

2012 Kansas Statutes

17-2221a. Credit union branches; procedure. (a) After first applying for and obtaining the approval of the administrator, a credit union incorporated under the laws of this state, may establish and operate one or more branches or relocate an existing branch, in accordance with its stated field of membership as approved by the administrator. The application shall include proof of publication of notice that the applicant credit union intends to file or has filed an application to establish a branch or relocate an existing branch. The notice shall be published in a newspaper of general circulation in the county where the applicant credit union proposes to locate the branch. The notice shall be in the form prescribed by the administrator and at a minimum shall contain the name and address of the applicant credit union and the location of the proposed branch. The notice shall be published on the same day for two consecutive weeks.

(b) (1) If the credit union has a current CAMEL rating of 3, 4 or 5, or the recognized regulatory equivalent thereof as defined in rules and regulations promulgated by the administrator, the application shall also contain a solicitation for written comments and provide for a comment period of not less than 10 days after the date of the second publication. Upon receipt of the application and following expiration of the comment period, the administrator may hold a hearing in the county in which the applicant credit union seeks to operate the branch. The applicant shall publish notice of the time, date and place of such hearing in a newspaper of general circulation in the county where the applicant credit union proposes to locate the branch, not less than 10 nor more than 30 days prior to the date of the hearing, and proof of publication shall be filed with the administrator. At any such hearing, all interested persons shall be allowed to present written and oral evidence to the administrator, or the administrator's designee, in support of or in opposition to the branch. Upon completion of a transcript of the testimony given at any such hearing, the transcript shall be filed in the office of the administrator.

(2) If the administrator determines a public hearing is not warranted, the administrator shall approve or disapprove the application within 15 days after receipt of a complete application but not prior to the end of the comment period. If a public hearing is held, the administrator shall approve or disapprove the application within 60 days after consideration of the complete application and the evidence gathered during the administrator's investigation. The period for consideration of the application may be extended if the administrator determines the application presents a significant supervisory concern. If the administrator finds that:

(A) There is a reasonable probability of usefulness and success of the proposed branch;

(B) the proposed branch is in accordance with the applicant's field of membership approved by the administrator as set forth in K.S.A. 17-2205, and amendments thereto; and

(C) the applicant credit union's financial condition is sound, including an analysis of the loan portfolio to ensure that the applicant credit union is not exceeding the limitation on member business loans provided in 12 U.S.C. Section 1757a, and amendments thereto, the new branch or relocation shall be granted, otherwise, it shall be denied.

(3) Within 15 days after any final action of the administrator approving or disapproving an application, the applicant, or any adversely affected or aggrieved person who provided written comments during the specified comment period, may request a hearing with the administrator. Upon receipt of a timely request, the administrator may conduct a hearing in accordance with the provisions of the Kansas administrative procedure act. Any decision of the administrator is subject to review in accordance with the Kansas judicial review act.

(c) For purposes of this section:

(1) "Administrator" shall have the meaning ascribed to it in K.S.A. 17-2233, and amendments thereto.

(2) "Branch" means any office, agency or other place of business located within this state, other than the place of business specified in the credit union's certificate of organization, at which deposits are received, checks paid, or money lent.

(d) The administrator may adopt rules and regulations necessary to implement this section.

History: L. 2008, ch. 81, § 1; L. 2010, ch. 17, § 39; July 1.