



Ohio Administrative Code

Rule 1301:9-2-18 Disaffiliation or dual membership.

Effective: July 8, 2024

(A) Definitions

(1) The term "group" for the purposes of this rule means a "select group" as described in division (D)(1) of section 1733.05 of the Revised Code; however, for the purpose of a vote to disaffiliate group membership, the term "group" does not include a member who acquires his or her "common bond" for member status through familial relationship.

(2) "Original credit union" for the purposes of this rule means the credit union from which the group intends to disaffiliate.

(3) "Applicant credit union" for the purposes of this rule means the credit union with which the group intends to affiliate.

(B) Members of a group may disaffiliate from the field of membership of a credit union by a majority vote of the members of the group, subject to approval of the plan of disaffiliation by the superintendent.

(C) The vote to disaffiliate may be in person, by proxy, by mail ballot, or by electronic ballot.

(D) Except as provided in paragraph (A)(1) of this rule, each member of the group is entitled to cast one vote on the issue, irrespective of the number of shares the member owns.

(1) A copy of the disaffiliation proposal shall be distributed to all of the members of the group on or before the date on which solicitation begins for approval of the disaffiliation.

(2) Such disaffiliation proposal shall consist of the key points of the written plan of disaffiliation to be submitted to the superintendent for approval.



(3) The written plan of disaffiliation shall include, but not be limited to, the following:

(a) The services, the share accounts and loans and interest rates thereof, the size and composition of the field of membership, and the date of incorporation of the original credit union and the applicant credit union, if any, and in the instance of a group intending to form its own credit union, the articles of incorporation and the regulations, pursuant to section 1733.07 of the Revised Code, of the proposed credit union.

(b) The manner of disaffiliation:

(i) Whether group members intend to disaffiliate share accounts only or share accounts and loans.

(ii) If group members intend to disaffiliate loans, whether the loans are to be sold to or refinanced by the applicant credit union.

(E) Submission of disaffiliation proposal to the superintendent and original credit union.

(1) Prior to vote to disaffiliate, the group shall present the disaffiliation proposal to the superintendent and the board of directors of the original credit union, in order that such credit union be given the opportunity to voluntarily release the group and the original credit union shall respond within thirty days to the proposal to the group and the superintendent.

(F) The majority vote of the group to approve disaffiliation from the original credit union shall be certified and submitted to the superintendent in conjunction with the written plan of disaffiliation, along with such financial information as the superintendent may require.

(G) Upon submission of the plan of disaffiliation, the superintendent may conduct whatever review he or she deems appropriate to verify the applicant credit union's willingness and ability to serve the group.

(H) The superintendent may approve the plan of disaffiliation provided the plan has due regard for the division of share accounts and loans of the group seeking to disaffiliate, and such other factors as determined by the superintendent. No undivided earnings, reserves or other forms of equity may be



divided between the original credit union and the applicant credit union or transferred from the original credit union to the applicant credit union.

(I) Upon approval of the plan of disaffiliation, all members of the group who votes for disaffiliation shall transfer their membership accounts to the applicant credit union.

(J) Each member of the group seeking to disaffiliate is responsible for the identification and the maintenance of his or her share accounts and loans with either the original or applicant credit union, as the case may be. Each individual and association member of the group shall decide which share accounts, in addition to the membership account, shall be included in the disaffiliation. The plan of disaffiliation shall clearly set forth whether the loans of the group seeking to disaffiliate shall be purchased or refinanced by the applicant credit union or remain with the original credit union.

(K) A group may choose to be served by both the original and applicant credit union by requesting that the original credit union give the applicant credit union permission to serve the group. If the original credit union approves the dual membership, this approval shall be sent to the superintendent on the original credit union's official letterhead.