



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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Division Distributes Information For Field of Membership Meetings

As a follow-up to the most recent Bulletin, the Division is sending the attached information sheet for its upcoming meetings on field of membership (FOM).

As a reminder, the meetings are scheduled as follows:

- Tuesday, November 27, 2001 at 10:00 a.m. in Spokane, at Numerica Credit Union, 4217 E. Main.
- Wednesday, November 28, 2001 at 10:00 a.m. at Federal Way, at the Washington Credit Union League, 33320 - 9th Avenue So.
- Tuesday, December 4, 2001 at 1:00 p.m. in Yakima, at Catholic Credit Union, 110 North Fifth Avenue.

If you have not already done so, please RSVP to Tina Philippsen at the Division by phone (360) 902-8718 or e-mail tphilippsen@dfi.wa.gov by November 21, 2001. Please indicate:

- a. How many people from your credit union and which session they plan to attend.
- b. If you would like us to send you a preliminary draft of the FOM rule changes prior to the meeting.

Information for FOM Meetings
With the Division of Credit Unions
Nov./Dec. 2001

Rationale for changes under consideration

1. The NCUA has streamlined its process for federal credit unions to add occupational groups under 500 persons, allowing on-line application with near immediate approval, without regard to overlaps.
2. The NCUA has approved the addition of communities in excess of 1 million persons.
3. Regulatory protection against overlaps is virtually gone.
4. The Division approves almost 100% of FOM applications from CAMEL 1s and 2s, typically within 30 days.
5. The Division believes that the addition of groups that clearly constitute FOM groups should be a business decision for the Board of Directors of CAMEL 1s and 2s, without requirement for application to the Division.
6. The Division needs to seek out more efficiency in its operation, and focus on its core function – examinations.

Significant points of changes under consideration

1. CAMEL 1s and 2s would be able to add “qualified” FOM groups with Board approval, without application to the Division.
2. A qualified occupational or associational group is:
 - a. Up to 6,299 persons, or
 - b. 6,300 or more if the group is included in the FOM of another credit union.
3. A qualified community is a school district; city; or rural county (less than 75 persons per square mile).
4. CAMEL 1s and 2s would not be able to add “non-qualified” groups without Division approval.
5. CAMEL 3s, 4s and 5s would not be able to add FOM groups without Division approval, except for small occupational groups (SOGs) under a previously-approved SOG enabling amendment. No new SOG enabling amendments would be approved.
6. The 75,000 population limit on communities would be eliminated.
7. Overlap protection would be eliminated. The prohibition on a credit union’s direct marketing to occupational groups in its communities would be eliminated.
8. The Division’s requirements on the content of applications would be significantly reduced.
9. CUs would be required to keep their FOM Bylaws in Model form, and to convert to the Model form by June 30, 2002.