

**CHAPTER 21**  
**CREDIT UNIONS**

**Authority**  
N.J.S.A. 17:1-15e and 17:13-90.

**Source and Effective Date**  
R.1997 d.83, effective January 24, 1997.  
See: 28 N.J.R. 5123(a), 29 N.J.R. 548(a).

**Executive Order No. 66(1978) Expiration Date**  
Chapter 21, Credit Unions, expires on January 24, 2002.

**Chapter Historical Note**

Chapter 21, Credit Unions, became effective with Subchapter 1, Implementation of the Credit Union Law, adopted as R.1979 d.54, effective February 8, 1979. See: 10 N.J.R. 527(c), 11 N.J.R. 117(c). Section 3:21-1.8, Loan interest rate, was adopted as R.1980 d.207, effective May 12, 1980. See: 12 N.J.R. 303(a). Section 3:21-1.8 was amended by R.1981 d.12, effective January 13, 1981. See: 13 N.J.R. 62(e). Subchapter 2, Credit Union Parity, was adopted as R.1981 d.414, effective November 2, 1981. See: 13 N.J.R. 552(b), 13 N.J.R. 754(b). Pursuant to Executive Order No. 66(1978), Subchapter 1, Implementation of the Credit Union Law, expired on February 8, 1984, and Subchapter 2, Credit Union Parity, expired on November 2, 1986.

A new Chapter 21, Credit Unions, became effective with Subchapter 2, Credit Union Parity, adopted as R.1987 d.93, effective February 2, 1987. See: 18 N.J.R. 2237(a), 19 N.J.R. 289(b).

Pursuant to Executive Order No. 66(1978), Chapter 21 was readopted as R.1992 d.92, effective January 24, 1992. See: 23 N.J.R. 3686(b), 24 N.J.R. 580(b). Subchapter 1, Low-Income Credit Unions, was adopted as R.1992 d.74, effective February 18, 1992. See: 23 N.J.R. 2905(a), 23 N.J.R. 3196(a), 24 N.J.R. 3(a), 24 N.J.R. 580(c).

Pursuant to Executive Order No. 66(1978), Chapter 21 was readopted as R.1997 d.83, effective January 24, 1997. See: Source and Effective Date. See, also, section annotations.

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**SUBCHAPTER 1. LOW-INCOME CREDIT UNIONS**

**3:21-1.1 Definitions**

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Applicant" means an applicant for designation as a low-income credit union.

"Commissioner" means the Commissioner of the New Jersey Department of Banking and Insurance.

"Credit union" means a State-chartered credit union or an entity which has submitted an application for a State charter for a credit union.

"Low-income credit union" or "LICU" means a credit union which has been designated a low-income credit union pursuant to this subchapter.

"Low-income members" or "low-income residents" means those members or residents:

1. Whose annual income falls at or below the lower level standard of living classification as established by the Bureau of Labor Statistics and as updated by the Employment Training Administration of the U.S. Department of Labor;
2. Who are residents of a public housing project who qualify for such residency because of low income;
3. Who qualify as recipients in a community action program; or
4. Who are enrolled as full-time or part-time students in a college, university, high school, or vocational school.

"NCUA" means the National Credit Union Administration.

"Predominantly" means a majority.

"State" means the State of New Jersey.

Amended by R.1997 d.83, effective February 18, 1997.  
See: 28 N.J.R. 5123(a), 29 N.J.R. 548(a).

Amended "Commissioner".

**3:21-1.2 Application for designation as a low-income credit union**

(a) A credit union may apply to the Commissioner for designation as a low-income credit union pursuant to this subchapter.

(b) An applicant shall submit the following to the Department:

1. A completed application, the form of which may be prescribed by the Commissioner;
2. Sufficient evidence to allow the Commissioner to determine whether the applicant meets the criteria set forth in (c) below;
3. An application fee of \$50.00; and

4. Such other information as the Commissioner may require.

(c) The Commissioner shall approve an applicant for designation as a LICU:

1. In the case of an existing credit union, whose members are predominantly low-income; or

2. In the case of an entity which has submitted or which intends to submit an application for a State charter for a credit union, which is located in a well-defined neighborhood, community, or rural geographical area, recognized as distinct by residents and populated predominantly by low-income residents.

### 3:21-1.3 Concurrence of the appropriate Regional Director of the NCUA

Upon approving an application for designation as an LICU, the Commissioner shall forward that determination, along with the materials submitted by the applicant, to the appropriate Regional Director of the NCUA for concurrence.

### 3:21-1.4 Publication and effective date of designation

(a) Upon the Commissioner's receipt of the concurrence of the appropriate Regional Director in the designation of a credit union as an LICU, the Commissioner shall, by mail, inform the applicant, the New Jersey Credit Union League and the National Credit Union Association of the designation.

(b) The designation of the credit union as an LICU shall be effective on the date of the Commissioner's notice to the applicant.

### 3:21-1.5 Removal of designation

The Commissioner may, after opportunity for a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-14F and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1 and with the concurrence of the appropriate Regional Director of the NCUA, remove the designation of a credit union as a LICU upon determining that the credit union no longer meets the criteria set forth in N.J.A.C. 3:21-1.2(c).

### 3:21-1.6 Examination fees for LICU's

Examination fees for LICU's shall be computed according to the following schedule:

Total Assets	Fee
Not more than \$49,999	\$0.00
Over \$49,999 but less than \$324,399	\$100.00
Over \$324,399 but less than \$272,250,000 total	.000308262 × total assets
\$272,250,000 and over	\$83,924.32 plus .0000898762 × assets over \$272,250,000.

## SUBCHAPTER 2. CREDIT UNION PARITY

### 3:21-2.1 Credit union parity with Federally chartered credit unions

In addition to other authority granted by law and unless contrary to State law, a credit union may exercise any power, right, benefit or privilege which is now or hereafter authorized for Federal credit unions to the same extent as Federal credit unions pursuant to Federal law or rules and regulations of the National Credit Union Administration. A credit union in exercising those powers shall do so in accordance with the terms, conditions and requirements established for Federal credit unions. Such powers shall be automatically exercisable upon the expiration of 30 days from the date of adoption of the enabling regulation by the Federal regulatory agency, except if the Commissioner of Banking and Insurance within that time provides notice that the power shall not be granted to New Jersey credit unions. Such notice shall be provided to each credit union, and to the New Jersey Credit Union League for publication. The Commissioner of Banking and Insurance may permit credit unions to begin exercise of a power prior to the expiration of the 30-day period by providing notice of permission to each credit union and the New Jersey Credit Union League.

Amended by R.1997 d.83, effective February 18, 1997.  
See: 28 N.J.R. 5123(a), 29 N.J.R. 548(a).