

STATE-CHARTERED CREDIT UNIONS IN ALASKA
APPLICATION FOR BRANCH OR CHANGE OF LOCATION

State of Alaska
Department of Commerce, Community and Economic Development
Division of Banking and Securities
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Current Alaska statutes and administrative code may be accessed through the Internet at the following address: www.legis.state.ak.us/folhome.htm

REFERENCES: AS 06.45.290 and 3 AAC 03.260

- I. The applicant should review the above references thoroughly before proceeding with the application process.
- II. All information, material and documents for the application for branch or change of location shall be submitted to the Department of Community and Economic Development (department) at the address stated above in **duplicate**.
- III. The application requirements are explicitly set out in Alaska administrative code stated above. These steps must be followed to obtain a Certificate of Authority to operate a new branch or relocate an existing branch office or principal office. There is **no** application **form** to be submitted. Approval from the department must be obtained **prior** to **any** construction or relocation.
- IV. A cover letter detailing the proposal for the application of a branch or change of location must be submitted to the department requesting approval of said proposal. In addition, a board resolution and a copy of the board minutes from the meeting at which the proposal was discussed and approved must accompany the letter. Furthermore the following items must be submitted to the department:
 - (1) A check or money order for \$500 made payable to the State of Alaska as a partial prepayment of investigation expenses incurred by the department.
 - (2) A statement of whether the proposed office will be owned or leased property, and, if leased, a fully executed copy of all lease documents which must contain a bankruptcy clause.

The department realizes it would be less than prudent for an applicant to enter into a fully executed lease prior to receiving approval from the department for a branch or change of location. Therefore, in the initial application process outlined in paragraph IV, it is acceptable for the credit union to submit a draft of the

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proposed terms of the lease without actually executing the lease. In such instances, the department may issue a conditional letter of approval. The department realizes that credit union management must be able to plan and proceed with assurances of approval upon fulfilling the conditions, i.e. entering into a lease. Once the lease is executed, a copy must be submitted **immediately** to the department. An alternative would be to execute a lease with a condition for approval of the application.

(3) A statement of whether the credit union plans to finance any improvements to the property, and, if it intends to lease, whether the proposed lessor is or will be a borrowing member of the credit union;

(4) A statement of the amount of fire and liability insurance coverage that will be carried for the proposed office location and equipment, who will pay the premium, and, if paid by the credit union, the amount of payment, and the annual premium for the coverage;

(5) The total investment in credit union premises and equipment that will be reflected on the books of the credit union for the proposed office;

(6) The itemized book value of the credit union's present investment in land, buildings, leasehold improvements, furniture, fixtures and equipment, investment in stock of a building corporation, and investment in other assets and any depreciation reflected on the books;

(7) A balance sheet and statement of income and expenses for the credit union as of the last day of the month immediately before the month in which the application is made;

(8) The amount and type of the credit union's fidelity bond in force and any excess coverage;

(9) A list of services that will be offered by the proposed office. If the services are to be reduced, provide an explanation of why they are being reduced.

(10) The name and resume of the proposed branch manager or, if none, a resume of the individual who will be directly responsible for the management of the proposed office;

(11) A brief economic analysis which supports the need for and feasibility of the proposed office.

V. Upon receipt by the department, the application for branch or change of location will be assigned to an examiner in the department. The examiner will contact the applicant within 30 days to inform the credit union she/he will be reviewing the application.

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VI. As part of the review process, the examiner may make a visitation to inspect the facilities and/or location. The cost of the visitation, if any, will be included in the final billing.

VII. In addition to the information submitted by the applicant, the examiner may request any additional information necessary to make a determination.

VIII. A review of the information submitted, an inspection (if determined necessary) of the proposed facilities and, if necessary, a request for additional information will be performed within 60 days of receipt of the items outlined above.

IX. Upon approval of the application, the division will issue a Certificate of Authority to conduct business through the branch or to operate the branch office or principal office at the new location. Accompanying the certificate will be a final statement of billing.

X. If the application is denied the department shall serve upon the applicant a copy of the decision and findings. Accompanying the notice of denial will be a final statement of billing along with a refund due, if any.

PLEASE NOTE: THE TIMES FRAMES OUTLINED ABOVE ARE INTENDED AS A GUIDELINE AND ARE SUBJECT TO CHANGE DEPENDING ON THE NATURE AND COMPLEXITY OF APPLICANT'S REQUEST. THE DEPARTMENT WILL MAKE EVERY EFFORT TO EXPEDITE EACH REQUEST RECEIVED.