

Credit Union Field of Membership Expansion Steps

Amendment to the Articles of Incorporation (IC 28-7-1-7)

Credit unions petitioning the Indiana Department of Financial Institutions (the “Department”) for field of membership expansion shall follow the below steps:

1. Determine if the group or community the credit union wishes to offer services to is a permissible group/community for membership as outlined in IC 28-7-1-10.
2. If the credit union believes the requested field of membership expansion would comply with the statute above, the credit union’s board of directors shall adopt a resolution proposing an amendment to the articles of incorporation of the credit union and directing that the amended articles of incorporation be submitted to a vote of the shareholders upon approval by the Department.
3. The credit union shall submit the Board adopted resolution to the Department, along with the following:
 - i. A detailed plan for serving members within the requested field, including marketing plans, any new products/services proposed, and how this new field fits in to the credit union’s mission
 - ii. A listing of the credit union’s current geographic field of membership and narrative description of how any requested community FOM expansion would benefit existing credit union members
 - iii. A listing of current member loan and share account balances already held in the requested community field or Select Employee Group (a \$1 million in already serviced loan or deposit balances is generally considered the minimum threshold needed to be breached for community expansion consideration)
 - iv. If a community field of membership expansion is being requested, a listing of the closest branch locations to the requested field

The Department will review the submitted information within 45 days of the request. The Department may request additional documentation to support the field of membership expansion. The request for additional information could extend the time period for review.

If the requested expanded FOM would incorporate a community or a Select Employee Group that is not located within Indiana, the credit union shall also request approval from the host state credit union supervisor, in addition to the Department.

4. After review of all pertinent information, the Department will provide the credit union with either a no-objection or objection letter to the expansion request. If the Department does not object, the credit union shall submit the resolution to its membership, remaining cognizant of the procedures below outlined in IC 28-7-1-7.
 - a. The statute allows for the approval to be done at a special meeting of the shareholders, if determined the best process. If the resolution is to be proposed at the annual meeting, notice of the proposal shall be included in the notice of the annual meeting. If the resolution is to be proposed at a special meeting, the special meeting shall be called by the resolution proposing the amendment, and notice of the meeting shall be given to each member of the credit union not less than five (5) days before the meeting. The notice must state the purpose of the meeting and contain the subject of the proposed amendment.
 - b. The proposed amendment shall be adopted upon receiving the affirmative votes of at least three-fourths (3/4) of the shareholders present at the meeting.
5. If the amendment to the articles of incorporation is adopted by the shareholders, the articles of amendment shall be prepared and signed in triplicate by the CEO/ president and secretary of the credit union and submitted to the Department for final approval. In addition to the submission of the articles of incorporation, the credit union shall submit a check made out to the Indiana Secretary of State for filing fees in the amount of \$30. The department may approve the articles in the manner provided in IC 28-12-5. The Department will issue an approval letter to the credit union.

The credit union shall note to the Department if there were any changes to the articles of incorporation in relation to the previously submitted resolution.

6. The Department will file the articles of amendment with the Secretary of State. The Secretary of State shall keep one (1) copy of the articles and shall issue a certificate of amendment to the credit union. The Secretary of State shall return the certificate of

amendment with a copy of the articles of amendment to the credit union and file the other copy of the articles with the Department. A credit union shall not exercise any power, right, or authority conferred by an amendment until a copy of the articles has been filed with the recorder of the county in which the credit union is located.