

Chartering an Illinois Credit Union

Thank you for your interest for information regarding the formation of an Illinois state chartered credit union.

A state chartered credit union is a non-profit, member-owned cooperative financial institution of people who share a common bond, incorporated for the purpose(s) of encouraging thrift among its members, creating a source of credit at a reasonable rate and providing an opportunity for its members to improve their economic and social conditions.

A state chartered credit union is regulated by the Division of Financial Institutions in accordance with provisions and requirements of the Illinois Credit Union Act and Rules and Regulations as promulgated by the Director of the Division of Financial Institutions. The Illinois Credit Union Act gives the necessary powers to assure the safety and soundness of credit unions' and members' monies.

Pursuant to Section 305/58 of the Illinois Credit Union Act, each credit union operating in Illinois must insure its members' share accounts with:

**National Credit Union Administration (NCUA)
Region IV (Chicago)
4225 Naperville Road, Suite 125
Lisle, Illinois 60532**

or with the private insurer authorized to do business in Illinois:

**American Share Insurance (ASI)
5656 Frantz Road
Dublin, Ohio 43017**

The organization of a state chartered credit union requires extensive planning and an intent to devote the necessary time and effort to make the credit union a viable institution.

If you are interested in organizing a credit union, please complete and return the following items:

- 1. "Application for Permission to Organize a Credit Union" form. (which can be found following this cover letter)**
- 2. The processing fee of \$250.00 payable to the Director of Financial Institutions.**
- 3. Resumes of all proposed members of the Board of Directors.**
- 4. A completed Articles of Incorporation. (which can be found following the "Application for Permission to Organize a Credit Union" form)**
- 5. A detailed Business Plan and Feasibility Study that includes growth projections of membership shares, loans, assets, capital, a budget and financial statements.**
- 6. Proposed lending, collection and investment policies.**
- 7. Physical facility of proposed office and staffing of the credit union.**
- 8. Goals of proposed dividend rates that will be paid on members' share accounts.**
- 9. Evidence of a commitment for share insurance from one of the two share insurers listed above.**

After all required documentation has been submitted, the Division will notify you in writing once the review process is completed and a decision is rendered.

If you have any questions or require additional information, please contact the Credit Union Section at (217) 782-2834.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS
CREDIT UNION SECTION**

APPLICATION FOR PERMISSION TO ORGANIZE A CREDIT UNION

Pursuant to the provision of "The Illinois Credit Union Act" (amended effective September 2, 1987), we, the undersigned, being qualified under the first paragraph of Section 1.1 of the aforementioned Act, do herewith make application for permission to organize a Credit Union chartered and applicable to State Laws of Illinois.

NAME OF PROPOSED CREDIT UNION:

LOCATION OF PROPOSED CREDIT UNION:

LIMITATION OF MEMBERSHIP: (MUST BE CONFINED TO THE FOLLOWING DESCRIBED GROUPS, BUT NOT LIMITED TO ONE GROUP):

(A) IF ASSOCIATION, GROUP OR ORGANIZATION:

Name: _____

Address: _____

Number of members: _____

Name and address of Key Person in organization of Credit Union:

Define geographical area of potential field of membership:

(B) IF OCCUPATIONAL, EMPLOYEE OR PROFESSIONAL GROUP:

Name and address of employer (if corporation, give exact):

Corporate name:

Number of employees: _____

Name of personal executive: _____

Name and address of Key Person in Organization of Credit Union:

**STATE OF ILLINOIS
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APPLICATION FOR PERMISSION TO ORGANIZE A CREDIT UNION

Define geographical area of potential field of membership:

(C) IF COMMUNITY, NEIGHBORHOOD OR AREA:

Name: _____

Exact geographical limits:

Population according to last official census: _____

Name and address of Key Person in Organization of Credit Union:

We, the undersigned applicants for the organization of the proposed:

_____ Credit Union, attest that the above statements are true and correct.

Dated this _____ day of _____, AD 20 _____, Illinois.

(MUST BE SIGNED BY AT LEAST NINE APPLICANTS)
Illinois Credit Union Act, Section 2, Organizational Procedures

ARTICLES OF INCORPORATION

We, the undersigned, all being of full age and residing in the State of Illinois, and being members of the specific group hereinafter named, for the purpose of becoming incorporated as a Credit Union, pursuant to the provisions of an Act, entitled "The Illinois Credit Union Act," approved August 30, 1979 and in force January 1, 1980, and as hereby amended, do hereby certify:

- 1. That the name of the proposed corporation shall be:

_____ Credit Union.

- 2. That the location of the proposed Credit Union shall be:

- 3. That the membership is limited to: (membership must be confined to one or more of the three following described groups):

- (a) An association, group or organization, give name:

Number of members: _____

Eligibility requirements:

- (b) A common employer or organized labor union, occupation or professional group - give name, union, or group:

Defined geographical area:

- (c) A neighborhood, community, or rural district, define exact geographical limits:

4. That the par value of each share shall be: _____
5. That the term of existence may be perpetual.
6. That the credit union may exercise such incidental powers as are necessary or requisite to enable it to carry on effectively the purpose for which it is incorporated, and those powers which are inherent in the credit union as a legal entity.
7. That the full name, address and social security number of each of the subscribers (at least 9) and the number and value of shares subscribed for by each are as follows:

Full Name and Address	Social Security No. & Number & value of shares
1) _____ _____ _____	_____ _____ _____
2) _____ _____ _____	_____ _____ _____
3) _____ _____ _____	_____ _____ _____
4) _____ _____ _____	_____ _____ _____
5) _____ _____ _____	_____ _____ _____
6) _____ _____ _____	_____ _____ _____
7) _____ _____ _____	_____ _____ _____
8) _____ _____ _____	_____ _____ _____
9) _____ _____ _____	_____ _____ _____
10) _____ _____ _____	_____ _____ _____

Full Name and Address	Social Security No. & Number & value of shares
11) _____ _____ _____	_____ _____
12) _____ _____ _____	_____ _____
13) _____ _____ _____	_____ _____
14) _____ _____ _____	_____ _____

8. That the number of its directors shall be _____ and the names and addresses of the subscribers who shall be its directors until the first annual meeting of its shareholders are as follows:

Full Name	Address
1. _____ Chairperson	_____
2. _____ Vice-Chairperson	_____
3. _____ Secretary	_____
4. _____ Treasurer	_____
5. _____ Member	_____
6. _____ Member	_____
7. _____ Member	_____
8. _____ Member	_____
9. _____ Member	_____
10. _____ Member	_____

Full Name

Address

11. _____
Member

12. _____
Member

13. _____
Member

14. _____
Member

IN WITNESS WHEREOF, We have made, signed and acknowledged this certificate in duplicate, by the terms of which we agree to be bound, this _____ day of _____ 20 _____.

1. _____

8. _____

2. _____

9. _____

3. _____

10. _____

4. _____

11. _____

5. _____

12. _____

6. _____

13. _____

7. _____

14. _____

STATE OF ILLINOIS)
)
County of _____) SS
)
City of _____)

On this _____ day of _____, 20_____, the above listed persons personally appeared before me to be known to be the persons described in and who executed the foregoing certificate and severally acknowledged that they executed the same for the uses and purposes therein set forth.

Notary Public

(Seal)