

7-9-6 Formation of corporation to conduct credit union -- Approval of commissioner.

- (1)
- (a) Ten or more incorporators belonging to the same group of 200 persons or more having a field of membership may, with the approval of the commissioner, form a corporation to conduct a credit union under:
 - (i) this chapter;
 - (ii) Title 16, Chapter 10a, Utah Revised Business Corporation Act; and
 - (iii) Chapter 1, General Provisions.
 - (b) This chapter takes precedence over conflicting provisions of other state law governing:
 - (i) the formation of the corporation; and
 - (ii) the duties and obligations of:
 - (A) the corporation;
 - (B) the corporation's officers; and
 - (C) the corporation's shareholders or members.
- (2) The commissioner may grant the approval referenced in Subsection (1) if the commissioner finds that:
- (a) the proposed field of membership is favorable to the success of the credit union;
 - (b) the standing of the proposed membership will give assurance that its affairs will be administered in accordance with this chapter;
 - (c) the proposed credit union has a reasonable promise of financial viability; and
 - (d) formation of the credit union would not result in a substantial adverse financial impact on an existing credit union having the same or substantially the same field of membership.
- (3)
- (a) Except as provided in Subsection (3)(b) and in addition to the requirements of Subsections (1) and (2), Section 7-1-704 governs the formation of a credit union.
 - (b) Notwithstanding Subsection (3)(a):
 - (i) if the proposed credit union has a field of membership that does not base eligibility on residence in a county, the persons seeking formation of the proposed credit union are not required to provide the notice required under Subsection 7-1-704(3); and
 - (ii) a credit union may not be required to obtain federal insurance if the credit union complies with Subsection 7-9-45(2).

Amended by Chapter 327, 2003 General Session