

STATE OF NORTH DAKOTA

BEFORE THE NORTH DAKOTA STATE CREDIT UNION BOARD

ORDER

This matter has come before the North Dakota State Credit Union Board at the request of the North Dakota Department of Financial Institutions.

The North Dakota State Credit Union Board takes notice that North Dakota Administrative Rule 13-03-23-05(1)(m) allows North Dakota state chartered credit unions to invest in a Credit Union Service Organization (CUSO) that provides shared branching services; whereas federally chartered credit unions may also contract with a CUSO to provide shared branching services under 12 CFR § 712.5(m).

The North Dakota State Credit Union Board also takes notice that federally chartered credit unions are authorized to engage in correspondent services with other credit unions as an incidental power under 12 CFR §§ 721.2 and 721.3(c).

The North Dakota State Credit Union Board asserts that “shared branching” may be defined as having authority to enter into agreements with other credit unions, or credit union service organizations, for the purpose of providing “correspondent services” as defined under 12 CFR 721.3(c). These services may include loan processing, loan servicing, member check cashing services, disbursing share withdrawals and loan proceeds, cashing and selling money orders, performing internal audits, and automated teller machine deposit services.

The North Dakota State Credit Union Board, having reviewed the supporting materials, relevant law, and otherwise being fully advised of the issues, hereby makes the following ORDER pursuant to N.D.C.C. §§ 6-06-06(11) and 6-06-06(12):

State chartered credit unions shall be permitted to engage in shared branching services for its qualified members. It should be noted that this authorization in no way permits any state chartered credit union to utilize a shared branch to expand its field of membership. This Order allows a state

chartered credit union to enter into agreements and/or contracts with other credit unions and CUSO's to provide shared branching services for the sole purpose of providing convenience of access to its existing membership who are not located in close proximity to the main office or branch of the credit union.

Dated this 12th day of December, 2013.

STATE CREDIT UNION BOARD



Robert J. Entringer, Chairman

Signed on behalf of the State Credit Union Board pursuant to a duly approved Motion of the Board on December 12, 2013.

ATTEST:



Aaron Webb, Secretary