



**NCUA**  
National Credit Union Administration

# **New Charter and Field of Membership Update**

October 24, 2024

# Agenda

- **New Charter Application Data for 2024**
- **New Charter Process Improvements**
- **Provisional Charter Update**
- **Field of Membership Update**
- **Questions**

# Statutory and Regulatory Framework for New Charters

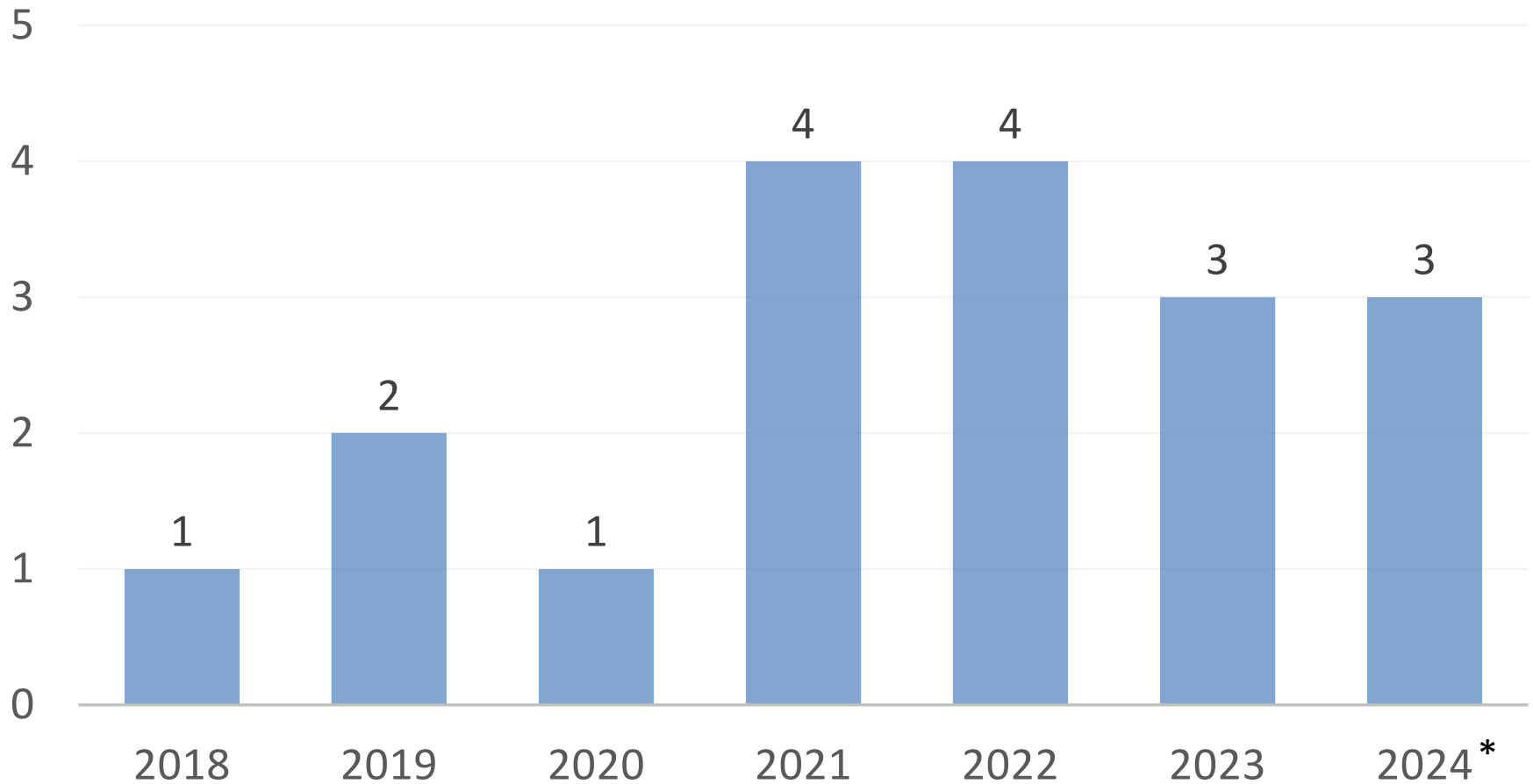
- **The Federal Credit Union Act, Section 1753**
  - Defines subscribers who seek to form a federal credit union and their responsibilities
- **NCUA Regulations**
  - **12 CFR Part 701, Organization and Operation of Federal Credit Unions**
    - Defines organization and operational aspects of the credit union
  - **12 CFR Part 701, Appendix B, Chartering and Field of Membership Manual**
    - Defines the new charter process and specifics on fields of membership

# State Charters

- **Approval process through State Supervisory Authority (SSA)**
- **Submit to NCUA application for federal insurance**
  - Insurance application
  - Business and Marketing Plan
- **Review for insurability**
- **Background and credit review of officials and senior management staff if SSA does not provide this information**

**[Starting a New Federal Credit Union | NCUA](#)**

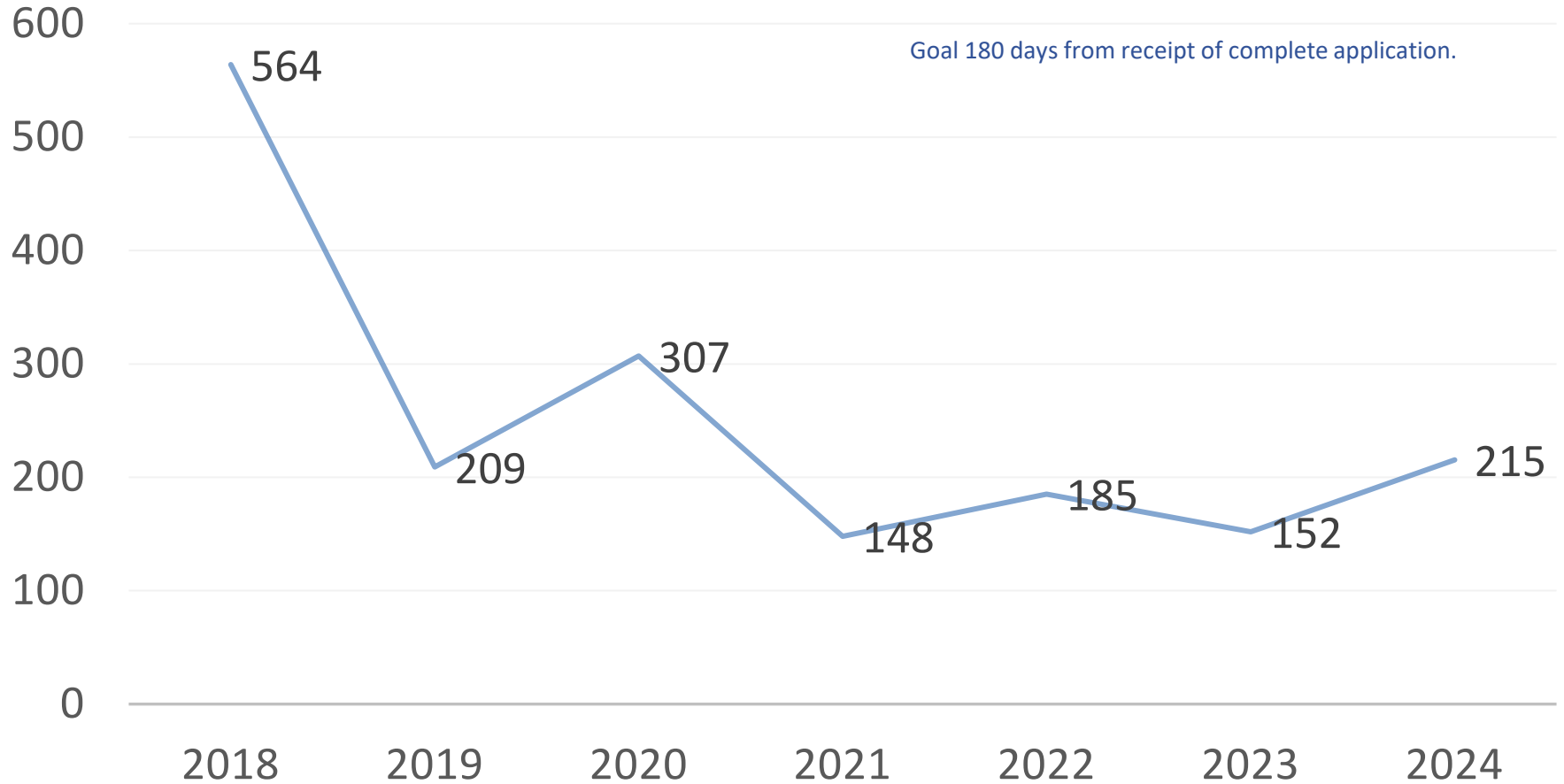
# New Federal Charters by Year



Source: ReportDatabase, CU030, 9/24/2024

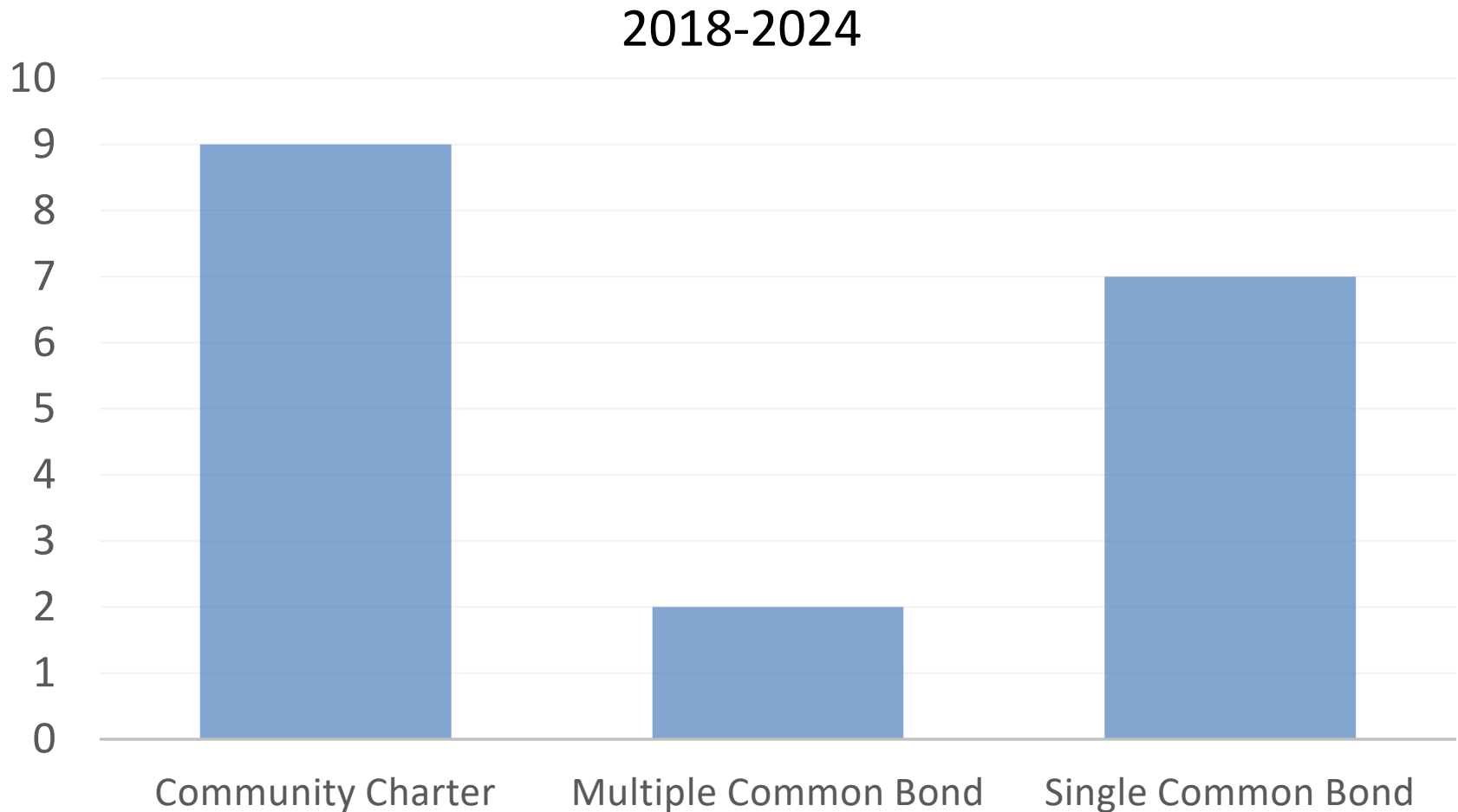
\* Does not include 1 newly chartered FISCU

# Average Days from Receipt of a Complete Application to an Approved Charter



Source: ReportDatabase, DOI Main, 9/24/2024

# New Charters by Field of Membership Type



Source: ReportDatabase, CU030, 9/24/2024

# 2024 New Charter Application Status

**New Charter applications reviewed: 14**

**Approvals: 3**

**Denials: 1**

**Deferrals: 6**

**Withdrawn Applications: 1**

**Applications under review: 3**



# Provisional Charter Concept

The Provisional Charter Concept includes the following items:

- Time for the credit union to secure additional capital
- Time to get operations up and running before they commence full operations
- A Letter of Understanding and Agreement with conditions (limit initial services)

# Provisional Charter Pilot

- **Started in 3<sup>rd</sup> quarter of 2023**
- **Evaluation of 63 organizing groups**
  - Phase I completed with preapproved FOM
  - At least 1 pilot candidate per region
  - Agreement to provisional charter requirements (Letter of Understanding and Agreement)
  - 4 pilot candidates selected

# Status of Pilot Candidates

- **CURE approved two Provisional Charters**
  - Tribe Federal Credit Union
  - Fair Break Federal Credit Union
- **One organizing group submitted their Phase II application in the 3<sup>rd</sup> Quarter 2024**
- **One organizing group has withdrawn its application to charter a credit union**

# Field of Membership Expansion Improvement

## CAPRIS Enhancements

- **Ability to add all occupational and associational groups of any size**
- **Status Tracker**
- **Future Enhancement: Community Conversion and Underserved Applications, target date 1<sup>st</sup> Qtr. 2025**

# Field of Membership Actions Approved in 2024

Transaction	2024
Single Common Bond Expansion	5
Multiple Common Bond Expansion (CAPRIS-Internet)	7,271
Multiple Common Bond Expansion	320
Community Expansion	22
Community Conversion	9
Underserved	69
Trade, Industry, or Profession	2
Community Conversion to Multiple or Single	9
<b>Total</b>	<b>7,707</b>

# Underserved Area Applications

	2020	2021	2022	2023	YTD 2024
Underserved Area Applications Processed	32	72	98	84	87
Approved Applications	24	54	39	47	69
Deferred Applications	6	15	56	32	15
Withdrawn	2	3	3	5	3

# Questions