

**Kentucky Department of Financial Institutions
Division of Depository Institutions**

FIELD OF MEMBERSHIP APPLICATION FOR CREDIT UNIONS

Date

Mark the box that applies (Select only one):

Occupational Based Field of Membership

Associational Based Field of Membership

Interest Based Field of Membership

Name of Credit Union

Current Mailing Address

Name of Person to Contact Regarding this Application

Telephone Number of Contact

Email of Contact

Submit the application electronically to:

E-mail: kfi.ddd@ky.gov

Alternatively, you may submit the original application to:

**Commissioner
ATTN: Depository Division
Kentucky Department of Financial Institutions
500 Mero Street, 2SW19
Frankfort, KY 40601**

All applicable fields and supporting documentation must be provided. Missing information will result in a delay in processing your application.

All information requested is to ensure the requested field of membership shares a single common bond as prescribed under Kentucky Revised Statute (KRS) 286.3-107 as well as to ensure the financial viability and safety and soundness of the credit union. Authority for such documentation is promulgated by KRS 286.6, 808 Kentucky Administrative Regulation Chapter 14:010 Section 3, as well as the capitalization and safety and soundness requirements for all federally insured credit unions set forth under Parts 701 and 741 of the NCUA Rules and Regulations.

General Questions (If needed, please attach separate documents)

A Kentucky-chartered credit union must submit to the Department, in writing, a detailed request to amend its FOM. The request must include written support of the FOM-base the credit union is seeking, demonstrating the common bond, if applicable, as well as the section of the amended bylaws and the signed and notarized Certificate of Adoption of Amendment to Bylaws found here. The questions and request items below are to ensure compliance of a single common bond under KRS 286.6-107.

1. What is the current field of membership (FOM) as stated in your bylaws?

2. What is the proposed FOM?

3. Describe how you will provide services to current and potential members. How will you provide services to members with no internet access and who don't reside within 20-miles of a branch location?

4. Describe the administrative capability of the credit union to serve the proposed FOM and the financial resources to meet the need for additional staff and assets to serve the new FOM?

5. Describe how the proposed FOM aligns with the credit union's strategic mission.

Based on the Field of Membership desired, complete the applicable section below.

Occupational-Based Field of Membership Questions/Request Items (As Applicable)

A common bond based on employment in a trade, industry, or profession can include employment at any number of corporations or other legal entities that—while not under common ownership—have a common bond by virtue of producing similar products, providing similar services, or participating in the same type of business. A state-chartered credit union may use the North American Industry Classification System (“NAICS”) or the U.S. Bureau of Labor Statistics Standard Occupational Classification (“SOC”) System to support an assertion that a common bond exists within a proposed occupation-based field of membership by using the North American Industry Classification System (“NAICS”) or the U.S. Bureau of Labor Statistics Standard Occupational Classification (“SOC”) System.

1. Describe the occupational based FOM requested.

2. Provide any agreements between the credit union and any proposed sponsor group or employer.

Associational-Based Field of Membership Questions/Request Items (As Applicable)

A Kentucky state-chartered credit union may request an associational common bond by partnering with an association such as a church, philanthropic organization, union, or school. For associational-based FOMs, the credit union should consider including a letter(s) in the request from the association(s) requesting service from the credit union. The credit union may look to NCUA guidance in drafting this request letter.

1. Describe the sole purpose of the association(s).

2. Does the association(s) provide opportunities for members to participate in the furtherance of the goals of the association? Describe.

3. Does the association(s) maintain a membership list? Please provide the list.

Yes No

4. What activities does the association(s) sponsor?

5. Are the association's membership eligibility requirements authoritative? Explain.

6. Do members pay dues? If so, how much?

7. Do members have voting rights? Explain.

8. What is the frequency of meetings?

9. Is there corporate separateness between the association(s) and the credit union. Describe.

10. If multiple associations are requested, provide support demonstrating the common bond between each association.

11. Provide any agreements and due diligence performed on the association(s)

Interest-Based Field of Membership Questions/Request Items (As Applicable)

In Members Choice Credit Union v. Home Federal Savings & Loan Association of Ashland, 311 S.W.3d 726 (Ky. 2010), the Kentucky Supreme Court set forth factors for determining a valid interest-based field of membership ("FOM"). The Court stated that for an interest-based FOM, the interest should not be so vague or tenuous that a reasonable person would fail to see a common bond between the persons sharing the interest, the interest must be concrete enough to serve as the cement to unite credit union members in a cooperative venture, and the interest must share a nexus of financial interdependence. Further, one must demonstrate the proposed interest is definable and concrete enough to demonstrate a common bond.

1. If seeking a geographic FOM that encompasses a county or counties located in another state, has approval been obtained from that state.

Yes No

a. If yes, provide a copy of approval

b. If no, please note that approval must be obtained before conducting business in that state.

2. How many members, loans, and shares do you currently have in the proposed area?

Total Members

Total Members in Proposed Area of Interest

Percentage of Members in Proposed Area

Total Shares

Total Shares in Proposed Area of Interest

Percentage of Total \$ Shares Held by Proposed Area

Total Loans (Count)

Total Loans (Count) in Proposed Area of Interest

Total \$ Loans

Total \$ Loans in Proposed Area of Interest

Percentage of Total \$ Loans Held by Proposed Area

3. Provide clear and convincing evidence that the proposed interest is definable and concrete enough to demonstrate a common bond.