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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
OFFICE OF CREDIT UNIONS
JOHN J. KOLHOFF
DIRECTOR

ANNETTE E. FLOOD
DIRECTOR

Memorandum

DATE: June 26, 2014
LETTER NO.: 2014-CU-03
TO: The Board of Directors and Management of Michigan State-Chartered Credit Unions
SUBJECT: Required Reporting under the Michigan Credit Union Act of 2003.

This letter supersedes Letter 2004-CU-07 and Letter 2006-CU-02.

Under the provisions of the Michigan Credit Union Act (MCUA), certain reporting is mandated. The purpose of this letter is to summarize the basic statutory reporting required under the MCUA, provide reporting deadlines, detail the Office of Credit Unions (OCU) standard reporting processes and cite OCU enforcement authorities. This letter is meant to provide an industry reference on MCUA reporting to ensure continued effective dialogue with, as well as appropriate supervision and compliance of Michigan chartered credit unions.

The table below summarizes MCUA reporting requirements. The table does not include instances where Director approval is necessary for waivers, Field of Membership (FOM) or bylaw changes, use of an assumed name or merger related activities. In situations where OCU notification requires Director approval, a more advanced request may be necessary.

Failure to provide notification as required or timely application for Director approval, when necessary, could result in a violation of the MCUA and subject the institution to potential fines, penalties, or regulatory actions prescribed within the MCUA.

MCUA Section	Reporting Item	MCUA Reporting Mandate
201(4)	Financial Reports	As required by the Director
218(1)	Any reporting required by the Director	No less than 30 days after notice to credit union
304(1)*	Change location of principal office	At least 30 days prior to change in location
304(2)*	Reporting of principal place of business; names and titles of officials and senior management employees	Within 3 days of any change

304(3)*	Establishment of a branch.	Prior to establishment.
305(1)(a)	Storage of books and records at a location other than the principal place of business.	Prior to establishment of storage site. Books and records must be available at principal location within three business days of Director's request.
305(1)(c)	Storage of books and records at a foreign branch.	
341(6)**	Names and address of members of the Board, Supervisory and Credit Committees.	Within 30 days of election.
342(5)(e)**	Notification of director removals and cause for removal.	Within 3 days of removal.

*may require prior Director approval if bylaw amendment or change in certificate of organization is required.

**may require NCUA or OCU approval under NCUA R&R 701.14 or outstanding regulatory actions.

In summary, to comply with the MCUA notification requirements Michigan chartered credit unions must maintain accurate information on the NCUA Credit Union Online application **AND** notify OCU on credit union letterhead of any changes to: the board, supervisory, audit and credit committees, general manager or CEO; and physical locations. Reporting required through the NCUA Credit Union Online application must comply with NCUA 5300 and Profile filing instructions. OCU standards to meet MCUA reporting requirements are discussed in the individual narratives below. Required letterhead notifications to OCU referenced throughout this document can be performed through fax at (517) 335-0908 or through USPS mail delivery to:

Director
Office of Credit Unions
611 W. Ottawa 3rd Floor
PO Box 30220
Lansing MI 48909-7720

OCU will also accept notifications through email at the following address:

oexams@michigan.gov.

Institutions submitting notifications via email must ensure appropriate safeguards to protect any confidential information. Further, it remains the institutions responsibility to confirm OCU receipt and, if email submission is unsuccessful, utilize an alternate delivery method prescribed.

Financial Reporting required under Section 201(4).

Under the authority of 201(4), the Director requires reporting of financial information through the NCUA 5300 Call Report process. To comply, institutions must file 5300 reports through the NCUA Credit Union Online system as prescribed in the NCUA Call Report instructions. Submission of hardcopy 5300 reports to OCU is not required. Failure to file call reports accurately and timely can result in fines up to \$100 per day delinquent and, if material, could result in the revocation of the state charter.

Reporting required by the Director to remain fully informed to the condition of a domestic credit union under Section 218(1).

Under the authority of 218(1), the Director may require reports necessary to remain fully informed about the conditions present at a domestic credit union. Michigan chartered credit unions impacted by this provision receive notification of the reporting requirement through separate OCU correspondence or regulatory action. The OCU pronouncement will outline the reporting required, OCU staff member to receive the reporting, deadlines for filing and any penalties associated for failure to file.

Required reporting of change in principal office location under Section 304(1).

Under the authority of Section 304(1) changes in the location of the credit unions principal office must be made to the Director at least 30 days prior to the move. To comply, institutions must provide notification on institution letterhead of the new office address, any change in status of the former principal office and the forecasted date of transition. Submissions to OCU should be signed by the CEO, General Manager, Board Chairperson, Vice Chair or Secretary to the Board. Credit unions remain responsible to appropriately update the NCUA Credit Union Online Profile application once the new location is implemented.

Institutions should review any changes in the principal office for instances that require prior Director approval under the provisions of 401(2)(hh) for land and building investment waivers; 352(4) for field of membership changes; 303 if requiring certificate of organization or bylaw changes or 371 if relative to a merger. If Director approval is required, a more advanced approval request may be necessary as outlined in the applicable section of the MCUA.

Required reporting of principal place of business; names and titles of officials and senior management employees under Section 304(2).

Under the authority of Section 304(2), the Director may prescribe a form used for reporting a credit union's principal place of business address and the names and titles of the officials and senior management employees within three business days of any changes. To comply, Michigan chartered credit unions are required to update the Profile portion of the NCUA Credit Union Online System AND submit hardcopy notification on the institutions letterhead within the three day requirement. If principal business location changes were submitted under the 30 day prior notice requirement within Section 304(1), hardcopy submissions to OCU would only need to include the names of officials or senior management employees added or removed from the officials' roster. The letterhead notification to OCU should be signed by the Board Chairperson, Vice Chair or Secretary of the Board.

Change in the status of officials or management team members may require prior approval by OCU and/or the NCUA under the provisions of NCUA Rules and Regulations Part 701.14 or an outstanding regulatory action. Institutions under such approval requirements will have received prior notification under separate OCU or NCUA correspondence. Changes in the number of board member could require Director approval of the necessary Bylaw change as outlined in Section 303.

Required reporting of establishment or closure of a branch under Section 304(3) and Section 218(1).

Under the authority of Section 304(3) Michigan chartered credit unions must provide prior notification of any branch establishment. Under the authority of Section 218(1) and as prescribed in this letter, the Director requires notification of any branch closures. To comply, Michigan chartered credit unions are required to update the Profile portion of the NCUA Credit Union Online System AND submit hardcopy notification on the institutions letterhead prior to the branch status change. Hardcopy submissions to OCU should include branch addresses for newly established and closed branches. The notification can be mailed or faxed using the contact information above and should be signed by the CEO/General Manager, Board Chairperson or Vice Chair.

Changes in the branch status may also require prior Director approval under the provisions of 401(2)(hh) for land and building investment waivers; 352(4) for field of membership changes; 303 if such changes require a certificate of organization or bylaw change or 371 if relative to a merger.

Required reporting of books and records storage at a location other than the principal place of business under Section 305(1).

Under the authority of Section 305(3) Michigan chartered credit unions must provide prior notification to OCU if books and records are stored at a location other than the principal place of business. Section 305(1)(a) requires notice if the records are maintained at another location within the state and Section 305(1)(c) allows records to be located at a foreign branch location. Either situation requires all books and records are available for review by OCU within three business days of the Director's request. The notification can be signed by the CEO/General Manager, Board Chairperson or Vice Chair.

Required reporting of names and addresses of board members and any policy making board committee (typically include the supervisory and/or credit committee) under Section 341(6).

Under the authority of Section 341(6) Michigan chartered credit unions must provide current addresses of all board or policy making committee members within 30 days of their election or change of address. To comply, Michigan chartered credit unions are required to update the Profile portion of the NCUA Credit Union Online System. If letterhead notification to OCU naming each official change was submitted as required under section 304(2) AND the NCUA Credit Union Online profile application has been updated with names and addresses within the 30 day requirement no further OCU notification is required.

Placement of officials or executive management team members may require prior approval of OCU and/or the NCUA if required under the provisions of NCUA Part 701 or an outstanding regulatory action. Institutions under such approval requirements will have received prior notification under separate OCU or NCUA correspondence. Changes in the number of board members may also require Director approval of a bylaw change as outlined in Section 303.

Required reporting of director removals by the board or supervisory committee under Section 342(5)(e).

Under the authority of Section 342(5)(e) Michigan chartered credit unions must provide the Director notice of any directors removed from the board for failing to meet board requirements of section 341 or removed by an action of the board or supervisory committee as outlined in section 342. To comply, Michigan chartered credit unions are required to update the Profile portion of the NCUA Credit Union Online System AND submit hardcopy notification to OCU of the removal, including statutory authority for removal and cause. OCU notifications must be submitted on the institutions letterhead within three days of the removal action. Reporting required under 342(5)(e) are deemed to meet the requirements of section 304(2) as well. Hardcopy submissions to OCU can be mailed or faxed as outlined above and should be signed by the Board Chairperson, Vice-Chair or Supervisory Committee Chair if applicable.

Sincerely,

A handwritten signature in black ink that reads "John J. Kolhoff". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John J. Kolhoff

Director

Office of Credit Unions