

HOUSE BILL 720

IN THE HOUSE

February 10, 1979

Introduced and referred to
Committee on Business and
Industry.

1 House BILL NO. 720
 2 INTRODUCED BY David Gesek
 3 BY REQUEST OF THE DEPT. OF BUSINESS REG.
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
 5 ESTABLISHMENT AND REGULATION OF BRANCH OFFICES OF CREDIT
 6 UNIONS."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

8 Section 1. Branch offices -- definition --
 9 application. (1) A branch office means a legally established
 10 place of business of a credit union, other than the home
 11 office, authorized by the board of directors and approved by
 12 the director of the department of business regulation, at
 13 which any credit union business may be conducted.

14 (2) All branch offices are subject to direction from
 15 the home office.

16 (3) No credit union may establish or maintain a branch
 17 office without prior approval of the director. Each
 18 application for approval of the establishment and
 19 maintenance of a branch office shall state:

- 20 (a) the proposed location;
- 21 (b) the need;
- 22 (c) the functions to be performed;
- 23 (d) the estimated annual expense; and
- 24 (e) the mode of payment therefor.

1 (4) The application shall be accompanied by a pro
 2 forma budget of the association for the current semiannual
 3 period and for the next semiannual period, that reflects the
 4 estimated additional expense of the maintenance of the
 5 branch office.

6 Section 2. Establishment of a branch office --
 7 procedure. (1) After receipt of an application, the director
 8 shall determine:

9 (a) whether the establishment and maintenance of the
 10 branch office will unduly injure any properly conducted
 11 existing financial institution in the community where the
 12 branch office is proposed to be established or in any
 13 neighboring community; and

14 (b) whether or not the establishment and maintenance
 15 of the branch office will serve the public interest.

16 (2) Prior to the issuance of a charter for a branch
 17 office, the director shall notify all financial institutions
 18 doing business within a radius of 100 miles of the principal
 19 place of business of the applicant and within a radius of
 20 100 miles of the proposed branch office. Any financial
 21 institution so notified may within 20 days protest in
 22 writing the granting of the application. Within 30 days
 23 after receipt by the director of the written protest, the
 24 director shall fix a date for a hearing upon the protest,
 25 not less than 60 days or more than 90 days from the date of

1 receipt of written notice by registered or certified mail by
2 the parties.

3 (3) If the director finds that no undue injury is
4 likely to result and that the establishment and maintenance
5 of the branch office is advisable and will serve the public
6 interest, he may approve the application.

7 Section 3. Revocation of approval. For good cause and
8 after notice to the credit union, the director may revoke
9 his approval for the maintenance of a branch office. Failure
10 to operate a branch office in a safe and in a sound manner
11 constitutes good cause for revocation of approval.

12 Section 4. Appeals. An appeal from any order of the
13 director may be taken in the manner provided in the Montana
14 Administrative Procedure Act.

15 Section 5. Codification. Sections 1 through 4 are
16 intended to be codified as an integral part of Title 32,
17 chapter 3, and the provisions of Title 32, chapter 3, apply
18 to sections 1 through 4.

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