



Division of Banking

**State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
1511 Pontiac Avenue, Bldg. 68-1
Cranston, Rhode Island 02920**

DECISION AND ORDER

IN RE:

**APPLICATION OF CITY OF BOSTON CREDIT UNION
TO ESTABLISH AN INTERSTATE BRANCH OFFICE AT
270 CENTRAL AVENUE
JOHNSTON, RHODE ISLAND 02919**

I. JURISDICTIONAL STATEMENT AND TRAVEL OF THE CASE

This matter came before the Department of Business Regulation ("Department"), Division of Banking ("Division") upon the application of City of Boston Credit Union (the "Applicant"), a federally insured credit union chartered by the Commonwealth of Massachusetts with a principal office located at One Union Street, Boston, Massachusetts 02108, for approval to establish a full service branch office to be located at 270 Central Avenue, Johnston, Rhode Island 02919 (the "Application"), pursuant to R. I. Gen. Laws §§ 19-2-11, 19-5-27 and 19-7-9 and for the issuance of a certificate of public convenience and advantage in connection therewith.

The Application was filed on October 16, 2018. The Division published a notice of the filing of the Application on its website on December 14, 2018. The Application was available for public inspection and comment in the office of the Division from December 14, 2018 to December 21, 2018. The Division did not receive any written comments or objections regarding the Application during the comment period.

Evidence was submitted to the Division in support of the Application, which included responses to questions contained in the Application and various documents attached as exhibits to the Application.

Specifically, information was provided on the Applicant and the proposed branch. The Applicant provided a statement, which described the means by which the proposed branch would promote the public convenience and advantage of the membership to be served as well as information on the benefits of the proposed branch to the membership to be served and the impact on the safety and soundness of the Applicant.

II. APPLICABLE LAW

a. Public Convenience and Advantage Standard

The Superintendent of the Division of Banking (the “Superintendent”), or the Superintendent’s designee, is expressly authorized by R. I. Gen. Laws §§ 19-2-11, 19-5-27 and 19-7-9 to issue a certificate of public convenience and advantage with respect to the establishment of a branch for a Rhode Island regulated institution upon consideration of factors consistent with the creation of a regulated institution and upon compliance with other applicable provisions of R. I. Gen. Laws Title 19. Although R. I. Gen. Laws Title 19 does not expressly delineate the factors that must be considered by the Superintendent with respect to the standard of public convenience and advantage, it is the policy of the Superintendent, and the Division under the supervision of the Superintendent, to consider such factors as (a) the benefits to the community or communities to be served, such as the products and services to be provided by the proposed branch, and (b) the effects of the proposal on the public interest, such as the effect on employment, the economy and the tax base of the State. In addition, the Superintendent considers the safety and soundness of the regulated institution making application and the effect of the proposal on the strength and stability of the financial community as a whole.

Under applicable law, therefore, the Superintendent may issue a certificate upon a finding that the benefits flowing from the applicant's proposed activities will run to the public, that the applicant's proposed activities are fitting or suited to the public and will result in a gain or benefit to the public, that the proposed activity will not materially adversely affect the safety and soundness of the regulated institution, and that the application is in conformance with applicable law.

b. Community Reinvestment Act Standard

It has been the policy of the Superintendent, in reviewing applications from state chartered institutions, to determine whether an applicant will adhere to Community Reinvestment Act ("CRA") standards. The principles inherent in CRA require institutions to address the credit needs of the communities they serve. Both the federal CRA, 12 U.S.C. § 2901 *et seq*, and the state CRA, R. I. Gen. Laws §19-9-4, are applicable. The Superintendent believes that CRA factors are relevant and important in determining whether a certificate of public convenience and advantage should be issued.

c. Insurance of Deposits

R. I. Gen. Laws § 19-4-10 requires that any regulated institution permitted by law to receive deposits, except a regulated institution prevented from accepting deposits by its by-laws or agreement to form, must maintain federal deposit insurance.

d. Reciprocity with Home State

R. I. Gen. Laws §19-7-9 and 19-5-27 expressly authorizes the Superintendent to approve an application for a branch within Rhode Island by an out-of-state credit union if the law of the state in which the out-of-state bank is principally located authorizes a Rhode Island financial institution to establish a branch in the state under conditions not substantially more restrictive than those imposed by the laws of Rhode Island, as determined by the Superintendent.

III. FINDINGS OF FACT

Evidence was submitted to the Division in support of the Application that included responses to questions contained in the Application and various documents attached as exhibits to the Application.

Specifically, information was provided on the Applicant and the proposed branch. The proposed branch is currently a branch of Chadwick Federal Credit Union, ("Chadwick") and will be merged into the Applicant. The proposed effective date of the merger is January 1, 2019. The proposed branch is one of two locations that the Applicant is obtaining through the merger agreement, and the only branch located in Rhode Island. Chadwick is currently a federal credit union that was formed in 1968 for the benefit of the employees of Factory Mutual Insurance Company and their families. The subject branch is located within the Johnston, Rhode Island office location of Factory Mutual Insurance Company. The Applicant provided a statement that

describes the means by which the proposed branch would promote the public convenience and advantage of the community to be served as well as information on the benefits of the proposed branch to the current Chadwick membership and the impact on the safety and soundness of the Applicant.

On December 21, 2018, the Commonwealth of Massachusetts' Division of Banking approved the Applicants request to amend its bylaws to include current and retired employees of Factory Mutual Insurance Company as eligible for membership in the Applicant.

Based upon the documentary evidence filed with the Division, the Superintendent hereby makes the following findings of fact:

1. The Division received from the Applicant the Application pursuant to R. I. Gen. Laws § 19-2-11, 19-5-27 and 19-7-9 on October 16, 2018.

2. The Notice of Application Filed was posted on the Department's website from December 14, 2018 through December 21, 2018 in accordance with R. I. Gen. Laws § 19-1-3.

3. The public inspection and comment period for the Application extended from December 14, 2018 through December 21, 2018 during which time the Application was available for public inspection and comment in the office of the Division. No letters of comment or objection were received by the Division in connection with the Application during the comment period, therefore no public hearing was held.

4. Applicant is an out-of-state credit union, chartered by the Commonwealth of Massachusetts and a regulated institution as defined in R. I. Gen. Laws § 19-1-1.

5. The membership for the Applicant's proposed Johnston branch will mainly consist of current employees and persons retired as pensioners or annuitants from the employment of Factory Mutual Insurance Company and its subsidiaries who work in or are paid from the United States of America and its territories. Applicant's membership also includes: (a) persons attending school, living or working in the Middlesex, Norfolk, or Suffolk Counties, (b) Organization members located in Middlesex, Norfolk, or Suffolk Counties, (c) persons whose salaries, wages, compensation pensions or annuities are paid for by the City of Boston, Commonwealth of Massachusetts or any department, commission or authority within the Commonwealth of Massachusetts, (d) employees of the Applicant, and (e) family members of persons who are eligible members.

6. Approval of the Application will offer to existing Chadwick members and prospective new members an array of retail banking services.

7. The Applicant has demonstrated its intent to comply with CRA and non-discrimination laws and regulations and to address the communities' credit needs in which it is expanding, consistent with its past performance, which was last rated by the Commonwealth of Massachusetts on December 18, 2007 as "Satisfactory".

8. Applicant filed applications with the National Credit Union Administration ("NCUA") and the Commonwealth of Massachusetts. By letter dated October 2, 2018, the NCUA notified the Applicant of its approval of the plan to merge with Chadwick. By letter dated December 21, 2018, the Commonwealth of Massachusetts approved the merger and granted approval for the Applicant to retain both offices of Chadwick as branch offices.

IV. CONCLUSIONS OF LAW

Based upon the documentary evidence filed with the Division, the Superintendent hereby makes the following conclusions of law:

1. R. I. Gen. Laws §§19-2-11, 19-5-27 and 19-7-9 authorize the Superintendent to issue the certificate of public convenience and advantage in connection with the Application.

2. The Notice of Application Filed satisfies the requirements of R. I. Gen. Laws § 19-1-3 with respect to the publication of notice for the proposed branch.

3. The proposed branch is in the public interest, will promote the convenience and advantage of the membership to be served by the proposed branch and will have a beneficial effect on the economy and on the citizens of the communities to be served by the branch, all consistent with safe and sound banking practices consistent with the requirements of Rhode Island law and the standard for issuing the certificate sought by the Applicant.

4. The Application complies with the spirit and intent of R.I. Gen. Laws § 19-9-4 regarding credit needs of local communities.

5. The Applicant's deposits at the proposed branch will have federal deposit insurance.

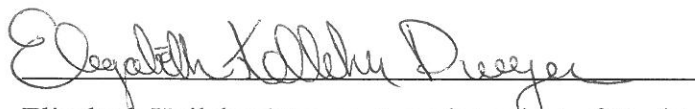
V. DECISION AND ORDER

Upon review and consideration of the documentary evidence in the record presented in this matter, it is hereby ORDERED:

That the Application of City of Boston Credit Union to establish a branch office to be located at 270 Central Avenue, Johnston, Rhode Island 02919 and for the issuance of a certificate of public convenience and advantage in connection therewith, is hereby approved in accordance with, and with the general effect provided for in R. I. Gen. Laws §19-2-11, 19-5-27 and 19-7-9 subject to the following conditions:

That the Applicant opens the proposed branch within one (1) year of the date of this Decision and Order; if it has not opened the branch within one (1) year, it must promptly return the certificate of public convenience and advantage to the Division for cancellation unless good cause is demonstrated for an extension.

ENTERED AS ADMINISTRATIVE ORDER 18BK018 BY THE SUPERINTENDENT OF THE DIVISION OF BANKING AS OF THIS 27th DAY OF DECEMBER 2018.



Elizabeth Kelleher Dwyer, Superintendent of Banking

Rhode Island Department of Business Regulation

**STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS**



**DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING**

CERTIFICATE OF PUBLIC CONVENIENCE AND ADVANTAGE

WHEREAS, application was made to the Superintendent of the Division of Banking for a certificate that public convenience and advantage will be promoted by establishing a branch office of

City of Boston Credit Union

at


270 Central Avenue, Johnston, Rhode Island 02919

WHEREAS, notice of application was published commencing December 14, 2018, and concluding December 24, 2018.

WHEREAS, the Superintendent of the Division of Banking finds that public convenience and advantage will be promoted by establishing the branch.

THEREFORE, the Superintendent of the Division of Banking authorizes operation of the branch.

Effective, December 27, 2018


Elizabeth Kelleher Dwyer, Superintendent of Banking
Rhode Island Department of Business Regulation