



Department of Commerce

Division of Financial Institutions
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State of Ohio Department of Commerce Division of Financial Institutions

Administrative Guideline for Credit Unions 12-1

Issued January 3, 2012

Requirements for Opening and Maintaining a Student Branch and a New Service Facility Within a School

The Ohio Division of Financial Institutions (the "Division") has received numerous requests for information regarding student branches and new service facilities located within a school. This administrative guideline serves as a resource that may be used to assist in clarifying the requirements for student branches.

Ohio state-chartered credit unions' service facilities are subject to the limitations found in Ohio Revised Code §1733.04 and Ohio Administrative Code §1301:9-2-01. Pursuant to Ohio Revised Code §1733.04(C)(1)

- (a) "School" means an elementary or secondary school.
- (b) "Student" means a child enrolled in a school.
- (c) "Student branch" means the designation provided to the credit union for the in-school services and financial education offered to students.

Ohio Revised Code §1733.04(C) provides the following guidelines for student branches as defined above:

1. A credit union, upon agreement with a school board in the case of a public school or governing authority of a non-public school, and with the permission of the Superintendent of the Division, may open and maintain a student branch;
2. Any student enrolled in the school maintaining a student branch who is not otherwise qualified for membership in the credit union maintaining the student branch is qualified to be a member of that student branch;
3. The student's membership in the student branch expires upon the student's graduation from secondary school;
4. The student branch is for the express use of students and may not be used by faculty, staff, or lineal ancestors or descendants of students; and
5. Faculty, staff, or lineal ancestors or descendants of students are not eligible for membership in the credit union maintaining the student branch unless otherwise qualified to be members.

The following requirements are applicable to both student branches as well as service facilities within schools. The Division requires the following items in order to process a request to establish either of the aforementioned facilities:

1. Certified board resolution from the credit union's Board of Directors authorizing the credit union to establish a student branch or new service facility;
2. Formal written request stating the:
 - a. associated costs (rents, software, salaries, etc);
 - b. name of school along with address;
 - c. hours of operation;
 - d. individuals responsible for running the branch; and
 - e. types of services to be offered.
3. Pro-forma financial statements (should costs be material);
4. If the new service facility involve the purchase of real estate or fixed assets, the credit union may be subject to the requirements set forth in Ohio Administrative Code §1301:9-2-25.

With respect to opening a student branch, the credit union should also submit evidence of the agreement with the school board or governing authority in the case of a non-public school. Pursuant to Ohio Revised Code §1733.04(C)(2), the agreement must indicate school board approval or in the case of a non-public school, the governing authority's approval, such as resolution or minutes, or an agreement signed by the school board or governing authority or such person authorized or designated to enter into such an agreement. This agreement is mandatory to receive approval.

With respect to opening a new service facility within a school that is operated with credit union personnel, a signed agreement (i.e. "right-to-exist" agreement) between the school and the credit union should also be submitted to the Division for evidence that the credit union is permitted to operate and provide services to the school. Nothing herein shall preclude students from qualifying for membership in this credit union if they qualify in the credit union's current field of membership.

Please note that the Division reserves the right to request additional information not listed herein, should additional information be necessary. Should there be any questions regarding this guidance, please contact the Division's Credit Union Section at (614) 644-9574.



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