

**REGULAR STATE CREDIT UNION BOARD MEETING  
HELD BY CONFERENCE CALL  
OFFICE OF THE COMMISSIONER  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
2000 SCHAFFER STREET, SUITE G  
BISMARCK, NORTH DAKOTA**

**December 7, 2018**

The regular meeting of the State Credit Union Board was called to order by Chair Kruse in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota, at 9:01 a.m., Friday, December 7, 2018, by conference call.

MEMBERS PRESENT: Lise Kruse, Chair (*Office*)  
Paul Brucker, Member (*Office*)  
George Economon, Member (*Fargo*)  
Deb Gallagher, Member (*Office*)  
Melanie Stillwell, Member (*Williston*)

MEMBERS ABSENT: None

ALSO PRESENT: Corey Krebs, Secretary (*Office*)  
Anders Odegaard, Assistant Attorney General (*Office*)  
Heidi LaBree, Administrative Examiner (*Office*)  
Harold Hagen, Hometown Credit Union (*Kulm*)  
Bob Herrington, North Star Community CU (*Maddock*)  
Nick Woodard, United Savings CU (*Fargo*)

**APPROVAL OF MINUTES**

Chair Kruse indicated the Board received copies of the minutes of the regular meeting held on September 7, 2018, special meeting on October 26, 2018, and special meeting on October 29, 2019.

**It was moved by Member Gallagher, seconded by Member Economon, and unanimously carried, to approve the minutes of the regular meeting held**

**September 7, 2018, special meeting held on October 26, 2018, and special meeting held on October 29, 2018, as presented.**

**HOMETOWN CREDIT UNION, KULM – REQUEST FOR AUTHORIZATION TO INVEST IN A CREDIT UNION SERVICE ORGANIZATION**

Assistant Commissioner Krebs reviewed the memorandum. Hometown Credit Union has requested approval to invest \$25,000 into Pactola CUSO. The credit union will use the CUSO for the purpose of underwriting, loan servicing, loan sales, loan closing, audit services, loan participations, and training. The Department recommends approval of this request.

**It was moved by Member Brucker, seconded by Member Stillwell, and unanimously carried by a vote of 5-0 to approve the request for authorization for Hometown Credit Union to invest in a Credit Union Service Organization, and for the Commissioner to sign the Order on behalf of the State Credit Union Board.**

**CEO Hagen left the call.**

**NORTH STAR COMMUNITY CREDIT UNION, MADDOCK – APPLICATION TO MERGE TOLNA CREDIT UNION, TOLNA, INTO NORTH STAR COMMUNITY CREDIT UNION, MADDOCK**

Assistant Commissioner Krebs review the memorandum. The Department received the application on September 14, 2018, for Tolna Credit Union, Tolna, to merge into North Star Community Credit Union, Maddock. The application indicates that the credit union complied with the requirements for merger as outlined in North Dakota Administrative Code 6-06-6. The credit union indicated its intention to continue operating as a branch, the office located at 200 Main Street North, Tolna. The application includes an expansion of the surviving credit union's field of membership to include those who reside within a 75-mile radius of Tolna, as authorized by NDCC 6-06-07(2). The Department recommends approval of this application.

CEO Herrington stated that this merger is in the best interest of both credit unions. Tolna Credit Union will benefit with expanded services and the convenience of an extended branch network. Currently members of Tolna Credit Union are only offered savings and small loans.

**It was moved by Member Gallagher, seconded by Member Economon, and unanimously carried by a vote of 5-0 to approve the application to merge Tolna Credit Union, Tolna, into North Star Community Credit Union, Maddock, and for the Commissioner to sign the Order on behalf of the State Credit Union Board.**

**CEO Herrington left the call.**

**UNITED SAVINGS COMMUNITY CREDIT UNION, FARGO –  
APPLICATION TO ESTABLISH A BRANCH IN DETROIT LAKES,  
MINNESOTA**

Assistant Commissioner Krebs reviewed the memorandum. The Department received an application on November 27, 2018, for a new branch to be located at 1121 US Highway 10, Detroit Lakes, Minnesota. The proposed location is within the existing field of membership, and the credit union is not seeking an expansion of the field of membership. North Dakota Administrative Code 13-03-15-04 outlines the criteria a credit union must follow when establishing a branch. The Department makes no recommendation on the approval of this application.

CEO Woodard addressed areas of the application. The credit union is looking to put a branch in Detroit Lakes because of the demand from the credit union members. This has been an ongoing request from members. The credit union has 700 members that live within 25 miles of Detroit Lakes.

CEO Woodard addressed questions asked by the State Credit Union Board regarding the application for the branch.

**It was moved by Member Gallagher, seconded by Member Economon, and unanimously carried by a vote of 5-0 to approve the application to establish a branch in Detroit Lakes, Minnesota, and for the Commissioner to sign the Order on behalf of the State Credit Union Board.**

**CEO Woodard left the call.**

**CREDIT UNION BUDGET UPDATE**

Chair Kruse stated that the Department is within the budget guidelines. The budget has been released for the upcoming legislative session. The budget includes

an additional staff member who will take on information technology and money transmitter examinations.

## **ADMINISTRATIVE RULES UPDATE**

Chair Kruse stated that the legislative committee approved the administrative rule changes and that they will be effective in January.

### **2019 Meeting Schedule**

Chair Kruse indicated the State Credit Union Board meetings for 2019 will be held on March 1, June 7, September 6, and December 6.

**The Board went into closed session at 10:00 a.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.1 and to discuss any confidential records pursuant to North Dakota Century Code 44-04-19.2, and returned to open session at 10:18 a.m. Those that were present during the executive session were Chair Kruse, Members Brucker, Economon, Gallagher, Stillwell, Corey Krebs, Heidi LaBree, and Anders Odegaard.**

The meeting adjourned at 10:19 a.m.

---

Lise Kruse, Chair

---

Corey Krebs, Secretary