State of Rhode Island
Department of Business Regulation

DIVISION OF BANKING
233 Richmond Street, Suite 231
Providence, Rhode Island 02903-4231
Telephone (401) 222-2405 - Facsimile (401) 222-5628 - TDD (401) 222-2999

APPLICATION FOR APPROVAL TO ESTABLISH A CREDIT UNION

Filed on Behalf of:_____
(Name of Proposed Credit Union)

Date of Filing:_____

Application is hereby made to the State of Rhode Island Department of Business Regulation pursuant to Rhode Island General Laws § 19-5-2 for the issuance of a Credit Union Charter and a Certificate of Public Convenience and Advantage pursuant to Rhode Island General Laws § 19-2-3 for the location listed below.

Proposed Location : _____

_____

_____

Application Coordinator:

Name: _____

Address: _____

City, State & Zip Code: _____

Telephone Number: _____

Date of Filing: _____

Applicants for a credit union charter shall follow requirements contained in the applicable section(s) of R. I. Gen. Laws Title 19 as heretofore amended and shall file the application with all attachments. The application shall include the following:

1. Agreement to Form

   File an original and two (2) duplicate originals of the Agreement to Form using the enclosed form that complies with the provisions of R. I. Gen. Laws § 7-6-34.

2. Oath of Officials

   Complete and file the enclosed Certificate Of Election Of Directors - Directors' Oaths Of Office (to be completed by each member of the Board of Directors and each member of the Credit Committee and Supervisory Committee)

3. Customer-Bank-Communication-Terminal (ATM)

Complete the enclosed Request to Establish a Customer-Bank-Communication-Terminal if the proposed Credit union will utilize ATM(s).

4. Minutes of the First Meeting of the Subscribers to the Agreement to Form

Provide a **certified** copy of the Minutes of the First Meeting of the Subscribers to the Agreement to Form [a minimum of fifteen (15) citizens of Rhode Island is required] with evidence that the notice of the meeting complies with the provisions of R. I. Gen. Laws § 7-6-33. The minutes must indicate the number of persons attending the subscribers meeting.

5 Subscribers to the Agreement to Form

Provide a list of subscribers who have signed the organization certificate (original Agreement to Form), which names should be identical to the signatures on the organization certificate. Each subscriber listed must subscribe to at least one share in the credit union.

6. Potential Credit Union Membership

Provide a description of the potential membership that includes the following:

- The number of employees for occupational credit unions;
- The number of active members for associational credit unions; or
- The population per most recent census for community credit unions.

7. Business, Civic or Community Sponsors

Provide a list of business, civic, or other community organizations which support the proposed credit union The list should indicate the support pledged including the names and titles of officials who were contacted Obtain and attach letters of support from these individuals.

8. Past Credit Union Experience

If the subscribers have ever been granted a credit union charter, provide information on the current status of such credit union (i.e. active, or date, place, and reason for dissolution, liquidation, or merger).

9. Member Interest Survey

Provide the results of the potential member interest survey of a at least two hundred fifty (250) potential members. The results shall include at a minimum, the following:

A) A copy of survey form(s) utilized
B) The number of persons surveyed
C) The number of persons responding
D) The number of persons pledging an initial deposit
E) The total dollars pledged
F) The number of persons pledging systematic savings
G) The total dollars pledged per month

10. Authorization for Background Check and Release

Each subscriber and each proposed officer, director (must be a multiple of 3), credit committee member (must be a minimum of 3), and supervisory committee member (must be a minimum of 3 and maximum of 5) must complete and file the enclosed Authorization for Background Check and Release.

11. The applicant must file prompt written notification to the Division of Banking ("Division") of any changes in the directorate or active management that occur or are planned prior to opening or within the first year of the credit union's operation.

12. Expenses related to the Organization of the Credit Union

Provide a list of all expenses related to the organization of the credit union either paid or anticipated prior to the opening date, and include any expenses for work performed during the organization phases for which disbursement has been deferred beyond the opening date. With respect to such expenses include the following information:

A) Type of fee:

Attorney;
Consultant;
Application and investigation;
Pre-opening salaries;
Pre-opening travel and Entertainment;
Other _____(describe).

B) Name of recipient:

Association with the credit union;
Type of relationship;
Amount.

C) Source of payment for organizational expenses

13. Proposed Services and Hours of Operation

Provide a description of the proposed services to be offered and the proposed hours of operation.

14. Business Plan

Provide a copy of a five(5) year business plan complete with projected financial statements and a description of all assumptions used and the following:

i. Description of the proposed field of membership
ii A mission statement
iii. Availability of financial services from other institutions
iv. Analysis of market conditions
v. Membership goals
vi. Financial services needed/desired and those to be provided
vii. Credentials of key employees
viii. Description of the physical facility
ix. Budgets
x. Written policies (lending[1], investment, & funds management)

[1] R. I Gen Laws § 19-5-16 limits aggregate loans to one person or entity to the greater of one percent (1%) of the credit union's total assets or twenty percent (20%) of total unimpaired capital, as defined in R. I. Gen. Laws § 19-1-1, of the credit union.

14. Business Plan (continued)

xi. Identification of common bond overlap with other credit unions (include explanation of impact of overlap)

15. Organizational Chart and Management Plan

Provide a copy of the proposed organizational chart and management plan along with a description of the duties and responsibilities for each committee and each key officer position and the names of the persons serving as key officers and/or committee members. Indicate the number of full-time and part-time employees including the key officers.

16 Personal Financial Statements of Credit Union Officials

Each proposed officer, director, and committee member must submit signed personal financial statements prepared and dated no later than ninety (90) days from the date of application.

17. Field of Membership and Primary Trade/Market Territory

Provide a description and a map of the proposed credit union's primary trade/market territory that includes the identity and location of all financial institutions and credit unions now serving the primary trade/market territory to be served by the proposed credit union

18. Demographics

Provide a description of the demographics of the primary trade/market territory which addresses at a minimum the following:

A) Population
B) Employment
C) Housing units
D) Median value of housing units

19. Corporate Bylaws

Provide a certified copy of the proposed credit union's bylaws that reflect the guidelines of the Federal Credit Union Model Bylaw and Amendment Provisions.

20. Fidelity Bond

Provide evidence of fidelity bond coverage for all active directors, officers, and employees of the proposed credit union and a copy of the written policy adopted by the board of directors which establishes the aggregate amount and form of coverage. The bond must comply with the minimum bonding requirements of R. I. Gen. Laws § 19-2-19 and Banking Regulation 98-2 (copy enclosed).

21. Federal Deposit Insurance

Provide evidence that the proposed credit union has obtained federal deposit insurance with the National Credit Union Administration ("NCUA") through the NCUA National Credit Union Share Insurance Fund.

22. Community Reinvestment Act

R. I. Gen. Laws § 19-9-4 requires that any persons filing an application for approval to establish a credit union to file a report in substantially the same form as those reports that are required under the Community Reinvestment Act of 1977, United States Public Laws 95-128 [12 U.S.C. §§ 2901 to 2905], as amended from time to time. An applicant for a community credit union charter shall therefore file a Community Reinvestment Act ("CRA") Statement and, at a minimum, the following information as it relates to the proposed activities of the applicant credit union (not applicable to credit unions whose bylaws significantly limit the Field of membership):

A) The projected geographic distribution of the credit union's credit extensions, credit applications, and credit denials;

B) The effect of the matter which is the subject of the application upon the economy of the neighborhood, city or town, region, or state;

C) The applicant's proposed participation, including investments, in local community development and redevelopment projects or programs;

D) The applicant's proposed origination of residential mortgage loans, housing rehabilitation loans and small business or small farm loans within its community or the purchase of such loans originated in its community; and

E) The applicant's proposed participation in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms.

F) A statement which addresses whether the applicant intends to engage in any practices intended to discourage application for any types of consumer credit.

23. Proposed Branch Facilities and Site Description

A) Provide a physical description of the building premises. Specify the amount of available parking, walk-up, drive-up, handicapped access, vault, safe deposit boxes, automated teller machines (If applicable, applicant must complete a Request to Establish a Customer-Bank-Communication Terminal.

B) Provide a description of the buildings and area surrounding the proposed branch office. Comment on local traffic patterns, including public and private transportation, zoning, building or construction restrictions or other dominant characteristics of the area surrounding the proposed branch office site.

24. Manner of Occupancy

Indicate whether the proposed site will be leased or purchased by the applicant. Identify the person or entity from whom the proposed credit union office will be leased or purchased. Identify and explain any exclusive clauses contained in the purchase or property agreement or any other agreements between the applicant and subsequent purchases or lessees. If the agreement lacks exclusive or restrictive clauses, provide a statement signed by a official of the applicant certifying the absence of such clauses.

25. Insider Disclosure

Provide the identity of any insider that is involved in or that will be financially benefited by the proposed purchase or lease along with a delineation of each insider's involvement in the acquisition, construction, lease or operation of the proposed facility. If no insider is involved, a statement to that effect signed by the president and secretary must be provided.

Item 26 shall apply only to occupational and associational credit union charter applicants.

26. Sponsoring Company or Association

Provide the following:

A) The purposes and goals of the company or association sponsoring this charter

B) The year in which the sponsor company or association was established and the phone number and address of sponsor company's or association's headquarters

C) The length of time that sponsor company or association has been in existence.

D) A description of any facilities and assistance that the sponsor company or association will provide such as:

i. Office space (describe);
ii. Office supplies;
iii. Payroll deduction;
iv. Funding for start-up costs; and
v. Information on the highest number and the lowest number of employees or association members during the past three years along with an explanation for any large variance.
vi. An explanation of any negotiations now in progress between management and labor that could lead to work stoppages.
vii. Information on any significant changes in the corporate structure in the past three years and any contemplated changes in the corporate structure of the sponsor company or association.
viii. Except for religious and labor union groups, submit a copy of the current bylaws, the constitution or articles of incorporation, and recent financial statements (i.e. balance sheet and income statement dated no earlier than ninety (90) days prior to the date of the application) for the sponsor company or association.
v. Other _____ (describe).

If the credit union cannot operate on the sponsor's property, explain how the credit union will be able to transact business effectively with the members.

27. Published Notice of Application

A Notice of Application (sample attached) shall be published at least once a week for three successive weeks in The Providence Journal and, if desired, in a newspaper published in or near to the city or town in which the credit union is to be established. The Division will determine the dates of publication and comment period once an initial review of the application has been performed by the Division of Banking. Once published, applicant shall file with the Divisional Affidavit of Publication from the newspaper in which the notice appeared.

28 Other Information

Any other information that Director of Business Regulation ("Director"), or the Director's designee, may request relative to the application.

29. Certification of Information

Provide a certification by the President/Vice president and Secretary/Treasurer of the proposed credit union that the information contained in the application is true and that any schedules provided correctly represent the true state of the matters contained within the application to the best of their knowledge and belief.

30. Application Fee

Applicant shall pay an application fee based upon the hours spent by the Division processing the application, which fee shall be submitted to the Division within thirty (30) days of receipt of a decision by the Director on the application.

PRIOR TO SUBMISSION OF THE CREDIT UNION CHARTER APPLICATION, PPLICANT SHALL SCHEDULE A MEETING WITH THE ASSOCIATE DIRECTOR & SUPERINTENDENT OF BANKING, OR HIS OR HER DESIGNEE, TO DISCUSS THE OPERATIONS AND BUSINESS PLAN FOR THE PROPOSED CREDIT UNION.

In reviewing the application, the Director shall determine whether:

1. The Agreement to Form is in conformity to law;

2. The conditions under which the credit union is to be established do not render unlikely its successful financial operation (potential membership of at least 500 members unless convincing support provided by applicant that credit union is viable with fewer members); and

3. That the standing of the proposed members is such as to give assurance that its the credit union's affairs will be administered in accordance with the spirit of R. I. Gen. Laws § 19-5-2 and that the formation will benefit the proposed membership.

POST APPROVAL PROCEDURES

1. Applicant must file with the Division evidence that the Agreement to Form, in triplicate, has been filed with the Office of the Rhode Island Secretary of State.

2. Within thirty (30) days of the date of the Decision on the application by the Director of Business Regulation, applicant shall pay an application filing fee pursuant to R. I. Gen. Laws §19-1-3 and Banking Regulation 98-1-5.

Supplemental Forms and Regulations:

1. Application For Certificate and Agreement to Form

2. Certificate Of Election Of Directors – Director & Committee Member Oath Of Office

3. Authorization For Background Check And Release

4. Notice of Application Filed

5. Request To Establish A Customer Bank Communication Terminal

6. Banking Regulations:

98-1 Applications of Regulated Institutions
98-2 Bonds Of Officers And Employees
98-5 Credit Unions
98-9 Interest on Escrow Accounts

State of Rhode Island
Department of Business Regulation

DIVISION OF BANKING

APPLICATION FOR CERTIFICATE FOR A CREDIT UNION (APPLICATION)

We,_____

_____

_____

_____

_____

being the President and a majority of the Directors elected at an adjournment of the first meeting of the subscribers to the Agreement to Form a Credit Union ("Agreement to Form") for the purpose of forming a credit union pursuant to Title 19, Chapter 5 of the Rhode Island General Laws to transact business authorized by Title 19 within this State, hereby certify:

FIRST: That a true copy of the Agreement to Form, with the names of the subscribers thereto is attached hereto as Exhibit A and made a part hereof

SECOND: That the following is the name of each subscriber to the Agreement to Form:

Name	Name
1 _____	11 _____
2 _____	12 _____
3 _____	13 _____
4 _____	14 _____
5 _____	15 _____
6 _____	16 _____
7 _____	17 _____
8 _____	18 _____
9 _____	19 _____
_____	20 _____

[Attach additional pages hereto if necessary]

THIRD: A. A duly executed Notice of First Meeting, duly signed by the subscriber designated in the Agreement to Form is attached hereto as Exhibit B and made a part hereof.

OR

B. All of the subscribers to the Agreement to Form have executed a Notice of First Meeting and Waiver ("Notice and Waiver"). A duly executed copy of said Notice and Waiver is attached hereto as Exhibit C. [Note: Must state that all waive notice, and the time, place and purpose of meeting]

FOURTH: That the date of the first meeting was _____ 20_____, which meeting was adjourned to_____ 20_____, and from then successively to

_____.

The records of said meeting are attached hereto and marked collectively as Exhibit D.

FIFTH: That the name, residence, and post office address of each of the officers of the credit union is as follows:

Name	Office	Residence	Post Office Address

Signatures of the President and a Majority of the Directors

_____

_____

_____

_____

_____

_____

_____

STATE OF RHODE ISLAND

COUNTY OF_____

In _____on the_____day of_____20_____ beforeme

personally appeared the above named _____

and severally made oath that the above Application, subscribed by each of them, is true.

[If individual signatures are notarized by different Notary Public, please attach separate pages with additional original notary clauses]

CERTIFICATE

WHEREAS, the above written Application has been submitted to the Director of the Department of Business Regulation ("Director"), together with the records of the first meeting of the subscribers to the Agreement to Form for the purpose of forming the _____

_____.

WHEREAS, said Director has examined the same;

WHEREAS, the Director finds that Application and records conform to all provisions of applicable laws and regulations, including but not limited to the Banking Laws of the State of Rhode Island, and that public convenience and advantage will be promoted by the establishment of said credit union;

NOW THEREFORE, the undersigned Director grants approval of said Application.

Dated at _____this _____day of _____20_____.

_____

Marilyn Shannon McConaghy, Esq., Director
State of Rhode Island Department of Business Regulation

EXHIBIT A

State of Rhode Island

AGREEMENT TO FORM CREDIT UNION

We the subscribers, all citizens and residents of the State of Rhode Island, associate ourselves with the intention to form a credit union to transact business within this State. And we further agree to and with each other:

FIRST: That the credit union shall be known by the name of _____

_____.

SECOND: That the credit union shall be formed for the purpose of engaging in the business of

_____.

THIRD: That the address at which the financial institution's business is to be transacted and its main office shall be located is _____

_____.

FOURTH: That the following is the name, residence address, post office address, and number of shares subscribed for each subscriber to this Agreement to Form:

Name	Residence	Post Office Address	Number of Shares Subscribed
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
14			
15			

[Attach additional pages hereto if more than 15 subscribers]

FIFTH: The undersigned hereby designates_____, one of the subscribers hereto, for the purpose of calling the first meeting of the subscribers to this Agreement to Form.

Signatures of the Subscribers to this Agreement to Form

1 _____ 9_____

2 _____ 10_____

3 _____ 11_____

4 _____ 12_____

5 _____ 13_____

6 _____ 14_____

7 _____ 15_____

8 _____ 16_____

STATE OF RHODE ISLAND

COUNTY OF _____

In_____on the_____ day of_____20___

before me personally appeared the above named _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

and severally made oath that the above Application, subscribed by each of them, is true.

[If individual signatures are notarized by different Notary Public, please attach separate pages with additional original notary clauses]

EXHIBIT B

NOTICE OF FIRST MEETING OF THE SUBSCRIBERS

The first meeting of the subscribers to the Agreement to Form a credit union to be known as _____ _____shall be held at _____(a.m.)/(p.m.) on_____20_____ at_____.

The purposes of the meeting are _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

[Notice to be signed either by the subscriber to the Agreement to Form who is designated therein for the purpose, or by a majority of the subscribers. Notice is to given at least seven (7) days before the day of the meeting, to each subscriber or left at his or her residence and an affidavit of a majority of the signers of the notice that the notice has been duly served, shall be recorded with the records of the first meeting.]

EXHIBIT C

NOTICE OF FIRST MEETING AND WAIVER

WE, the undersigned, being all the subscribers, waive notice of the first meeting of the subscribers to the within Agreement to Form, and fix the time and place of such meeting to be held at_____ (a.m.)/(p.m.)on 20____, at _____.

The purposes of the meeting are _____

_____

_____

_____

_____

_____

_____

_____

_____

Signatures of Subscribers:

1 _____	9_____
2 _____	10_____
3 _____	11_____
4 _____	12_____
5 _____	13_____
6 _____	14_____
7 _____	15_____
8 _____	16_____

_____

Name of Credit Union

_____

Address

CERTIFICATE OF ELECTION OF DIRECTORS

AND

DIRECTOR & COMMITTEE MEMBER SUBSCRIPTION TO OATH OF OFFICE

_____ 20_____

Received and filed

_____ 20_____

RHODE ISLAND CREDIT UNION
CERTIFICATE OF ELECTION OF DIRECTORS

The undersigned _____ Secretary of the _____ (Name of Credit Union) located in _____, Rhode Island, hereby certifies that at a meeting of the _____ (Subscribers or Members, whichever is applicable) of said Corporation, held on _____ the following named persons were elected Directors thereof for the ensuing year, and that such election has been duly recorded in the records of said Corporation.

Name	Place of Residence
1.	
2.	
3.	
4.	
5	
6.	
7.	
8	
9.	
10.	
11.	
12.	
13	
14.	
15.	

_____ {Secretary-Clerk

CREDIT UNION
DIRECTORS & COMMITTEE MEMBERS OATH OF OFFICE

STATE OF RHODE ISLAND,

County of _____}

We, the undersigned Directors and Committee Members of the_____

_____

(Name of Credit Union)

in_____, Rhode Island, do each for himself and not for the other, solemnly swear that we will severally, so far as the duty devolves upon us, diligently and honestly administer the affairs of said Corporation, and that we will not knowingly violate, or willfully permit to be violated, any of the applicable provisions of Title 19 of the General Laws of Rhode Island and/or other General Laws of Rhode Island applicable to the operations of credit unions, or any addition thereto or amendment thereof.

Name	Place of Residence
1.	
2.	
3.	
4.	
5.	
6	
7.	
8.	
9.	
10.	
11.	
12.	
Supervisory Committee	
Supervisory Committee	
Supervisory Committee	
Credit Committee	
Credit Committee	
Credit Committee	
Credit Committee	

Subscribed and sworn to this_____day of_____20_____ before the undersigned, a notary public in and for said State.

_____

Notary Signature

State of Rhode Island
Department of Business Regulation

DIVISION OF BANKING
233 Richmond Street, Suite 231
Providence, Rhode Island 02903-4231
Telephone (401) 222-2405 - Facsimile (401) 222-5628 - TDD (401) 222-2999

AUTHORIZATION FOR BACKGROUND CHECK AND RELEASE

Company Name _____

Address _____

City, State, Zip Code _____

I, _____,
(Type or Print Full Name and Title)

of _____,
(Type or Print Residence Address, City, State, Zip Code)

having a date of birth of _____ and social security number of _____ hereby voluntarily direct and authorize the Division of Banking of the Department of Business Regulation to utilize the above information as part of its evaluation of my general character and financial condition. The information may be used for purposes of obtaining a credit report on me and/or may be shared with the Bureau of Criminal Identification of the Department of the Attorney General for the State of Rhode Island to make available to the Department of Business Regulation any criminal record or other disposition that the Bureau of Criminal Identification has on file in reference to me.

I hereby waive and release any and all manner of actions, cause of actions, and demands of every kind, nature and description, arising from any release of criminal records and requests there from, whatsoever against the State of Rhode Island, the Bureau of Criminal Identification, the Attorney General, the Department of Business Regulation, the employees of the Attorney General's Office and the employees and officials of the Department of Business Regulation in both law and equity which I may now have or in the future may have.

Upon submission of an application for licensure or a change in a licensee's officers, directors, manager or principal owner as defined in R. I. Gen. Laws § 19-14-1(10), each such officer, director, manager or principal owner must provide a signed response to the questions on Page 2 of 2. An affirmative response to any question requires a signed explanation. (Additional copies of this form may be reproduced as needed.)

Company Name _____

Individual's Name _____

(Type or Print)

Has the director, officer, manager or principal stockholder or any organization in which said person served as a director, officer, manager, or a principal stockholder ever:

1. Made application for a financial license in this state or any other state that was denied, refused or withdrawn, or had a financial license suspended, revoked or canceled?

YES_____ NO _____

2. Been enjoined or restrained by order of any court from continuing any conduct or practice in connection with the type of activity for which a license is being requested?

YES_____ NO _____

3. Adversely been the subject of or named in any order issued by any court, official or agency of any state or other authority engaged in regulating the business activity for which a license is being requested?

YES_____ NO _____

4. Been the subject of any bankruptcy, receivership, or insolvency proceedings?

YES_____ NO _____

5. For any violation of law other than a motor vehicle violation been (check all that apply):

Arrested YES _____ NO _____ Prosecuted YES _____NO _____

Indicted YES _____ NO _____ Convicted YES _____NO _____

6. Attach copy of a Photo ID (i.e. Valid Drivers License or ID Card.)

The undersigned certifies that the above responses are true and accurate to the best of my knowledge and belief.

Full Name (Type or Print)_____ Title _____

Signature _____ Date _____

Notary Public _____

Notary Seal

My Commission Expires_____, 20_____

SAMPLE NOTICE

DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
NOTICE OF APPLICATION FILED

Notice is hereby given that an application has been filed by (INSERT NAMES OF THE FIFTEEN SUBSCRIBERS TO THE AGREEMENT TO FORM) in behalf of (INSERT NAME OF PROPOSED CREDIT UNION AS STATED IN ITS AGREEMENT TO FORM) to be located at (INSERT ADDRESS OF PROPOSED CREDIT UNION with the Department of Business Regulation for the issuance of a credit union charter in accordance with Chapters 1 and 5 of Title 19 of the General Laws of Rhode Island, as amended.

All persons wishing to review and/or comment on the application may make requests to the Department of Business Regulation, Division of Banking, Suite 231, 233 Richmond Street, Providence Rhode Island 02903. Application documents will be available for public inspection and comment between the hours of 9:00 a.m. and 3:30 p.m. in the office of the Division of Banking from (INSERT DATE OF START OF PUBLIC COMMENT PERIOD) through (INSERT DATE OF END OF PUBLIC COMMENT PERIOD)[1]. Any comments made relative to the application must be made in writing addressed to Dennis F. Ziroli, Associate Director and Superintendent of Banking, Department of Business Regulation, Division of Banking, 233 Richmond Street, Suite 231, Providence, Rhode Island 02903.

The Division of Banking is accessible to the handicapped.

If, at the end of the comment period, there are no objectors to the application, no hearing may be held and a decision may be made to approve or deny the application.

This notice will appear in The Providence Journal on (INSERT DATES OF PUBLICATION).

State of Rhode Island and Providence Plantations
Department of Business Regulation

Marilyn Shannon McConaghy, Esq.
Director

[1]Publication dates and comment period will be determined by the Division of Banking.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
233 RICHMOND STREET, SUITE 231
PROVIDENCE, RHODE ISLAND 02903-4231
Telephone (401) 222-2405 - Fax (401) 222-5628

REQUEST TO ESTABLISH A CUSTOMER-BANK-COMMUNICATION-TERMINAL

Name of Applicant: _____

Address: _____

City: _____

State & Zip Code: _____

Date of Filing: _____

Request is hereby made pursuant to R. I. Gen. Laws § 19-3-13 for approval to establish a customer-Bank-Communication-Terminal (CBCT)/(ATM). The following information is required for state-chartered regulated institutions to establish a Customer-Bank-Communication-Terminal (CBCT)/(ATM)

1. Location of CBCT/ATM

Address:

City :

State & Zip Code

2. Area Location

Provide a general description of the area where located (e.g., main office, branch office, shopping center, supermarket, department store, etc.) and a description of the manner of installation at that location (e.g., free standing, in-wall, indoors, outdoors).

3. Manner of Operation

Describe the manner of the unit's activation (e.g., customer identification number, plastic card, etc.) including whether the device is on-line and time of customers' access to the unit.

4. Types of Transactions

Describe the kinds of transactions that will be performed (e.g., deposits, withdrawals, etc.).

5. Staffing

Explain whether the device will be manned and, if so, by whose employees.

6. Sharing

Explain whether the device will be shared and, if so, under what terms and with what other institutions and their locations.

7. Manufacturer/Price

Provide the name and address of the manufacturer and, if owned, the purchase price or, if leased, the lease terms and the name and address of the lessor.

8. Consumer Protection

Describe consumer protection procedures to be implemented, including the disclosure of the rights and liabilities of consumers and the protection against wrongful or accidental disclosure of confidential information. Submit a copy of applicable disclosures to be used.

9. Nearest Branch/Nearest (CBCT)(ATM)

Provide the distance from the nearest branch and from the nearest similar device of the applicant regulated institution.

10. Competitor's Nearest Branch/Nearest (CBCT)(ATM)

Provide the distance from the nearest branch of a competing financial institution and the nearest similar device of another financial institution which will not share the facility, and the name and address of such competing financial institution.

11. Security Measures

Information on the security provisions protecting the installation and its users.

Does the institution's security program provide for a schedule of Inspecting, testing, and servicing of security devices installed at each CBCT/ATM? YES___ NO_

Will a record of such inspections, testing, and servicing, be maintained? YES___ NO

Will procedures be in place for safely removing excess currency? YES___ NO

Will the CBCT/ATM be securely anchored to the premises where located or weigh at least 750 pounds empty? YES___ NO

Will the CBCT/ATM be alarmed and located in a well lighted area? YES___ NO___

A "NO" response to any of the above must be accompanied by an explanation and an alternative safeguard.

12. Insurance

Describe the insurance and bond coverage to be obtained.

13. Other

Provide any other information pertinent to the installation that might be requested by the director of business regulation.

Note: in answering questions contained in this application, use supporting schedules if additional space is required.

The undersigned certifies that all information contained herein, and all documents appended hereto, are true and accurate, to the best of his/her knowledge and belief.

By: _____
(Please Print)

Signed: _____

Title: _____

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
233 RICHMOND STREET, SUITE 231
PROVIDENCE, RHODE ISLAND 02903

BANKING REGULATION 98-1

APPLICATIONS OF REGULATED INSTITUTIONS

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98-1-1. AUTHORITY.

This regulation is promulgated pursuant to the authority granted in Section 3 of Chapter 1 of Title 19 of the General Laws of Rhode Island.

98-1-2. PURPOSE.

The purpose of this regulation is to set forth fees for applications filed by regulated institutions, financial institutions and credit unions with the Director of the Department of Business Regulation to carry out the provisions of Section 19-1-3 of the General Laws of Rhode Island entitled "Applications - General". The actions and information required by this regulation are hereby declared to be necessary and appropriate in the public interest.

98-1-3. SEVERABILITY.

If any provision of this regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this regulation which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this regulation are severable.

98-1-4. DEFINITIONS.

Unless otherwise provided by this regulation or unless the context clearly requires otherwise, terms used in this regulation shall have the same meaning as the terms as defined in Title 19.

98-1-5. FILING FEES.

Each regulated institution, financial institution and credit union which files an application with the Director shall pay an application fee, equal in amount to the total cost of the salary and benefits, calculated on an hourly basis, of the person(s) employed by the Division of Banking having actually participated in the review of the application. The Division of Banking shall submit a bill to the applicant with the decision on the application, detailing the application fee. The detailed breakdown of the bill to the applicant shall include but not be limited to the total hours of review time, the name(s) of the person(s) reviewing the application and the charge per hour. The maximum number of hours per type of application which shall be included in the bill to the applicant will be established by the Division of Banking at a public hearing pursuant to R.I.G.L. ' 19-1-3.

98-1-6. APPLICABILITY.

Application fees shall only apply in those instances in which an application for approval is required by Title 19

of the Rhode Island General Laws. For certain types of transactions, approvals may be granted without the need for the filing of an application.

Applications and associated fees are required for approvals by the Director, including but not limited to the following:

(a) Agreements to Form;
(b) Amendments to Agreements to Form;
(c) Establishment of branches;
(d) Relocations of branches;
(e) Mergers of financial institutions
(f) Interstate banking, including but not limited to interstate acquisitions, mergers, and purchase and assumptions;
(g) Interstate branching; and
(h) Changes in control.
(i) Other approvals which, in the discretion of the Director, require the filing of an application

Applications, and therefore application fees, are not required to be filed for approvals including but not limited to the following:

(a) Mergers of credit unions;
(b) Conversions to stock form of financial institution;
(c) Amendments to by-laws;
(d) Establishment of electronic devices and machines;
(e) Conversions to federal charter;
(f) Voluntary liquidations;
(g) Conservatorships; and
(h) Receiverships

98-1-7. EFFECTIVE DATE.

Effective date: August 9, 1998
Refiled date: December ,2001

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
233 RICHMOND STREET, SUITE 231
PROVIDENCE, RHODE ISLAND 02903

BANKING REGULATION 98-2
BONDS OF OFFICERS AND EMPLOYEES
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98-2-5. PROVISIONS.
98-2-6. EFFECTIVE DATE.

98-2-1. AUTHORITY.

This regulation is promulgated pursuant to the authority granted in Section 19 of Chapter 2 of Title 19 of the General Laws of Rhode Island.

98-2-2. PURPOSE.

The purpose of this regulation is to set forth amounts for fidelity bond coverage for officers and employees of regulated institutions to carry out the provisions of Section 19-2-19 of the General Laws of Rhode Island entitled "Bonds of officers and employees - Supervision by director". The actions and information required by this regulation are hereby declared to be necessary and appropriate in the public interest.

98-2-3. SEVERABILITY.

If any provision of this regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this regulation which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this regulation are severable.

98-2-4. DEFINITIONS.

Unless otherwise provided by this regulation or unless the context clearly requires otherwise, terms used in this regulation shall have the same meaning as the terms as defined in Title 19.

98-2-5. PROVISIONS.

It is the duty of the board of directors of each regulated institution to require bonds in such form and amount to insure the regulated institution is adequately protected from loss in the case of officers or employees failing to honestly discharge their duties.

The aggregate amount and form of coverage shall be determined by the board of directors in a written policy adopted by the board of directors. The policy should be premised upon a consideration of such factors as the adequacy of the current internal control system, the internal auditing safeguards employed, the number of employees, the amount of deposits, the amount of assets under management and the amount of cash and securities normally held by the regulated institution. However, the board of directors shall require coverage in such form and in such amount as to meet any requirements of the regulated institution's federal deposit insurer. The board of directors of financial institutions which are not federally insured because they do not accept deposits shall require coverage in such form as would be required by the financial institution's federal deposit insurer, if such institutions were federally insured. The minimum amount of the bond for financial institutions which are not federally insured shall be set by the board of directors and shall be based upon the greater of total assets or total assets under management as indicated in the following table:

Total Assets	Minimum Bond
$0 to $50,000,000	$100,000 plus $50,000 for each million or fraction over $1,000,000.
$50,000,001 to $300,000,000	$2,550,000 plus $10,000 for each million or fraction over $50,000,000.
Over $300,000,000	$5,000,000.

98-2-6. EFFECTIVE DATE.

Effective date:	August 9, 1998; compliance optional until November 7, 1998.
Refiled date:	December, 2001.

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
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BANKING REGULATION 98-5
CREDIT UNIONS
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98-5-1. AUTHORITY.

This regulation is promulgated pursuant to the authority granted in Chapter 5 of Title 19 of the General Laws of Rhode Island.

98-5-2. PURPOSE.

The purpose of this regulation is to provide for: credit union by-law content and amendment procedures pursuant to R.I.G.L. ' 19-5-4; a definition for qualified individuals for credit union supervisory committee membership pursuant to R.I.G.L. ' 19-5-9; requirements of loans to credit union officers and directors pursuant to R.I.G.L. ' 19-5-17; and, destruction of records programs for credit unions pursuant to R.I.G.L. ' 19-5-21. The actions and information required by this regulation are hereby declared to be necessary and appropriate in the public interest.

98-5-3. SEVERABILITY.

If any provision of this regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this regulation which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this regulation are severable.

98-5-4. DEFINITIONS.

Unless otherwise provided by this regulation or unless the context clearly requires otherwise, terms used in this regulation shall have the same meaning as the terms as defined in Title 19.

For purposes of this regulation, immediate family member shall mean spouse, father, mother, brother, sister, father-in-law, mother-in-law or a person who lives in the same household as the member.

98-5-5. PROVISIONS.

(a) BY-LAWS

Credit union by-laws and any amendment to a credit union by-laws require the approval of the Director. Model by-law provisions permitted pursuant the Federal Credit Union Act are generally allowed and will be approved unless inconsistent with Rhode Island law. This regulation establishes the procedures and policies of the Division of Banking relating to credit union by-law content and form.

Each credit union proposing to amend or change its by laws, should review any proposed amendment with the Division of Banking prior to submitting such an amendment to its membership or board of directors for approval. Each proposed amendment submitted to the Director shall be submitted to the membership or the board of directors at a meeting at which the proposed amendment is duly before the membership or the board of directors for consideration. The submission to the Director for approval of amendment(s) to credit union by-laws must include at least:

(1) One (1) set of existing by-laws before the proposed amendment(s);

(2) One (1) set of the amended section(s), with the proposed amendment(s) clearly identified;

(3) A statement of purpose for each proposed amendment along with a summary explanation for each amendment being required;

(4) A copy of the dated notice, signed by the Secretary or comparable officer of the credit union, of either:

A. The meeting of the members, if applicable, which clearly states that an amendment to the by-laws will be considered; or

B. The meeting of the board of directors, if applicable, which clearly states that an amendment to the by-laws will be considered;

(5) A copy of the newspaper publication, if required by the by-laws, including the dates of publication;

(6) Evidence of compliance with any applicable notice of meeting provisions in the credit union's by-laws;

(7) A copy of the minutes of the membership or board of director meeting, whichever is applicable, evidencing:

(i) the existence of a quorum;

(ii) the actual motion(s) made;

(iii) the action taken on the proposed amendment(s), demonstrating an affirmative vote by at least three-fourths of the members present at the meeting or an affirmative vote by at least two-thirds of the authorized number of members of the board, whichever is applicable; and

(iv) a detailed discussion of the proposed amendment(s) or a certification by the Secretary or comparable officer of the credit union that the proposed amendment(s) were available for distribution to all credit union or board members, whichever is applicable, for their review.

(8) Such other information that the Director shall request.

Proposals submitted to the Director to amend by-laws will be approved or disapproved within sixty (60) days of a completed submission. The Division of Banking will, upon request by the credit union, notify the credit union proposing by-law amendment(s) as to the date of completion of the submission under consideration.

Upon approval, within thirty (30) days, the credit union must submit a revised copy of the by-laws, which incorporates the changes as approved by the Director and the date of such approval.

(b) **SUPERVISORY COMMITTEE**

Only actual members of the credit union, as defined by the Agreement to Form or the by-laws of the credit union, are eligible to become members of the supervisory committee of that credit union. The following are guidelines and factors to be used to determine whether an eligible member is qualified to serve on a credit union supervisory committee, whether elected or appointed. It shall be the duty of the board of directors of the credit union to determine whether a member is "qualified" by applying the following factors and/or standards.

(1) The member may not be an officer, director or employee of the credit union.

(2) The member may not be an immediate family member of an officer, director or employee of the credit union.

(3) The member must be in good standing. Good standing shall include being in compliance with all share, deposit and loan terms, as set forth in the credit union's by-laws, policies and regulations, as applicable to the member.

(4) The member should have business and/or accounting experience and/or an educational background which would allow the member to discharge the duties and responsibilities of a supervisory committee member, in the opinion of the board of directors. The board of directors of a credit union shall specifically reference such a finding of the member's qualification in the minutes of the meeting at which such member was determined to be qualified, delineating the reasons for such determination of qualification.

(5) The member or his or her immediate family member may not be a substantial borrower of the credit union. Substantial borrower shall mean, for purposes of this section only, any member and his or her immediate family member who, in the aggregate, have liabilities to the credit union that exceed 0.5% of the total assets of the credit union or 10% of the net capital of the credit union, whichever is greater, directly or indirectly. Indirectly liable shall include but not be limited to loan guarantees, co-signers on loans or loans to entities in which the member and immediate family member has a majority or controlling interest, whether legal or beneficial.

(6) Each credit union shall establish a written policy, not inconsistent with this regulation or state law, which defines how members qualify for election or appointment, as the case may be, to the supervisory committee

and the factors and standards used to determine such qualification.

(c) **LOANS TO OFFICERS, DIRECTORS AND COMMITTEE MEMBERS**

No officer, director or member of a committee may borrow under terms more preferable than those terms offered to other credit union members in the usual course of credit union business. Any loan to an officer, director or member of a committee must be granted in compliance with federal deposit insurance rules and regulations governing loans to officers and directors.

Loans to officers, directors or committee members will be reviewed by the Division of Banking using the same provisions of Federal Reserve System Regulation O, its successor or replacement regulation, which governs lending to officers or directors of banks or other types of deposit taking institutions as well as the provisions of National Credit Union Administration Rules and Regulations Part 701.21(d)(5). Each credit union shall maintain an updated copy of Regulation O or its successor or replacement regulation as well as National Credit Union Administration Rules and Regulations Part 701.21(d)(5). Each credit union must create and maintain a written policy for loans to officers, directors and committee members not inconsistent herewith.

Notwithstanding the above, credit unions are not required to report loans to officers, directors or committee members to the Division of Banking, independent of a request by the Division of Banking for such information.

(d) **RECORDS RETENTION**

Each credit union shall establish and maintain a written records retention and destruction program which shall be available to the Division of Banking at each examination for review and comment, but not approval. Such a program shall be in conformance with any applicable federal deposit insurance laws, rules, regulations or policies. Notwithstanding anything to the contrary in this regulation, each credit union shall establish its record retention program on or before January 1, 1999.

98-5-6. EFFECTIVE DATE.

Effective date: August 9, 1998; compliance with the requirements of sections (b) and (c) of this regulation optional until November 7, 1998.

Refiled date: December ,2001.

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
233 RICHMOND STREET, SUITE 231
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BANKING REGULATION 98-9

INTEREST ON ESCROW ACCOUNTS

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98-9-6. APPLICABILITY.
98-9-7. EFFECTIVE DATE.

98-9-1. AUTHORITY.

This regulation is promulgated pursuant to the authority granted in Section 2 of Chapter 9 of Title 19 of the General Laws of Rhode Island

98-9-2. PURPOSE.

The purpose of this regulation is to set forth procedures to carry out the provisions of Section 19-9-2 of the General Laws of Rhode Island entitled "Escrow accounts - Interest". The actions and information required by this regulation are hereby declared to be necessary and appropriate in the public interest.

98-9-3. SEVERABILITY.

If any provision of this regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this regulation which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this regulation are severable.

98-9-4. DEFINITIONS.

Unless otherwise provided by this regulation or unless the context clearly requires otherwise, terms used in this regulation shall have the same meaning as the terms as defined in Title 19.

Escrow account, for purposes of this regulation, is any account in which a mortgagee holds funds of a mortgagor in escrow for the payment of taxes and insurance premiums with respect to mortgaged property located in this state.

Annual tax service fee, for purposes of this regulation, is an annual fee imposed upon the mortgagor after the closing of the mortgage transaction to enable the mortgagee to determine whether taxes have been paid in accordance with the loan agreement or mortgage. A one-time charge to pay the cost of a tax reporting service, paid by the mortgagor prior to or at the time of closing of the mortgage transaction, is not an annual tax service fee.

98-9-5. PROVISIONS.

Each mortgagee required to pay interest on escrow accounts shall credit such interest at the rate provided for in Section 19-9-2 of the General Laws of Rhode Island as amended Interest on the escrow account shall be computed based on the aggregate average daily balance in the escrow account as computed by the mortgagee in its usual course of business. Interest on the escrow account shall be credited annually on December 31 of each year. If the mortgage debt is paid in full prior to December 31 in any year, the interest to the date of payment shall be paid to the mortgagor.

Each mortgagee shall provide notice to the mortgagor of the amount of such interest credit. Such notice may take the form of notice as required by the Internal Revenue Service (i.e. Form 1099 -INT) or a substantially similar form.

98-9-6. APPLICABILITY.

This regulation and the provisions of the R.I.G.L. '19-9-2 apply to mortgages executed on or after June 20, 1995. With respect to mortgages in existence as of June 20, 1995, which were executed on or after July 1, 1979, compliance with this regulation and the provisions of R.I.G.L. '19-9-2 is mandatory as of June 20, 1995.

98-9-7. EFFECTIVE DATE.

Effective date:	August 9, 1998.
Refiled date:	December ,2001.