

**2008**

**SOUTHEASTERN REGIONAL  
COOPERATIVE INTERSTATE  
AGREEMENT FOR THE  
SUPERVISION OF STATE-  
CHARTERED CREDIT UNIONS**

To promote interstate commerce and cooperation on a reciprocal basis among the Southeastern states that are a signatory to this agreement.

# **Southeastern Regional Cooperative Interstate Agreement for the Supervision of State Chartered-Credit Unions**

## **I. Purpose**

The purpose of this agreement is to promote interstate commerce and cooperation on a reciprocal basis among the Southeastern States that are a signatory to this agreement. This Agreement is meant to be consistent with and assist in the application of the Nationwide Cooperative Agreement for the Supervision of State Chartered Credit Unions Operating in a Multi-State Environment, (NCA) effective March 31, 1998 which is currently being reviewed and updated. In the event that the NCA is materially revised, the signatories to this agreement shall review this agreement within sixty days (60) days of such revisions to determine if changes are needed to make this agreement consistent with the NCA.

## **II. Definitions**

For the purposes of this agreement, all definitions contained in the NCA shall be applicable.

## **III. Goals of this Agreement**

The goal of this agreement is to promote fair and equitable commerce among state-chartered credit unions based upon reciprocity, subject to appropriate safety and soundness provisions, in order to best serve the consumers of our respective States. Implementation of the agreement should seek to minimize regulatory burden upon credit unions and should seek to promote timely, efficient and appropriate decision-making.

While it is recognized that interstate cooperation under this agreement is necessarily and properly subject to the requirements of individual state law, this agreement also recognizes that federally chartered credit unions can effectively branch across state lines without limitation. Therefore it should be a goal for signatories to this agreement that have non-safety and soundness statutory limitations upon interstate cooperation and competition of credit unions; that continued discussions occur with the credit union industry, industry associations and other interested parties in order to promote consistent and equitable treatment for state-chartered credit unions so that they may effectively compete with federally chartered credit union which do not face these statutory or regulatory limitations.

## **IV. Responsibilities for Supervision and Examination**

Consistent with the NCA, the Home State Supervisor shall be the single point of contact for the filing of all applications and shall be responsible for the conduct of supervision and examination of credit unions chartered in their State. It shall be the responsibility of the Home State Supervisor to regularly provide copies of examination reports to each of

the Host State Supervisors that have branches of the credit union in their respective States.

Consistent with the NCA, it shall be the responsibility of the Home State Supervisor to provide copies of any pending administrative actions to Host State Supervisors and other appropriate parties, preferably prior to the effective date of the administrative action.

Sharing of supervisory information between State Supervisors, and the confidentiality of such shared supervisory information, shall be in accordance with Sections 2 and 3 of the NCA and applicable state law of the sharing State Supervisors.

## **V. Activities Conducted by Phone, Through the Mail and Over the Internet**

The signatories of this agreement note that many financial service providers are providing services without a physical presence in their respective States, through the mail, through the internet and other electronic delivery methods and by phone. It is agreed that it is not beneficial to the state system to treat state chartered entities differently from federally chartered entities regarding such activities. It is therefore agreed that such services provided without a physical presence in the Host State do not constitute branching for the purposes of this agreement, in the absence of state law to the contrary.

Activities provided through Automated Teller Machines (ATMs), cash delivery machines and similar automated and unmanned facilities shall be permitted on a reciprocal basis, subject to applicable State law requirements. Such facilities shall not be considered to constitute branching for the purposes of this agreement in the absence of State law to the contrary.

## **VI. Application of State Law, Consumer Issues or Consumer Complaints**

Questions regarding the application of State law, practices which may be considered deceptive to the consumer, consumer complaints or disputes, should be forwarded for resolution to the Home State Supervisor, consistent with the NCA. The Home State Supervisor agrees to share information with the Host State Supervisor regarding the disposition of any such issues.

## **VII. Interstate Branching among the Participating States**

1) Interstate Branching shall be permitted on a reciprocal interstate basis, subject to the approval of the Home State Supervisor, the accordance of the Host State Supervisor and applicable state law requirements and other requirements including:

- a) Demonstration of adequate and proper safety and soundness.
- b) Demonstration of adequate management resources.

- c) Demonstration that the credit union meets fidelity bond requirements.
  - d) Demonstration that the credit union meets the deposit insurance requirements of the Home and Host states.
- 2) Where not otherwise inconsistent with applicable State law, credit unions may request to serve additional supplemental employee groups from previously approved interstate branch locations, subject to Home state and Host state regulatory approval.
- 3) Where not otherwise inconsistent with applicable State law, credit unions may request to serve additional limited fields of membership from previously approved interstate branches, subject to the same statutory, regulatory and policy requirements that state-chartered credit unions domiciled in that state would be subject to, and the requirements of the Home State Supervisor. In addition, credit unions in that Host state must have similar reciprocal authority to apply for additional limited fields of membership in the Home state of the credit union making application.

All such applications for branching shall initially be made with the Home State who will then be responsible for forwarding the application to the Host State for consideration. The credit union making the application shall be responsible for submitting the application to the Home State Supervisor. If the Home State Supervisor recommends approval of the request, the application would then be forwarded to the Host State Supervisor along with the analysis performed by the Home State Supervisor to determine if the application is consistent with safety and soundness and the requirements of Host State law and regulations.

### **VIII. Processing of Applications Filed with Home State Regulators**

Recognizing that the timing of the processing of interstate applications is key to maintaining the competitiveness of the state charter, it is agreed by all signatories to this agreement that a good faith effort shall be made to process all applications received from Home State Supervisors within 45 business days of the receipt of an application. It is recognized that additional information is requested from the applicant could increase the processing time for an application.

If it appears due to scheduling or other issues that additional time will be needed to complete the processing of an application, it is agreed among the signatories that the Home State Supervisor will be so informed and that ideally a projected date will be provided regarding the completion of processing.

# **Southeastern Regional Cooperative Interstate Agreement for the Supervision of State-Chartered Credit Unions**

## *Signatories*

Effective Date: January 1, 2009

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T. Glenn Latham, Administrator  
Alabama Credit Union Administration

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Alex Hager, Commissioner  
Florida Office of Financial Regulation

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Robert M. Braswell, Commissioner  
Georgia Department of Banking and Finance

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John S. Allison, Commissioner  
Mississippi Department of Banking and Consumer Finance

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Sandra K. Branson, Director  
Missouri Division of Credit Unions

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Jerrie K. Jay, Administrator  
North Carolina Credit Union Division

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Greg Gonzales, Commissioner  
Tennessee Department of Financial Institutions