

Fifty-fifth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2360**

Introduced by

Senators Krauter, DeMers, Holmberg, St. Aubyn

Representative Nottestad

1 A BILL for an Act to create and enact six new sections to chapter 6-06 of the North Dakota  
2 Century Code, relating to authority of credit unions to engage in affiliated services and share  
3 office space and to authorize reciprocal credit union branch operations.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Six new sections to chapter 6-06 of the North Dakota Century Code are  
6 created and enacted as follows:

7 **Authority to engage in cooperative services and share office space.** A credit union  
8 may:

- 9 1. Provide cooperative services as an agent for another credit union if an affiliated  
10 agreement to provide such services is entered into between the two credit unions.  
11 For purposes of this section, cooperative services means the ability to receive  
12 deposits, renew time deposits, close loans, service loans, and receive payments  
13 on loans and other obligations.  
14 2. Share office space with one or more credit unions and contract with any person or  
15 corporation to provide facilities or personnel.

16 **Authority of credit unions to establish interstate branches.** Notwithstanding any  
17 other provision of law, a credit union, with the approval of the board, may establish a branch in  
18 another state if the board finds that:

- 19 1. The state in which the credit union seeks to establish a branch authorizes the  
20 establishment of a branch by a North Dakota credit union;  
21 2. A cooperative agreement has been entered into with that state for the performance  
22 of supervisory functions; and  
23 3. The credit union has met the criteria for the establishment of a branch by a North  
24 Dakota credit union in this state.

1           **Reciprocity.** With the approval of the board, a state-chartered credit union in another  
2 state may establish a branch and do business in this state if North Dakota credit unions are  
3 permitted to establish a branch and do business in that state, and if:

- 4           1. The credit union is organized under laws similar to North Dakota laws;
- 5           2. The commissioner or board has entered into a cooperative agreement with that  
6 state for the performance of supervisory functions; and
- 7           3. All other criteria for the establishment of a branch in this state by a North Dakota  
8 credit union have been met.

9           **Supervision - Examination.** The commissioner or board may enter into cooperative  
10 and reciprocal agreements with federal or other state credit union regulatory authorities for the  
11 exchange or acceptance of reports of examination and other records, and the divisions of  
12 assessments or fees for examinations. The commissioner or board may enter into joint actions  
13 with federal or other state credit union regulatory authorities to carry out the responsibilities  
14 under this chapter and assure compliance with the laws of this state.

15           **Powers.**

- 16           1. An out-of-state credit union that establishes and maintains one or more branches  
17 in this state may conduct any activity at the branch or branches that are authorized  
18 under the laws for North Dakota credit unions, except to the extent those activities  
19 may be prohibited by the laws, rules, or orders of the state laws applicable to the  
20 out-of-state credit union.
- 21           2. A North Dakota credit union may conduct any activity at any branch outside this  
22 state which is permissible for an out-of-state credit union where the branch is  
23 located, except to the extent those activities are prohibited by North Dakota law,  
24 rule, or order.

25           **Enforcement.** If the commissioner or board determines that a branch maintained by an  
26 out-of-state credit union is being operated in violation of any provision of North Dakota law, or  
27 that the branch is being operated in an unsafe or unsound manner, the commissioner or board  
28 has the same authority to take all enforcement actions as if the branch were a North Dakota  
29 state-chartered credit union.