

ORDER ISSUED UNDER SECTION 12-a OF THE NEW YORK BANKING LAW
RELATING TO STUDENT BRANCHES OF NEW YORK STATE CHARTERED CREDIT UNIONS

WHEREAS, pursuant to Section 12-a of the New York Banking Law (the "Banking Law"), the Superintendent of Financial Services (the "Superintendent") may issue an order authorizing one or more state chartered banking institutions to exercise a federally permitted power (as such term is defined in Section 12-a of the Banking Law), subject to such terms and conditions as the Superintendent shall deem necessary and appropriate;

WHEREAS, Section 450-b of the Banking Law permits New York State chartered credit unions ("NY Credit Unions"), upon agreement with a school's governing body, to open student branches pertaining to in-school services and financial education offered to students, subject to the limitations that: (i) student membership expires thirty (30) days after the student's graduation from secondary school, transfer to another school, or termination of enrollment; and (ii) faculty and staff of the school in which a student branch is located are not eligible for membership in the credit union unless otherwise qualified under Article XI;

WHEREAS, federally chartered credit unions are not subject to the above limitations and may exercise the federally permitted powers of: (i) retaining student membership after students are no longer enrolled at the school in which the student branch is located; and (ii) allowing faculty and staff of the school in which a student branch is located to become members of the credit union;

WHEREAS, the purpose of a student branch is not only to provide in-school services but also to provide financial literacy, personal financial management and savings, and training to students, which are important life skills that will benefit students well into their futures;

WHEREAS, any and all services offered by a credit union at a student branch will have to be conducted in full compliance with all applicable laws and regulations and consistent with safe and sound practices;

WHEREAS, the intent of the Superintendent to issue the order set forth below has been posted upon the bulletin board of the Department of Financial Services and such intent has been published in the weekly bulletin of the Department, which is available on the internet, pursuant to Section 42 of the Banking Law, and at least thirty (30) days have passed since such posting and publication; and

WHEREAS, the Superintendent hereby finds that issuance of such order is consistent with the policy of the State of New York as declared in Section 10 of the Banking Law and is necessary to achieve or maintain parity between NY Credit Unions and federally chartered credit unions with respect to rights, powers, privileges, benefits, activities, or transactions;

NOW, THEREFORE, BE IT ORDERED THAT:

1. The Superintendent determines that it is in the interest of New York to encourage student branches of credit unions, which provide financial access to students, and to permit New York State chartered credit unions to possess the equivalent rules of membership as federally chartered credit unions; and
2. Notwithstanding anything in law or regulations to the contrary, pursuant to Section 12-a of the Banking Law, NY Credit Unions are authorized to exercise the federally permitted powers of: (i) retaining student membership after students are no longer enrolled at the school in which a student branch is located; and (ii) allowing faculty and staff of the school in which a student branch is located to become members of the credit union, provided that, any NY Credit Union intending to open a student branch subject to this order should file a written notice with the Department at least 30 days prior to such opening. Such

notice shall include information regarding the location of the student branch, a description of services to be offered, and the types of members to be served. The Department requires that all services offered and all activities conducted at the student branch be at all times in compliance with all applicable laws and subject to examination by the Department.



Maria T. Vullo
Superintendent of Financial Services

Dated: November 28, 2017