom of Information Act, PA 442 of 1976, MCL 15.231 et seq., and section 205 of the Michigan Credit Union Act of 2003; MCL 490.205. Accordingly, except as otherwise indicated in this application, the contents of the application shall be disclosed to any person who properly requests an opportunity for inspection, examination, or copying.

Changes in field of membership are subject to the requirements of section 352 of the Michigan Credit Union Act of 2003.

1. To request approval to change the credit union's field of membership, please submit a letter addressed to the Commissioner of the Office of Financial and Insurance Services (OFIS). The letter must contain the following information:
  - State the proposed field of membership in its entirety.
  - If application is for a geographical-based field of membership, attach a map of the proposed area indicating the location of all offices and proprietary ATMs.
  - Explain how the common bond of the proposed field of membership meets the requirements of section 352(2).
  - Discuss the credit union's plans for serving the new field of membership. Include a business plan, a marketing plan, a description of the credit union's current delivery systems (ATM and branch locations, internet, telephone banking, etc.), and any plans for additional services or locations.
  - Provide pro forma financial projections for at least three years (Balance Sheet, Income Statement, and key ratios), based on the proposed field of membership to be served. (Required for geographical-based field of membership changes and may be required on significant changes of other fields of membership.)
  - Detail any plans to change the credit union's name.
2. Any questions pertaining to the completion of this application should be directed to the Enterprise Monitoring and Insurance Examination Division, telephone (517) 241-9981.
3. A completed application should be mailed to: **OFFICE OF FINANCIAL AND INSURANCE SERVICES  
ATTENTION: ENTERPRISE MONITORING AND  
INSURANCE EXAMINATION DIVISION  
P.O. Box 30220  
LANSING, MI 48909-7720**

*Authorized by PA 215 of 2003. Required for permission to change field of membership.*



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Visit OFIS online at: [www.michigan.gov/ofis](http://www.michigan.gov/ofis) Phone OFIS toll-free at: 1-877-999-6442