**Application to Form a Credit Union**

**Chartered Under the Laws of the State of Idaho**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TO THE DIRECTOR OF THE IDAHO DEPARTMENT OF FINANCE:

Application is hereby made requesting the written approval of the Director of the Idaho Department of Finance for the proposed organization of a corporation to engage in credit union business, pursuant to the laws of the State of Idaho, Title 26, Chapter 21, Idaho Code.

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(Proposed Name of Credit Union)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Proposed Address Where Credit Union Business Will be Conducted)

Please select one of the following:

 Federally-Insured Credit Union

 Privately-Insured Credit Union

 Check this box to provide agreement for the Idaho Department of Finance to forward this Application to the appropriate share deposit insurer, either the National Credit Union Administration (NCUA) for federal insurance or American Share Insurance (ASI) for private insurance, and communicate with the insurer regarding the Application. The NCUA and ASI may require additional information beyond the items provided in this Application.

Proposed date to begin operations if charter is approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please indicate the name, address, email address, and telephone number of the person who is to be contacted for any information regarding this Application:

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please provide the following information as addendums to the Application.

**Exhibit 1 – Articles of Incorporation**

Attached as Exhibit 1 are Articles of Incorporation.

**Exhibit 2 – Bylaws**

Attached as Exhibit 2 are Bylaws.

**Exhibit 3 – Field of Membership Questionnaire**

Attached as Exhibit 3 is the Field of Membership Questionnaire (choose one).

**Exhibit 4 – Business Plan**

Attached as Exhibit 4 are items to be included in the Business Plan of the proposed credit union.

**Exhibit 5 – Policies**

Attached as Exhibit 5 is a list of policies to be included with the Application.

No credit union may open for business until final approval is granted by the Director of the Idaho Department of Finance. Should there be any questions regarding this Application, please email us at FIB@finance.idaho.gov. Please submit this completed Application to the Idaho Department of Finance, P.O. Box 83720, Boise, Idaho 83720, or via email to the above email address.

**CERTIFICATION OF APPLICATION**

I, the undersigned, being duly sworn, attest that the information contained in this application and all exhibits attached thereto are true and correct to the best of my knowledge and belief, and this application is executed in good faith and with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the denial of a credit union charter by the Idaho Department of Finance. I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the revocation of a credit union charter.

Signature of Applicant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_

**THIS APPLICATION IS TO BE CERTIFIED BEFORE A NOTARY PUBLIC**

STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

On this \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_, before me the undersigned Notary Public in and for said State, personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, known to me to be the person whose name is identified in this application and acknowledged that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal the day and year in this application as written above.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Notary Public

 (Notary Seal)

**Exhibit 1 – Articles of Incorporation (AOI)**

**Please see the Idaho Department of Finance website for a copy of the Idaho Model AOI**

**(**[**www.finance.idaho.gov**](http://www.finance.idaho.gov)**)**

**Exhibit 2 – Bylaws**

**Please see the Idaho Department of Finance website for a copy of the Idaho Model Bylaws (**[**www.finance.idaho.gov**](http://www.finance.idaho.gov)**)**

**Exhibit 3 – Field of Membership Questionnaire**

**COMMON BOND OF EMPLOYMENT**

1. What is the number of potential numbers (the number of employees)?
2. Are the potential members located within the State of Idaho? If any potential members reside outside of Idaho, please identity the state where the potential members are located.
3. What was the highest number of employees during the past three years?
4. How many persons in the group have signified their intention to join and support the credit union? How was this information obtained?
5. Describe the business or activity in which the employer is engaged.
6. How long has the employer been in existence? Are there any contemplated changes in the corporate structure of the employer?
7. Are the executives of the company (or employer) favorable toward the proposal to organize a credit union? Provide the names and titles of the executives who may be contacted.
8. What facilities and assistance, if any, will the employer provide? Office space \_\_\_\_\_\_\_\_\_\_; Payroll deduction \_\_\_\_\_\_\_\_\_\_; Other \_\_\_\_\_\_\_\_\_\_
9. Will the credit union operate on the employer’s property? If the credit union cannot operate on the employer's property, explain how the credit union will be able to transact business effectively with members.
10. If the field of membership is based on employment in more than one company or agency, outline the factors or conditions, which provide an adequate common bond for credit union purposes.
11. If the employees to be served by the credit union work in more than one location or city, provide the number of employees at each location, and identify how business will be transacted with outlying groups.

**Exhibit 3 (Continued) – Field of Membership Questionnaire**

**COMMON BOND BY ASSOCIATION**

1. What is the number of potential members (number of members in the association)?
2. Are the potential members located within the State of Idaho? If any potential members reside outside of Idaho, please identity the state where the potential members are located.
3. How many persons in the associational group have signified their intention to join and support the credit union? How was this information obtained?
4. Information regarding the association that forms the basis for the field of membership:
	1. State the purpose of the association and benefits of membership.
	2. What are the eligibility requirements for an individual to join the association?
	3. Do members of the association pay dues and, if so, how much and how frequently?
	4. Do members of the association have voting rights?
	5. In what year was the association established? Is it incorporated?
	6. Does the association provide opportunities for members to participate in the furtherance of the goals of the association?
	7. Does the association maintain a membership list?
	8. Provide statistics regarding trends in membership during the last five years.
	9. What is the frequency of member meetings?
	10. Will there be corporate separateness between the association and credit union? The association and the credit union must operate in a way that demonstrates the separate corporate existence of each entity. Specifically, this means the credit union’s and the association’s respective business transactions, accounts, and corporate records are not intermingled.
	11. Provide a copy of the association’s bylaws and a recent financial statement.
5. Are the officials of the association favorable toward the proposal to organize a credit union? Provide the names and titles of individuals from the association who may be contacted.
6. What facilities and assistance, if any, will the association provide? Office space \_\_\_\_\_\_\_\_\_\_; Payroll deduction \_\_\_\_\_\_\_\_\_\_; Other \_\_\_\_\_\_\_\_\_\_
7. Will the association provide office space for transacting credit union business? If not, explain how the credit union will be able to transact business effectively with members.

**Exhibit 3 (Continued) – Field of Membership Questionnaire**

**COMMON BOND BY WELL-DEFINED COMMUNITY**

1. What is the number of potential members (population of the community)?
2. Are the potential members located within the State of Idaho? If any potential members reside outside of Idaho, please identity the state where the potential members are located.
3. How many persons in the community have signified their intention to join and support the credit union? How was this information obtained?
4. Identify factors or conditions that make this community a logical group for credit union operation.
5. Will the office of the credit union be convenient for the members (please explain)?
6. Provide information to support that the proposed field of membership is “well-defined.” “Well-defined” means the proposed area has specific geographic boundaries. Geographic boundaries may include a city, township, county (single, multiple, or portions of a county) or a political equivalent, school districts, or a clearly identifiable neighborhood.
7. Provide information to support that the proposed field of membership is a “community.” A “community” means any one of the following:
	1. Single Political Jurisdiction – the area to be served is a recognized Single Political Jurisdiction (i.e., city, county, or their political equivalent, or any single portion thereof).
	2. Statistical Area – the area is all or an individual portion of a Combined Statistical Area (CSA) or a Core-Based Statistical Area (CBSA) designated by the U.S. Census Bureau, including a Metropolitan Statical Area (MSA). The CSA or CBSA or a portion thereof must be contiguous.
	3. Compelling Evidence of Common Interests or Interaction – demonstrate that the proposed area is contiguous and that there is a sufficient level of common interests or interaction among area residents to qualify the area as a well-defined community. The applicant must submit narrative support, including appropriate documentation, establishing that the area’s residents meet the requirements of a community. The narrative support should include as many of the following factors as may be appropriate:
		1. Political jurisdictions.
		2. Major trade areas.
		3. Traffic flows.
		4. Shared/common facilities, such as educational, medical, police and fire protection, school districts, water, etc.
		5. Organizations/clubs whose membership is made up exclusively of persons within the area.
		6. Newspapers or other periodicals published for and about the area.
		7. Census tracts.
		8. Common characteristics and background of residents, such as income, religious beliefs, primary ethic groups, similarity of occupations, household types, primary age group, etc.
		9. History of the area.

**Exhibit 4 – Business Plan**

The Business Plan of the proposed credit union should contain the following, at a minimum:

* A narrative statement identifying in reasonable detail the credit union’s proposed plan of business at the outset and for the future. Include information regarding the types of share deposit products to be offered, and the kinds of loans and investments that are intended to be made. Provide sufficient information so that the Director may be fully informed as to the objectives of the proposed credit union, and how those objectives will be met.
* An analysis of the economic characteristics of the field of membership (FOM) which the proposed credit union intends to serve (i.e., common bond by occupation or association, or to residents within a well-defined neighborhood, community, or rural district, employees of a common employer, or members of a bona fide fraternal, religious, cooperative, labor, rural, educational, or similar organization). The purpose of the analysis is to demonstrate to the Director that you have carefully and thoroughly studied the FOM’s characteristics, and to provide support that there is a need for the credit union and that the FOM can support the proposed credit union.
* Information regarding source(s) and amount of start-up capital and other support.
* Names of each of the proposed members of the Board of Directors, Supervisory Committee, Credit Committee (if applicable), and all credit union personnel. Identify the qualifications of each individual, including education and previous work experience.
* A schedule identifying the proposed annual salary and benefits to be paid to managing personnel, type of position, and the proportion of time to be devoted to that position by each.
* Pro forma financial statements, including estimated income statements and estimated balance sheets for each of the first three years of operation, and a projected cash flow statement (to include sources and uses of cash, including start-up funds) for the first year of operation. Include all assumptions made, source of information used to support the validity of assumptions, conclusions reached, and calculations made to arrive at the figures shown in the financial statements.
* Plan to obtain and maintain bond coverage in compliance with § 26-2156 Idaho Code.
* Goals for shares, loans, and number of members;
* Description of physical location where credit union business will be conducted;
* Record keeping and data processing systems;
* Marketing plan.

**Exhibit 5 – Policies**

Provide the following policies:

1. Loan Policy and Fair Lending Policy
2. Collection Policy
3. Loan Charge-Off Policy
4. Allowance for Credit Loss Policy
5. Investment Policy
6. Cash Policy
7. Bank Secrecy Act/Anti-Money Laundering and Customer Identification Program
8. Office of Foreign Assets Control
9. Truth-in-Savings Policy
10. Director Fiduciary Duties
11. Reimbursement Policy
12. Asset Liability Management Policy
13. Liquidity Policy
14. Vendor Management/Third Party Relationships
15. E-Commerce Policy
16. Security Program
17. Disaster Recovery and Business Continuity/Resumption Policy
18. Privacy Policy
19. Identity Theft Red Flags, Credit Report Discrepancies, and Records Disposal
20. Other policies as applicable, for major operational areas and for any advanced services