



STATE OF NEVADA
FINANCIAL INSTITUTIONS DIVISION
DEPARTMENT OF BUSINESS AND INDUSTRY

2785 E DESERT INN ROAD
LAS VEGAS, NV 89121
Phone: (702) 486-4120 Fax: (702)486-4563

APPLICATION FOR APPROVAL TO FORM A CREDIT UNION

Prior to filing this application, it is strongly recommended that the organizers of the proposed credit union review the "Credit Union Formation Guide" available on the Nevada Financial Institutions Division's website and schedule a pre-filing meeting with the Division.

TO THE COMMISSIONER OF FINANCIAL INSTITUTIONS DIVISION:

Application is hereby made for the written consent of the Commissioner of Financial Institutions Division to the proposed organization of a corporation to engage in the credit union business, as provided in Chapter 678 of the Nevada Revised Statutes at or in the vicinity of:

(Proposed Street) (City) (County) (Zip Code)

(Proposed Name of the Credit Union)

Please select one of the following:

Federally-Insured Credit Union

Privately-Insured Credit Union

Please indicate the name, address, and telephone number of the person who is to be contacted for any information regarding this application:

Name: _____

Address: _____

Telephone No. () _____
(Area Code)

Note: *This application will not be accepted unless accompanied by the required fees per NAC 678.010.*

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GENERAL INSTRUCTIONS

The following shall be furnished as exhibits on separate sheets. The reference to each exhibit should be shown in the space provided on this form. Do not file duplicate exhibits unless so requested.

1. CORPORATE/ORGANIZATION

- a. Exhibit _____. A certificate of reservation of the proposed name to be obtained from the Nevada Secretary of State.
- b. Exhibit _____. A draft of the proposed Articles of Incorporation. (NRS 678.310 requires Commissioner's approval prior to the issuance of the certificate of incorporation)
- c. Exhibit _____. A draft of the proposed bylaws. (NRS 678.310)

2. MANAGEMENT & BOARD OF DIRECTORS

- a. Exhibit _____. A listing of all proposed Officers, including the Chief Executive Officer, the Chief Financial Officer, Chief Credit Officer, and Directors
- b. Exhibit _____. Personal History Record for each executive officer and director, and Background Investigation Release Form. (Download these forms from the NFID website & obtain three copies of Fingerprint Cards from NFID for each background check)
- c. Exhibit _____. A detailed description, submitted by the proposed Board of Directors, of the results of an investigation conducted by them of the proposed Chief Executive Officer. This report must show, at a minimum, the following:
 - 1) Results of a credit check, identifying credit bureaus or other sources utilized.
 - 2) Results of contacts with previous employers, identifying the persons contacted by name and institution. Comments received should be summarized positive, negative and no comment.
 - 3) Summarized candidate's qualifications to supervise.
 - 4) Proposed salary and proposed employment contract, if any.
- d. Exhibit _____. Original of "Agreement by Director and Committeemen to Serve" (NAC 678.010). See sample attached.

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FIELD OF MEMBERSHIP (FOM)

- a. Exhibit _____. Completed FOM Questionnaire. Complete only the FOM questionnaire which relates to the applicant's proposed FOM (i.e., common bond of employment, association or community). See attached questionnaires.
- b. Exhibit _____. Completed "Minutes of Organization Meeting."
- c. Exhibit _____. Results of a survey of the proposed membership demonstrating the initial interest in the credit union. Please enclose a sample of the form used for this survey. A sample "Credit Union Survey" is included with this application for optional use.

4. BUSINESS PLAN

- a. Exhibit _____. A narrative statement setting forth in reasonable detail, the company's proposed plan of business at the outset and for the future. Include information as to the types of share deposit instruments to be offered, and the kinds of loans and investments which are intended to be made. Provide sufficient information so that the Commissioner will be fully informed as to the objectives of the proposed company, and how those objectives will be met.
- b. Exhibit _____. A projected cash flow statement showing sources and uses of cash, including start-up funds.
- c. Exhibit _____. A schedule showing the proposed annual salary to be paid to managing personnel, type of position, and the proportion of time to be devoted to that position by each. The schedule should cover the first three years of operation. Also, apprise the Commissioner of how the officers and managing personnel will be involved in the business.
- d. Exhibit _____. A schedule showing the number of share deposit instruments to be issued by type, and the dollar value of each, estimated to be outstanding at the end of each of the first three years of operation. Include the estimated dividend rates to be paid for each type of instrument.
- e. Exhibit _____. A schedule showing the number and dollar amount of loans and investments estimated to be outstanding at the end of each of the first three years of operation. Include the estimated rates of charge to be collected for each type of receivable or investment, and submit a written statement of the company's proposed credit and investment policies in the same form as would be used by the officers and employees.
- f. Exhibit _____. A statement as to whether or not the credit union's quarters are to be purchased or rented. Include a summary of the terms of purchase or lease, and details of any furniture, fixtures, and equipment needed with the estimated costs. * If the sponsor will be providing help in this area (or any other areas of operation) provide a letter from the sponsor committing to the type of support to be offered and any time frames when the support will cease.

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- g. Exhibits _____. Estimated Income Statements and estimated balance sheets for each of the first three years of operation, in a proper chart of account format. Include all assumptions made, sources of information used to support the validity of the assumptions, conclusions reached, and all calculations made to arrive at the figures shown in the financial statements.

5. PUBLIC CONVENIENCE AND ADVANTAGE

- a. Exhibit _____. An economic analysis of the Field of Membership (FOM) which the proposed credit union intends to serve. (i.e., common bond by employment, association or community). The purpose of the report is to demonstrate to the Commissioner that the applicants have carefully and thoroughly studied the FOM's characteristics, and to provide a support that there is a need for the credit union and that the FOM can support the proposed credit union.

The economic report on the FOM must include:

- 1) The date that the report was prepared and the name of the person preparing the report.
- 2) A map on which is indicated the proposed location, an outline of the proposed member service area, and the location of all existing credit unions within a ten-mile radius of the proposed location.
- 3) A listing of the names and addresses of all credit unions, banks, savings and loan associations, industrial loan companies, and other finance companies within a five-mile radius of the proposed location.
- 4) The following minimum demographic and economic information:
 - a) The population of the FOM to be served, supported by verifiable data.
 - b) A statement as to the estimated FOM growth in population during each of the last three years, together with forecasts of future growth of the FOM.
 - c) Mean and median income of FOM compared to county, state, and national mean and median incomes. Income per household may be substituted for mean and median income.
 - d) Any other facts, statistics, or conditions that exist showing a need for a new credit union, or showing that the competitive effect of another credit union in the community will be healthy.

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- b. Exhibit _____. A statement summarizing the most significant factor disclosed by the economic analysis, supporting the applicant's belief that the public's convenience and advantage will be promoted by the organization and operation of the credit union. This statement should also include the additional services the company can offer to the membership that are not already being offered by the existing financial institutions in the area.

6. FIDELITY BONDS

- a. Exhibit _____. A copy of the fidelity bond coverage.

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All material submitted in connection with the application will be considered confidential information.

CERTIFICATION OF APPLICATION

I, the undersigned, being duly sworn, depose and say that the information contained in this application is true and correct to the best of my knowledge and belief, and that this application is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a license by the Nevada Financial Institutions Division. I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the revocation of a license.

Signature of Applicant _____ Title _____ Date _____

THE APPLICATION IS TO BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

STATE OF _____
COUNTY OF _____

_____, being duly sworn says that he is the applicant herein; or that he is making this application on behalf of said applicant; that he has read the foregoing application and knows the contents thereof and that the same is true to the best of his knowledge and behalf.

Taken, subscribed and sworn to before the undersigned authority in

_____ County, State of _____ this _____ day of _____, 20 ____

Notary Public

(Notary Seal)

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AGREEMENT BY DIRECTORS AND COMMITTEEMEN TO SERVE

We, the undersigned, having been duly designated to occupy the position indicated below as applicable; do hereby agree to serve in said offices of the proposed Credit Union until the first annual meeting held in accordance with the NRS Chapter 678 and the bylaws of this Credit Union and until the election of our successors. We further pledge to carry out the duties and responsibilities commensurate with said office as promulgated by the NRS Chapter 678 and the bylaws of this Credit Union.

BOARD OF DIRECTORS: (Print your name & sign below):

as Chairman _____

as President _____

as Treasurer _____

as Secretary _____

as Director _____

as Director _____

CREDIT COMMITTEE (*or Credit Manager*):

as Chairman _____

as Secretary _____

as Member _____

SUPERVISORY COMMITTEE:

as Chairman _____

as Secretary _____

as Member _____

Subscribed before me, an officer competent to administer oath, at _____,

Signed this ____ day of _____, 20____.

Signature / Print Name & Title

(Notary public or other competent officer)

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FIELD OF MEMBERSHIP QUESTIONNAIRE

COMMON BOND OF EMPLOYMENT

1. What is the number of potential members (the number of employees)?
2. What was the highest number of employees during the past three years?
3. How many persons in the group have signified their intention to join and support the credit union?
4. How was this information obtained?
5. How many persons attended the charter-organization meeting?
6. Describe the business or activity in which the employer is engaged.
7. How long has the employer been in existence? Are there any contemplated changes in the corporate structure of the employer?_____. Are any negotiations now in progress between management and labor that could lead to work stoppages? If so, explain.
8. Are the executives of the company (or employer) favorable toward the proposal to organize a credit union? Discuss and give names and titles of the executives who may be contacted.
9. What facilities and assistance, if any, will the employer provide? Office space_____ ; Payroll deduction_____ ; Other_____
10. If the credit union cannot operate on the employer's property, explain how it will be able to transact business effectively with the members.
11. If the field of membership is based on employment in more than one company or agency, outline the factors or conditions, which provide an adequate common bond for credit union purposes (common ownership, common facilities, etc.)
12. If the employees to be served by the credit union work in more than one location or city, give information as follows:
 - a. Number of employees at each location
 - b. How will business be transacted with outlying groups?
 - c. Why is it proposed to organize one credit union for the entire group?

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FIELD OF MEMBERSHIP QUESTIONNAIRE

COMMON BOND BY ASSOCIATION

1. What is the number of potential members (number of members in the organization)?
2. How many persons in the group have signified their intention to join and support the credit union?
How was this information obtained?
3. How many persons attended the charter-organization meeting?
4. Information concerning the organization that forms the basis for the field of membership:
 - a. State the purpose of the organization and benefits of membership. What dues are required?
 - b. In what year was the organization established? Is it incorporated?
 - c. Give statistics as to trends in membership during the last 5 years.
 - d. What is the frequency of member meetings?
 - e. Except for church, labor union groups, or local units of national organizations, submit a copy of bylaws and a recent financial statement.
5. Are the officials of the organization favorable toward the proposal to organize a credit union?
6. What facilities and assistance, if any, will the organization provide?
 - a. Office space
 - b. Other
7. If the organization will not provide office space for transacting the credit union's business, explain how operations can be carried on effectively.
8. If the field of membership embraces the membership of more than one organization, the proposal should be supported with information as to the degree of overlapping of the membership of the two or more organizations, mutuality of objectives, and other reasons why it is believed that an effective and workable common bond exists for credit union purposes.

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FIELD OF MEMBERSHIP QUESTIONNAIRE

COMMON BOND BY COMMUNITY

1. Potential membership: Total population_____. Number of commuters living outside the chosen area (estimated)_____.
2. How many persons in the group have signified their intention to join and support the credit union? How was this information obtained?
3. How many persons attended the charter-organization meeting?
4. Information about the community to be served:
 - a. List the factors or conditions, which make this community a logical group for credit union operation.
 - b. If the area to be served by the credit union is adjacent to any major metropolitan area, explain why it is not considered part of such metropolitan area.
5. Which community organizations support the proposed credit union? (List and show the support pledged)
6. Will the office of the credit union be convenient for the members (please explain)?
7. Please provide information to support that the area chosen represents one well-defined area, distinguishable from the immediate surrounding areas. Such information may include:
 - Political Jurisdictions
 - Major Trade Areas (shopping patterns)
 - Traffic Flows
 - Shared/common Facilities (for example, educational, medical, police fire protection, school districts, water, etc.
 - Organizations/clubs whose membership is made up exclusively of persons within the area.
 - Newspapers or other periodicals published for an about the area.
 - Census tracts
 - Common characteristics and background of residents (for example, income, religious beliefs, primary ethnic groups, similarity of occupations, household types, primary age group, etc.
 - History of the area.
 - In general, what causes the chosen area and its residents to be distinguished from the immediate surrounding areas and residents— some examples are old, well-established ethnic neighborhoods, planned communities, and small/rural towns.

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CREDIT UNION SURVEY
(SAMPLE)

1. Would you be interested in having an account with a Credit Union? This is only to indicate an interest. Your final decision can be made once the rates and terms have been set.

_____ Yes, I would be interested

_____ No, I would not be interested

2. If your answer to #1 is "yes", approximately how much would you intend to deposit initially? How much would you expect to deposit on a average monthly basis?

\$ _____ Initially

\$ _____ Average monthly deposit

3. Would you be interested in borrowing through a Credit Union? This is only to indicate an interest. Your final decision can be made once the rates and terms have been set.

_____ Yes, I would be interested

_____ No, I would not be interested

4. If your answer to #3 is "yes", approximately how much would you intend to borrow?

\$ _____

5. If your answer to #3 is "yes". What type of loan(s) would you be interested in? (You may check more than one):

Unsecured Used Auto New Auto Boat Recreation Vehicle

Motorcycle Credit Card Real Estate Mobile Home Line of Credit

6. Do you now, or have you ever, belonged to a credit union?

_____ I am now a credit union member.

_____ I have been a credit union member.

_____ I have never been a credit union member.

7. The credit union wishes to charge a \$ _____ membership fee. Would this fee stop you from join the credit union?

_____ No, I would join and pay a \$ _____ fee.

_____ Yes, I would not join if there is a \$ _____ fee.

(Signature)

(Date)