July 13, 2017

The special meeting of the State Credit Union Board was called to order by Chairman Entringer in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota, at 2:00 p.m., Thursday, July 13, 2017, by conference call.

MEMBERS PRESENT:  
Robert J. Entringer, Chairman (Office)  
Paul Brucker, Member (Medora)  
George Economon, Member (Fargo)  
Deb Gallagher, Member (Bismarck)  
Melanie Stillwell, Member (Williston)

MEMBERS ABSENT:  None

ALSO PRESENT:  
Aaron Webb, Secretary (Office)  
Suzette Richardson, Administrative Staff Officer (Office)  
Corey Krebs, Chief Examiner – Credit Unions (Fargo)  
Heidi LaBree, Financial Institutions Examiner (Office)

PROPOSED SECOND AMENDED ORDER: LOW INCOME DESIGNATED CREDIT UNIONS

Chairman Entringer indicated the initial Order regarding Low Income Designated Credit Unions was approved on April 21, 2010, granting state-chartered credit unions who have received a low-income designation from the National Credit Union Administration (NCUA) to obtain non-member and public unit deposits to not exceed 20% of the total shares of the credit union or $1.5 million, whichever is greater. Chairman Entringer indicated this Order was Amended on December 12, 2013, allowing low income designated state-chartered credit unions to accept secondary capital from non-natural person members and non-natural person
nonmembers subject to approval by the NCUA and compliance with applicable federal law.

Chairman Entringer explained that NCUA has increased the threshold to $3 million or 20% of total shares, whichever is greater; however, the most significant change is that NCUA has granted its Regional Director with the ability to allow an applicant to exceed a new level either as a dollar amount or percentage of total shares. Chairman Entringer added the credit union would have to apply and provide information to the Commissioner regarding any request.

Chairman Entringer indicated that Assistant Attorney General Murtha pointed out requests are submitted to NCUA’s Regional Director; therefore, should be submitted to the Commissioner so that action can be taken within the 30-day period, adding that any denials can be appealed to the State Credit Union Board.

Chairman Entringer pointed out that exemptions will be for a two-year period, unless a lesser time period is determined.

Chairman Entringer explained the Department has received an inquiry from a credit union that may submit an application; therefore, it was decided to propose a Second Amended Order for the Board’s consideration.

In response to Member Gallagher, Chairman Entringer stated that “nationally” would be changed to “federally” in paragraph III of the Second Amended Order.

It was moved by Member Gallagher, seconded by Member Economon, and unanimously carried to approve the Second Amended Order: Low Income Designated Credit Unions as amended, and that Chairman Entringer be allowed to sign the Second Amended Order on behalf of the Board.

Chairman Entringer indicated the Second Amended Order will be sent to all low-income designated state-chartered unions, as well as posted on the Department’s website.

The meeting adjourned at 2:10 p.m.

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Robert J. Entringer, Chairman Aaron Webb, Secretary