

209 CMR 58.00: CREDIT UNION BRANCHING

Section

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58.01: Purpose and Scope

Purpose. The purpose of 209 CMR 58.00 is to establish requirements for application and notice authorities for Massachusetts-chartered credit unions to establish a branch office up to 100 miles from the premises of the main office within the Commonwealth, and in Connecticut, Maine, New Hampshire, New York, Rhode Island, or Vermont, subject to conditions to be established by the Commissioner. In addition, 209 CMR 58.00 also establishes application requirements for foreign credit unions and notice requirements for out-of-state federal credit unions, with a principal place of business located in such other states, as defined in 209 CMR 58.00, to establish a branch office in the Commonwealth, subject to conditions to be established by the Commissioner.

58.02: Definitions

The following definitions apply to 209 CMR 58.00:

Commissioner means the commissioner of banks, including the Division of Banks.

Commonwealth means the Commonwealth of Massachusetts.

Credit Union or Massachusetts-chartered Credit Union means a credit union organized pursuant to M.G.L. c. 171 and subject to examination and supervision by the Commissioner under M.G.L. c. 167.

Foreign Credit Union means a credit union with its principal place of business in the states of Connecticut, Maine, New Hampshire, New York, Rhode Island or Vermont that is organized under the laws of the respective state.

NCUA means the National Credit Union Administration.

Out-of-state Federal Credit Union means a credit union with its principal place of business in the states of Connecticut, Maine, New Hampshire, New York, Rhode Island or Vermont that is organized under the provisions of the Federal Credit Union Act.

58.03: Eligibility Standards for Massachusetts-chartered Credit Unions for Branching and Interstate Branching

In order for a Massachusetts-chartered credit union to qualify to engage in branching and interstate branching, it has to meet the following eligibility standards:

(1) Financial Requirements. A Massachusetts-chartered credit union must be adequately or well capitalized as defined pursuant to the Federal Credit Union Act and regulations promulgated by the NCUA, and must not have been notified that it is in troubled condition by the Division or the NCUA pursuant to the Federal Credit Union Act and regulations promulgated by the NCUA.

(2) Satisfactory CRA Rating Requirement. Any Massachusetts-chartered credit union must have received at least a satisfactory CRA rating at the most recent examination conducted by the Commissioner pursuant to M.G.L. c. 167, § 14.

58.04: Notice Requirement for Branching within the Commonwealth

Massachusetts-chartered Credit Union. A Massachusetts-chartered credit union seeking to establish a branch in the Commonwealth on a site which is located within 100 miles of its main office is required to submit notice to the Division of Banks in a form prescribed by the Commissioner.

58.05: Application Requirements for Interstate Branching

(1) Application.

(a) Massachusetts-chartered Credit Union. A Massachusetts-chartered credit union seeking to establish a branch which is located within 100 miles of its main office and which is within Connecticut, Maine, New Hampshire, Rhode Island, Vermont, or New York must submit an application to the Division of Banks in a form prescribed by the Commissioner.

(b) Foreign Credit Union. A foreign credit union seeking to establish a branch in Massachusetts must submit an application to its state regulator.

(2) Timing. Each credit union is restricted to submitting one application in a 12-month period.

58.06: Notice Requirement for Out-of-state Federal Credit Unions

An out-of-state federal credit union seeking to establish a branch in Massachusetts must submit notice to the Division of Banks in a manner prescribed by the Commissioner.

58.07: Regulatory Supervision

Foreign Credit Union. The activities of a branch of a foreign credit union located within the Commonwealth shall be subject to all applicable laws governing Massachusetts credit unions and may be examined by the Commissioner.

REGULATORY AUTHORITY:

209 CMR 58.00: M.G.L. c. 171, § 8A, as added by St. 2014, c. 466, § 1; St. 2014, c. 466, §§ 2 and 4.