



Common Sense Initiative

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Business Impact Analysis

Agency, Board, or Commission Name: Department of Commerce – Division of Financial Institutions

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Regulation/Package Title (a general description of the rules' substantive content):

Credit Union, 2023 5YR

Rule Number(s): 1301:9-1-02 (rescind); 1301:9-1-03 (amend); 1301:9-1-04 (amend); 1301:9-2-02 (amend); 1301:9-2-03 (amend); 1301:9-2-04 (amend); 1301:9-2-05 (amend); 1301:9-2-07 (amend); 1301:9-2-07.1 (amend); 1301:9-2-08 (amend); 1301:9-2-09 (amend); 1301:9-2-10 (amend); 1301:9-2-11 (amend); 1301:9-2-12 (amend); 1301:9-2-13 (amend); 1301:9-2-16 (amend); 1301:9-2-18 (amend); 1301:9-2-19 (amend); 1301:9-2-20 (amend); 1301:9-2-21 (amend); 1301:9-2-22 (amend); 1301:9-2-23 (amend); 1301:9-2-24 (amend); 1301:9-2-25 (amend); 1301:9-2-26 (amend); 1301:9-2-27 (amend); 1301:9-2-28 (amend); 1301:9-2-30 (amend); 1301:9-2-31 (amend); 1301:9-2-32 (amend); 1301:9-2-37 (amend); 1301:9-2-38 (amend); 1301:9-2-39 (amend); 1301:9-2-40 (amend); 1301:9-2-41 (amend); 1301:9-2-42 (amend)

Date of Submission for CSI Review: 2/1/2024

Public Comment Period End Date: 2/26/2024

Rule Type/Number of Rules:

New/ rules

No Change/ rules (FYR?)

Amended/ 35 rules (FYR? Yes)

Rescinded/ 1 rules (FYR? Yes)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies

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should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Reason for Submission

1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

- a. ☒ Requires a license, permit, or any other prior authorization to engage in or operate a line of business.
- b. ☐ Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.
- c. ☒ Requires specific expenditures or the report of information as a condition of compliance.
- d. ☒ Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

Regulatory Intent

2. Please briefly describe the draft regulation in plain language.

Please include the key provisions of the regulation as well as any proposed amendments.

1301:9-1-02 (rescind):

This rule sets forth notice requirements the Division must follow when amending administrative rules dealing with credit unions. The amended rule streamlines these requirements.

1301:9-1-03 (amend):

This rule identifies policies that must be adopted by credit unions, requires notice and reporting by credit unions in certain circumstances, and imposes requirements for responding to reports of examination. The amended rule makes minor changes to and streamlines these requirements.

1301:9-1-04 (amend):

This rule implements and establishes guidelines for assessing the supervisory fee for credit unions authorized by R.C. 1733.32. The amended rule makes minor changes to and

streamlines the prior rule. The amended rule does not change the current, substantive guidelines.

1301:9-2-02 (amend):

This rule sets forth the minimum standards that must be met for a credit union to allow its members to vote by mail ballot or proxy. The amended rule makes minor changes to clarify existing language.

1301:9-2-03 (amend):

This rule establishes bond requirements for credit unions. The amended rule clarifies existing language and streamlines the prior rule.

1301:9-2-04 (amend):

This rule sets forth the process by which a credit union should account for delinquent loans, other losses, and reserves. Amendments are to clarify the rule and remove redundant obligations.

1301:9-2-05 (amend):

This rule sets forth the manner and frequency by which a credit union must provide its members with their account statements, as well as the manner by which a credit union must display its financial statements. Amendments modernize language for easier understanding.

1301:9-2-07 (amend):

This rule expands on a credit union's statutory investment authority. Amendments update references to federal law and clarify existing language.

1301:9-2-07.1 (amend):

This rule describes the conditions and process for credit unions to enter into certain derivatives transactions. Amendments remove some restrictive language from the rule.

1301:9-2-08 (amend):

This rule sets forth the minimum liquidity requirements for credit unions. Amendments set forth updated standards for calculating liquidity and reporting obligations.

1301:9-2-09 (amend):

This rule sets forth the conditions that must be met for a credit union to declare dividends. Amendments update and clarify current language.

1301:9-2-10 (amend):

This rule defines when a condition of impairment exists for credit unions and what actions must be taken if this condition is deemed to exist. Amendments streamline the current language and clarify that disclosure is at the superintendent's discretion.

1301:9-2-11 (amend):

This rule further clarifies and explains the credit union audit requirements. Amendments clarify and reduce redundant language, as well as clarifies the waiver of confidentiality provision.

1301:9-2-12 (amend):

This rule sets forth the reimbursement rates credit unions may charge for assembling a customer's financial records. Amendments update references to federal law and streamline language.

1301:9-2-13 (amend):

This rule clarifies the specific fiduciary duties imposed on credit union board members, and specifies the topics that must be addressed in a credit union's travel and expense reimbursement policy. Amendment removes the requirement to report the information annually to the superintendent.

1301:9-2-16 (amend):

This rule clarifies the application process for a credit union seeking to expand its field of membership. Amendments simplify the process and clarify language.

1301:9-2-18 (amend):

This rule sets forth the process by which a membership group may seek disaffiliation from or dual membership with a credit union. Amendments simplify the process and clarify language.

1301:9-2-19 (amend):

This rule sets forth additional documentation that must be submitted to the Division by those seeking to form a credit union. Amendments to remove from the rule things already required under statute and update language.

1301:9-2-20 (amend):

This rule sets forth limits on a credit union's loan authority. The amendment updates language for clarity.

1301:9-2-21 (amend):

This rule sets forth limitations and restrictions related to first-lien residential real estate loans and refinancing. Amendments update and clarify the rule, as well as simplify and clarify the less restrictive real estate waiver process.

1301:9-2-22 (amend):

This rule sets forth the appropriate safeguards and procedures that must be in place for credit union construction loans. Amendments are to streamline language.

1301:9-2-23 (amend):

This rule sets forth the minimum underwriting standards which must be in place for a credit union to make second mortgage loans. Amendments update references to federal law and streamline language.

1301:9-2-24 (amend):

This rule sets forth the regulatory requirements applicable to a credit union's member business loans. Amendments rescind current requirements and incorporate federal standards.

1301:9-2-25 (amend):

This rule sets forth the regulatory requirements applicable to a credit union's purchase of fixed assets or real estate. Amendments streamline and clarify language.

1301:9-2-26 (amend):

This rule authorizes credit union boards of directors to charge reasonable fees and service charges if properly disclosed to the membership. Amendments remove restrictive language.

1301:9-2-27 (amend):

This rule authorizes a credit union's board of directors to authorize, under certain conditions, an interest rebate on loans. Amendments streamline language.

1301:9-2-28 (amend):

This rule sets forth regulatory requirements pertaining to a credit union's credit card lending program, and the minimum provisions the policy for such a program must include. Amendments remove restrictive language and simplify requirements.

1301:9-2-30 (amend):

This rule clarifies regulatory requirements pertaining to share accounts. Amendments streamline requirements and reduce restrictions.

1301:9-2-31 (amend):

This rule clarifies a credit union's authority to enter into shared service contracts with other credit unions or organizations. Amendments remove restrictive language from the rule.

1301:9-2-32 (amend):

This rule sets forth the conditions under which a credit union may invest or make loans to a credit union service organization. Amendments update and clarify current requirements.

1301:9-2-33 (no change):

The rule authorizes credit unions to enter into a valid sale and leaseback arrangement upon prior approval of the Division.

1301:9-2-37 (amend):

This rule details requirements pertaining to the filing of suspicious activity reports. Amendments to enhance clarity and remove redundant requirement.

1301:9-2-38 (amend):

This rule sets forth the powers and duties of a liquidating agent appointed to oversee the liquidation of a credit union. Amendments reduce and streamline restrictive language.

1301:9-2-39 (amend):

This rule details the regulatory process for a federally chartered credit union to convert to a state chartered credit union and vice versa. Amendments streamline the process and brings parity to both sets of requirements.

1301:9-2-40 (amend):

This rule sets forth the conditions under which a credit union may act as a trustee or custodian. Amendments update references to federal law.

1301:9-2-41 (amend):

This rule details the regulatory process for a credit union to merge with or into another credit union. Amendments simplify and apply the same process for mergers from to state to federal and from federal to state.

1301:9-2-42 (amend):

This rule reiterates the regulatory conditions under which an Ohio-chartered credit union is permitted to do business in another state. Amendments remove restrictive language.

3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.

1301:9-1-02; Authorized By: 1733.41 Amplifies: 1733.41

1301:9-1-03; Authorized By: 1733.41 Amplifies: 1733.32

1301:9-1-04; Authorized By: 1733.41 Amplifies: 1733.32

1301:9-2-02; Authorized By: 1733.41 Amplifies: 1733.13

1301:9-2-03; Authorized By: 1733.41 Amplifies: 1733.23

1301:9-2-04; Authorized By: 1733.41, 1733.412 Amplifies: 1733.31

1301:9-2-05; Authorized By: 1733.41 Amplifies: 1733.32

1301:9-2-07; Authorized By: 1733.41 Amplifies: 1733.30

1301:9-2-07.1; Authorized By: 1733.412 Amplifies: 1733.30

1301:9-2-08; Authorized By: 1733.41 Amplifies: 1733.31

1301:9-2-09; Authorized By: 1733.41 Amplifies: 1733.31

1301:9-2-10; Authorized By: 1733.41 Amplifies: 1733.37(A)

1301:9-2-11; Authorized By: 1733.41 Amplifies: 1733.19
 1301:9-2-12; Authorized By: 1733.41 Amplifies: 9.02
 1301:9-2-13; Authorized By: 1733.41 Amplifies: 1733.22
 1301:9-2-16; Authorized By: 1733.41 Amplifies: 1733.05
 1301:9-2-18; Authorized By: 1733.41 Amplifies: 1733.05
 1301:9-2-19; Authorized By: 1733.41 Amplifies: 1733.041, 1733.07, 1733.23, 1733.47
 1301:9-2-20; Authorized By: 1733.41 Amplifies: 1733.25
 1301:9-2-21; Authorized By: 1733.41, 1733.412 Amplifies: 1733.25
 1301:9-2-22; Authorized By: 1733.41 Amplifies: 1733.25
 1301:9-2-23; Authorized By: 1733.41, 1733.412 Amplifies: 1733.25
 1301:9-2-24; Authorized By: 1733.41 Amplifies: 1733.25
 1301:9-2-25; Authorized By: 1733.41 Amplifies: 1733.02, 1733.03, 1733.04, 1733.25, 1733.30
 1301:9-2-26; Authorized By: 1733.41 Amplifies: 1733.04
 1301:9-2-27; Authorized By: 1733.41 Amplifies: 1733.04
 1301:9-2-28; Authorized By: 1733.41 Amplifies: 1733.25
 1301:9-2-30; Authorized By: 1733.41 Amplifies: 1733.24
 1301:9-2-31; Authorized By: 1733.41 Amplifies: 1733.02, 1733.03, 1733.04
 1301:9-2-32; Authorized By: 1733.41 Amplifies: 1733.02, 1733.30, 1733.04, 1733.03
 1301:9-2-37; Authorized By: 1733.41 Amplifies: 1733.23, 1733.32
 1301:9-2-38; Authorized By: 1733.41 Amplifies: 1733.37
 1301:9-2-39; Authorized By: 1733.41 Amplifies: 1733.341
 1301:9-2-40; Authorized By: 1733.41 Amplifies: 1733.04
 1301:9-2-41; Authorized By: 1733.41 Amplifies: 1733.34
 1301:9-2-42; Authorized By: 1733.41 Amplifies: 1733.02, 1733.03, 1733.04

4. Does the regulation implement a federal requirement? Yes, in part.

Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program? No.

If yes, please briefly explain the source and substance of the federal requirement.

Several of the rules in this package mirror or incorporate by reference requirements applicable to all federally insured, state-chartered credit unions. The Division has adopted these rules, in part, because privately insured, Ohio-chartered credit unions are not subject to

federal requirements. These rules also help ensure that federally insured, Ohio-chartered credit unions are not subject to inconsistent state and federal requirements.

- 5. If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

Not Applicable.

- 6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

These regulations are designed to create a safe financial system for Ohio consumers and for Ohio chartered credit unions. Section 1733.02 of the Revised Code delegates discretion and rulemaking authority to the Superintendent to assure that the supervision and regulation of credit unions may be flexible and responsible to changes in economic conditions and in practices within the credit union movement. The amended rules are meant to clarify obligations established by the Revised Code and provide credit unions with updated and streamlined guidance on how to meet statutory requirements.

- 7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

The Division will measure the success of the regulations by tracking rules that generate questions about interpretation from licensees and prospective licensees. Additionally, the Division will take note of questions and comments from staff regarding a rule's meaning or operation.

- 8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?**

If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No

Development of the Regulation

- 9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

If applicable, please include the date and medium by which the stakeholders were initially contacted.

In October 2023, the Division sent an advance copy of the proposed rules to both the Ohio Credit Union League (OCUL) and American Share Insurance for review and comment. In

turn, the OCUL circulated the proposed rules amongst a select group of their credit union members and solicited feedback.

On November 9, 2023, the Division sent another advance copy of the proposed rules to each Ohio chartered credit union via email for review and comment.

10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

The Division received written comments from the OCUL, on behalf of its membership, and has met with the OCUL on multiple occasions to discuss industry questions, suggestions, and concerns.

The Division made a number of changes to proposed rules in order to address industry concerns.

The Division received no written comments directly from any Ohio chartered credit union in response to the email sent on November 9, 2023.

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

N/A

12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?
Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to comply.

Given that these regulations are subject to their five-year review, every rule was reviewed and considered as part of the process. Most credit union rules and their corresponding provisions are necessary to protect the safety and soundness of these institutions. Additionally, the Division considered the proposed rules in connection with the National Credit Union Administration's (NCUA) rules that regulate federally chartered and/or insured credit unions. The Division's proposed rules seek to provide clarity and guidance to credit unions while making an Ohio charter an attractive alternative to a federal charter.

13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

The Division is the primary regulator of state-chartered credit unions; the Division also made efforts to remove rules that restated requirements from the Revised Code.

14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The regulations have been available to stakeholders throughout the rule review process and will continue to be available to them through the Division's website throughout the JCARR process. Once finalized, the regulations will be brought to the attention of stakeholders at every available opportunity. Additionally, Division staff will be trained on the regulations to ensure their consistent application.

Adverse Impact to Business

15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:

a. Identify the scope of the impacted business community, and

These rules directly impact all state chartered credit unions in Ohio.

b. Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a representative business. Please include the source for your information/estimated impact.

1301:9-1-03 (amend):

Paragraphs (B) and (C) require credit unions to report to the Division changes or proposed changes in directors, officers, and senior employees. Paragraph (E) requires a credit union to respond in writing to a report of examination issued by the Division. These provisions do require credit unions to expend time but the amounts needed to comply will be negligible.

1301:9-1-04 (amend):

This rule implements the supervisory fee authorized in R.C. 1733.32. The estimated cost of compliance is the annual supervisory fee detailed in this rule. This fee is based on a credit union's gross assets and varies each year depending on the operating needs of the Division. The rule also authorizes a fine for a late paid supervisory fee or late filed financial report and establishes the criteria to be considered for assessing such a fine. The rule implements R.C. 1733.32(E)(4), which authorizes the fine.

1301:9-2-02 (amend):

The rule requires any credit unions that want to conduct membership votes by proxy, mail in ballot, or by electronic ballot to submit sample ballots to the Division for prior review and approval. Preparing materials for submission to the Division requires the expenditure of minimal employee time.

1301:9-2-03 (amend):

This rule requires the credit union to pay for a bond based on the assets it holds. The cost will vary depending on the assets the credit union holds. This rule is implementing the statutory requirement.

1301:9-2-04 (amend):

This rule may require a minimal expenditure of time and resources, as it requires a credit union to maintain a record of all loans charged off, and of all security that is repossessed and/or charged off.

1301:9-2-05 (amend):

There are potential costs associated with the credit union's obligation to provide physical copies of the credit union's current and previous month's financial statements, these costs are estimated to be minimal.

1301:9-2-07 (amend):

Credit unions must submit their investment policy to the Division for review and approval. There is negligible cost to submit materials that have already been prepared by credit unions in the ordinary course of business.

1301:9-2-07.1 (amend):

As per 12 CFR 703.108, the rule requires credit unions with a CAMEL component rating of 1, or 2, and with assets more than \$500 million on their most recent call report, to notify the Division within 5 days of entering a derivatives transaction. Additionally, these credit unions are required to notify the Division if their position degrades and they no longer meet those two factors.

1301:9-2-08 (amend):

The rule requires credit unions to report to the Division when their liquidity falls below five percent of shares. The estimated cost of compliance to maintain the minimum liquidity fund will vary depending on the size and complexity of each credit union. The cost, while not quantifiable, consists of the loss of the use of investment funds necessary to meet the rule's minimum liquidity fund requirement. There is also a potential cost of time and resources necessary for a credit union employee to monitor the liquidity fund.

1301:9-2-09 (amend):

The rule may require a minimal expenditure of time and resources for those credit unions seeking approval of the Division for the payment of dividends.

1301:9-2-10 (amend):

In limited circumstances a credit union may be required to report financial conditions to account holders. The cost will vary depending on the number of account holders such a credit union has.

1301:9-2-11 (amend):

The credit union will have to engage and pay for an independent auditor. This is an accepted cost of doing business, industry standard, and important for safety and soundness.

1301:9-2-16 (amend):

Revised Code 1733.05 requires credit unions to obtain permission prior to adding new fields of membership. When credit unions want to expand they will need to present information showing they have considered the markets or groups they will expand to. This information is also the same information, the credit union would present to its board or leadership (if exercising best business practices) prior to expanding. Costs to transmit this information to the Division would be minimal.

1301:9-2-18 (amend):

Revised Code 1733.05 requires superintendent approval for group disaffiliation. Groups seeking to disaffiliate must report certain information, including but not limited to: which accounts will be transferred out, and which loans will be transferred out. The credit unions would have to compile the information. The time and resources needed to comply with this rule will vary depending on the size, complexity, and information storage techniques of the credit union.

1301:9-2-19 (amend):

This rule specifies additional items credit unions need to submit to the superintendent when they are starting up and seeking charter approval. The items listed—financial projections, a business plan, and character and fitness of the incorporators are already being produced by prospective credit unions in order to satisfy federal requirements. Compliance with this rule would have little to no additional burden on the compliance professional.

1301:9-2-20 (amend):

The rule may require a minimal expenditure of time and resources for those credit unions seeking a waiver from this limitation.

1301:9-2-21 (amend):

The rule sets certain limits for credit unions offering loans and establishes a waiver process for credit unions seeking to deviate from the standard limits. The only cost would be a minimal outlay of time and resources for those credit unions seeking Division approval of a less restrictive lending policy or a specific waiver from these requirements.

1301:9-2-23 (amend):

There is a waiver process for the requirements of the rule; the waiver requires approval from the superintendent. The credit union must submit certain policies and certifications of board approval for waiver from the requirements. Submitting these items would require a minimal expenditure of time.

1301:9-2-24 (amend):

The rule requires submission of certain information if the credit union seeks waiver from the rule. There is minimal cost associated with compiling and submitting the information.

1301:9-2-25 (amend):

The rule requires reporting under certain circumstances, but does not require reporting generally. There is a minimal cost of compliance, as the documents that must be submitted to the Division before a credit union may purchase real estate are those that would otherwise be obtained in standard business practice.

1301:9-2-28 (amend):

The rule requires a credit union to file certain documents with the Division to obtain approval before offering a credit card program. The documents required are already being produced by the credit union to satisfy federal requirements; sending these documents onto the Division does not add appreciable compliance time.

1301:9-2-32 (amend):

This rule mirrors federal credit union rules, which allow credit unions to invest in or make loans to credit union service organizations without Division approval, so long as the investments meet certain requirements and are below certain values. Credit unions may make investments outside of those ranges with prior Division approval. The credit unions will be required to obtain a legal opinion about the structure and the credit union's relationship to the entity, to ensure the proper protections are in place to insulate the credit union from the risks associated with the investment. Additionally, there is a state reporting requirement set up to mirror the federal reporting requirements. The amount of time needed to comply will vary based on the sophistication of the credit union and the scope of the proposed investment or loan.

1301:9-2-37 (amend):

This rule allows the Division to assess a civil money penalty or other administrative action, enabling the Division to enforce violations of BSA regulations. This rule mirrors federal requirements to file suspicious activity reports where unusual account activity occurs. This rule requires no additional time or effort in excesses of the time or effort needed to comply with the federal requirements.

1301:9-2-38 (amend):

The rule requires a liquidating agent to file certain reports with the superintendent and provides publication obligations for the liquidating agent. There is a minimal amount of compliance time associated with this rule.

1301:9-2-39 (amend):

The rule requires credit unions to provide reasons for the conversion, a copy of the application submitted to federal regulators, a resolution adopted by the board, and a certified copy of approval from the membership to convert. Compliance with this rule does require a small amount of time; however conversions are not common. The costs will vary based on the sophistication of the transaction.

1301:9-2-41 (amend):

The rule requires credit unions to submit documentation showing board member approval, member approval, the terms of the merger, approval from their insurer, and financial statements and projections. These items are considered necessary to ensure the safety and soundness of the institution once the merger is completed. Credit unions attempting to merge will be producing these documents and satisfying these requirements in order to receive federal approval or approval from their insurer. The time to transmit these items to the Division is minimal.

16. Are there any proposed changes to the rules that will reduce a regulatory burden imposed on the business community? Please identify. (*Reductions in regulatory burden may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors*).

1301:9-1-03; The amended rule makes minor changes to and streamlines these requirements. (1)

1301:9-1-04; The amended rule makes minor changes to and streamlines the prior rule. (4)

1301:9-2-02; Changes are to revise confusing language. (1)

1301:9-2-03; Changes are to clarify existing language and streamline rule. (1)

1301:9-2-04; Amendments are to clarify the rule and remove redundant obligations. (3)

1301:9-2-05; Amendments modernize language for easier understanding. (1)

1301:9-2-07; Amendments update references to federal law, update language, and clarify language. (9)

1301:9-2-07.1; Amendments removes some restrictive language from the rule. (2)

1301:9-2-09; Amendments modernize language. (1)

1301:9-2-10; Amendment clarifies that disclosure is at the superintendent's discretion. (2)

1301:9-2-11; Amendments clarify rule, reduces redundant language, clarifies confidentiality rule. (3)

1301:9-2-12; Amendments update the dates in referenced legislation and streamlines language. (2)

1301:9-2-13; Amendment removes the requirement to report the information annually to the superintendent. (1)

1301:9-2-16; Amendments are to simplify the expansion process. (5)

1301:9-2-18; Amendments clarify process and simplify language. (6)

1301:9-2-19; Amendments to remove from the rule things already required under statute and update language. (3)

1301:9-2-20; The amendment updates language for clarity.

1301:9-2-21; Amendments are to simplify and clarify the less restrictive real estate waiver process. (5)

1301:9-2-22; Amendments are to streamline language. (3)

1301:9-2-23; Amendments update references to federal statutes and streamline language. (4)

1301:9-2-24; Amendments peel back current requirements and apply federal rules. (19)

1301:9-2-25; Amendment streamlines and clarifies language. (1)

1301:9-2-26; Amendments made to remove restrictive language. (1)

1301:9-2-27; Amendments streamline rule language. (2)

1301:9-2-28; Amendments remove restrictive language and simplify requirements. (2)

1301:9-2-30; Amendments combine requirements and reduce restrictions. (3)

1301:9-2-31; Amendments removes restrictive language from the rule.(1)

1301:9-2-32; Amendments removes restrictions from the rule. (3)

1301:9-2-37; Amendments to enhance clarity and remove redundant requirement. (1)

1301:9-2-38; Amendments reduce and streamline the restrictive language. (5)

1301:9-2-41; Amendments are to simplify and apply the same process for mergers from to state to federal and from federal to state. (1)

1301:9-2-42; Amendments are to remove restrictive language. (1)

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

While some of the proposed rules may have an adverse impact on credit unions, the regulations are necessary to maintain the safety and soundness of Ohio chartered credit unions, and for the Division to meet its statutory mandate to ensure the laws relating to credit unions are executed and enforced. Recent news events, such as the collapse of Silicon Valley Bank (a California chartered state bank), Signature Bank (a New York chartered state bank), and Silvergate Bank (a California chartered state bank), demonstrate the continued need for effective regulation of depository institutions, as well as the widespread impact weak depository institutions can have on the economy as a whole. Certain rules are also necessary

to mirror federal regulations and to provide parity for Ohio's privately insured credit unions. Finally, any proposed changes to the regulations as part of this five-year review will not increase compliance obligations in a meaningful way, and in many instances, efforts were made to streamline and clarify the regulations.

Regulatory Flexibility

18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

No. These rules must be applied evenly in order to ensure the safety of soundness of Ohio chartered credit unions and to protect the interests of the members of these nonprofit cooperative institutions.

19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

The Division does not typically fine credit unions for "paperwork violations"; instead, the Division focuses on ensuring compliance with regulatory requirements and curing safety and soundness issues.

20. What resources are available to assist small businesses with compliance of the regulation?

The Division widely publicizes to stakeholders the fact that its staff is available generally for assistance directly via phone or email. Additionally, because of the unique nature of the supervisory relationship, Ohio chartered credit unions have ongoing, long-standing relationships with certain Division staff. Finally, many of the most commonly requested forms and applications referenced in the rules are available from the Division's website.