

**Rules of**  
**Economic Development**  
**Division 105—Credit Union Commission**  
**Chapter 3—Credit Union Membership and Chartering**

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**Title 4—DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Division 105—Credit Union Commission  
Chapter 3—Credit Union Membership  
and Chartering**

**4 CSR 105-3.010 Definitions**

*PURPOSE: This rule defines several terms that are used in Missouri credit union law, Chapter 370, RSMo, in the manner that they will be used by the Credit Union Commission and the Division of Credit Unions when implementing Chapter 370, RSMo.*

(1) “Well defined local neighborhood, community or rural district” is defined as a city, township, county, telephone area code, zip code, or other geographical areas with clearly defined boundaries, and/or an area which includes persons who have common interests.

(2) “Immediate family” is defined as spouse, child, sibling, parent, grandparent, grandchild, aunt, uncle, niece, nephew, first cousin or legal guardian and includes step, in-law, and legally adoptive relationships.

(3) “Household” is defined as persons living in the same residence who maintain a single economic unit. Included in this definition is any person who is a member of and participates in the maintenance of the household.

(4) “Underserved community” is defined as a local neighborhood, community or rural district that has insufficient access to credit union services.

(5) “Low income area” is defined as an area with a majority of residents who make less than eighty percent (80%) of the average for all wage earners as established by the Bureau of Labor Statistics or have annual household income at or below eighty (80%) percent of the median household income for the nation as established by the Census Bureau.

*AUTHORITY: sections 370.063, 370.080.2 and 370.081.3, RSMo Supp. 1998.\* Emergency rule filed July 1, 1999, effective July 12, 1999, expired Jan. 7, 2000. Original rule filed July 1, 1999, effective Jan. 30, 2000.*

*\*Original authority: 370.063, RSMo 1998; 370.080, RSMo 1939, amended 1984, 1985, 1991, 1998; 370.081, RSMo 1998.*

**4 CSR 105-3.020 Criteria for Additional Membership Groups**

*PURPOSE: This rule sets forth the criteria the director of the Division of Credit Unions*

*will apply in determining whether or not one or more additional groups may be included in the membership of an existing credit union.*

(1) The director will approve the addition of groups to a credit union’s field of membership, if the director determines in writing that the following criteria are met:

(A) The credit union is operating in a safe and sound manner and is making satisfactory progress in addressing any adverse conditions, including but not limited to areas of concern identified in the most recent supervisory examination report, or other regulatory concerns that may exist;

(B) The credit union is “adequately capitalized.” The commission defines adequately capitalized, exclusively for the purpose of adding new membership groups, to mean that the credit union has a net capital ratio of not less than seven percent (7%). The director may determine that a net capital ratio of less than seven percent (7%) is adequate if the credit union is making reasonable progress toward meeting the seven percent (7%) net capital requirement;

(C) The credit union has the administrative capability and the financial resources to serve the proposed group; and

(D) The formation of a separate credit union by such group is not practical and consistent with reasonable standards for the safe and sound operation of a credit union.

*AUTHORITY: section 370.063, RSMo Supp. 1998.\* Emergency rule filed July 1, 1999, effective July 12, 1999, expired Jan. 7, 2000. Original rule filed July 1, 1999, effective Jan. 30, 2000.*

*\*Original authority: 370.063, RSMo 1998.*

**4 CSR 105-3.030 Economic Advisability**

*PURPOSE: This rule sets forth criteria the Credit Union Commission has determined to be important for the likelihood of success in establishing and maintaining a new credit union.*

(1) Before approving a charter application for a new credit union the director of the Division of Credit Unions must be satisfied that the credit union will be viable and that it will provide needed services to its members. Economic advisability, which is a determination that a potential charter will have a reasonable opportunity to succeed, is essential in order to qualify for a credit union charter.

(2) The Division of Credit Unions will conduct an investigation of each charter applica-

tion to ensure that the proposed credit union can be successful. This investigation will include an evaluation of—

(A) The character and fitness of proposed management;

(B) The degree of membership support; and

(C) The adequacy of the proposed credit union’s business plan.

*AUTHORITY: section 370.063, RSMo Supp. 1998.\* Emergency rule filed July 1, 1999, effective July 12, 1999, expired Jan. 7, 2000. Original rule filed July 1, 1999, effective Jan. 30, 2000.*

*\*Original authority: 370.063, RSMo 1998.*