

**Effective 5/13/2014**

**7-9-53 Grandfathering.**

(1) As used in this section:

- (a) "Association that resides in a domicile-county" means an association that:
  - (i) operates a place of business or other physical location in the domicile-county; or
  - (ii) has at least 100 members that are residents of the domicile-county.
- (b) "Domicile-county" means the county:
  - (i) in the field of membership of the credit union as of January 1, 1999; and
  - (ii) in which the credit union has located the greatest number of branches as of January 1, 1999.
- (c) "Grandfathered field of membership" means the field of membership as of May 3, 1999, of a credit union described in Subsection (2)(c).

(2) For each credit union formed before January 1, 1999, its field of membership as of May 3, 1999, is determined as follows:

- (a) if the field of membership stated in the bylaws of the credit union as of January 1, 1999, complies with Section 7-9-51, the credit union's field of membership is the field of membership indicated in its bylaws;
- (b)
  - (i) the field of membership of a credit union as of May 3, 1999, is as provided in Subsection (2)(b)(ii) if:
    - (A) the field of membership stated in the bylaws of the credit union as of January 1, 1999, includes the residents of more than one county; and
    - (B) as of January 1, 1999, the credit union's main office and any of its branches are located in only one county in its field of membership;
  - (ii) as of May 3, 1999, the field of membership of a credit union described in Subsection (2)(b)(i) is:
    - (A) the immediate family of a member of the credit union;
    - (B) the employees of the credit union;
    - (C) residents of the one county in which the credit union has its main office or branches as of January 1, 1999; and
    - (D) any association that as of January 1, 1999, is in the field of membership of the credit union; and
- (c)
  - (i) the field of membership of a credit union as of May 3, 1999, is as provided in Subsection (2)(c)(ii) if:
    - (A) the field of membership stated in the bylaws of the credit union as of January 1, 1999, includes the residents of more than one county; and
    - (B) as of January 1, 1999, the credit union has a main office or branch in more than one county;
  - (ii) as of May 3, 1999, the field of membership of a credit union described in Subsection (2)(c)(i) is:
    - (A) the immediate family of a member of the credit union;
    - (B) the employees of the credit union;
    - (C) residents of the credit union's domicile-county;
    - (D) the residents of any county other than the domicile-county:
      - (I) if, as of January 1, 1999, the county is in the field of membership of the credit union; and
      - (II) in which, as of January 1, 1994, the credit union had located its main office or a branch;

- (E) any association that as of January 1, 1999, is in the field of membership of the credit union.
- (3) If a credit union's field of membership is as described in Subsection (2)(c), beginning May 3, 1999, the credit union:
  - (a) within the credit union's domicile-county, may establish, relocate, or otherwise change the physical location of the credit union's:
    - (i) main office; or
    - (ii) branch;
  - (b) within a county other than a domicile-county that is in the credit union's grandfathered field of membership, may not:
    - (i) establish a main office or branch that:
      - (A) was not located in the county as of January 1, 1999; or
      - (B) for which the credit union has not received by January 1, 1999, approval or conditional approval of a site plan for the main office or branch from the planning commission of the municipality where the main office or branch will be located;
    - (ii) participate in a service center in which it does not participate as of January 1, 1999;
    - (iii) relocate the credit union's main office or a branch located in the county as of January 1, 1999, unless the commissioner finds that the main office or branch is relocated within a three-mile radius of where it was originally located; or
    - (iv) after a voluntary merger under Section 7-9-39, operate a branch in the county if:
      - (A) the effective date of the merger is on or after May 5, 2003;
      - (B) the credit union with the field of membership described in Subsection (2)(c) is the surviving credit union after the merger; and
      - (C) the credit union did not own and operate the branch before the effective date of the merger; and
  - (c) may only admit as a member:
    - (i) a person in the credit union's grandfathered field of membership; or
    - (ii) a person belonging to an association that:
      - (A) is added to the field of membership of the credit union; and
      - (B) resides in the domicile-county of the credit union.
- (4) If a credit union's field of membership is as described in Subsection (2)(b), as of May 3, 1999, the credit union may operate as a credit union having a field of membership under Section 7-9-51.
- (5)
  - (a) Notwithstanding Subsections (1) through (4), after May 3, 1999, a credit union described in Subsection (2)(c) may:
    - (i) operate an office or branch that is operated by the credit union on May 3, 1999, but that is not located in a county that is in the credit union's field of membership as of May 3, 1999; and
    - (ii) serve a member who is not in a credit union's field of membership as of May 3, 1999, if the member is a member of the credit union as of March 15, 1999.
  - (b) Subsection (5)(a) does not authorize a credit union to:
    - (i) establish a branch in a county that is not in the credit union's field of membership as of May 3, 1999, unless the branch meets the requirements under this title for establishing a branch; or
    - (ii) for a credit union described in Subsection (2)(c), include in its field of membership an association that:
      - (A) as of January 1, 1999, is not included in the credit union's field of membership; and

(B) does not reside within the credit union's domicile-county.

(6) A credit union shall amend its bylaws in accordance with Section 7-9-11 by no later than August 3, 1999, to comply with this section.

(7) In addition to any requirement under this section, a credit union shall comply with any requirement under this title for the establishment, relocation, or change in the physical location of a main office or branch of a credit union.

Amended by Chapter 97, 2014 General Session