

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 PONTIAC AVENUE BLDG 68-2
CRANSTON, RI 02920



DECISION AND ORDER

IN RE:

**APPLICATION OF THE PEOPLE'S CREDIT UNION
FOR THE RELOCATION OF A BRANCH OFFICE FROM
6851 POST ROAD, NORTH KINGSTOWN, RI 02852
TO
7490 POST ROAD, NORTH KINGSTOWN, RI 02852**

I. JURISDICTIONAL STATEMENT AND TRAVEL OF THE CASE

This matter came before the Department of Business Regulation (the "Department"), Division of Banking (the "Division") upon the application of The People's Credit Union, a regulated institution located at 858 West Main Road, Middletown, Rhode Island 02842 (the "Applicant") for approval to relocate a branch office from 6851 Post Road, North Kingstown, RI 02852 to 7490 Post Road, North Kingstown, RI 02852 (the "Application"), pursuant to R. I. Gen. Laws §§ 19-1-3 and 19-2-12.

The Application was filed with the Division on January 16, 2009. Notice of the filing of the Application was published by the Applicant in The Providence Journal during three consecutive weeks, specifically on January 29, 2009, February 4, 2009 and February 10, 2009. The Application was made available for public inspection and comment in the office of the Division from January 30, 2009 through February 13, 2009. No letters of comment or objection were received by the Division in connection with the Application during the comment period.

II. APPLICABLE LAW

a. Geographical Standard

The Director of the Department of Business Regulation (the "Director") is expressly authorized by R. I. Gen. Laws § 19-2-12 to approve a relocation of a branch office provided that such branch office is (a) to be located within the same city or town as the existing branch or (b) to be located within a one (1) mile radius of the existing branch and (c) the existing branch will be closed upon construction and/or occupancy of the relocated branch.

b. Community Reinvestment Act Standard

It has been the policy of the Director, in reviewing applications from state chartered institutions, to determine whether an applicant will adhere to Community Reinvestment Act ("CRA") standards. The principles inherent in CRA require institutions to address the credit needs of the communities they serve. While the federal CRA, 12 U.S.C. § 2901 et seq, will not be applicable to the Applicant (because it is not a regulated financial institution as defined in 12 U.S.C. § 2901 et seq), the state CRA statute, R. I. Gen. Laws § 19-9-4, will apply since the Applicant's by-laws do not prevent a member of the general public from gaining membership. R. I. Gen. Laws § 19-9-4 requires the Director to take into account the record of performance of a financial institution in helping to meet the credit needs of its entire community when determining whether a certificate of public convenience and advantage should be issued.

c. Insurance of Deposits

R. I. Gen. Laws § 19-4-10 requires that any regulated institution permitted by law to receive deposits, except a regulated institution prevented from accepting deposits by its by-laws or agreement to form, must maintain federal deposit insurance.

III. FINDINGS OF FACT

Evidence was submitted to the Division in support of the Application which included responses to questions contained in the Application and various documents attached as exhibits to the Application.

Specifically, information was provided on the Applicant and the proposed relocation. The Applicant provided a statement which described the means by which the relocated branch would promote the public convenience and advantage of the communities to be served as well as information on the benefits of the relocated branch to the communities to be served, and the impact on the safety and soundness of the Applicant. Based upon the documentary evidence filed with the Division, the Director hereby makes the following findings of fact:

1. On January 16, 2009, the Division duly received from The People's Credit Union the Application pursuant to R. I. Gen. Laws §§ 19-1-3 and 19-2-12.
2. A Notice of Application Filed was published by the Applicant during three consecutive weeks, specifically on January 29, 2009, February 4, 2009 and February 10, 2009. The Application was made available for public inspection and comment in the office of the Division, in accordance with R. I. Gen. Laws § 19-1-3.
3. The public inspection and comment period for the Application extended from January

30, 2009 through February 13, 2009. No letters of comment or objection were received by the Division in connection with the Application during the comment period, therefore no public hearing was held.

4. Applicant is both a Rhode Island credit union and a regulated institution, as defined in R. I. Gen. Laws § 19-1-1.

5. The Applicant's relocated branch office will serve existing customers that live or work in North Kingstown, Rhode Island and the surrounding communities.

6. Approval of the Application will result in continued service at the relocated branch in the same manner that the members and the public at large experience at the present location.

7. The relocated branch office will be located within the same town as the existing branch office.

8. The existing branch office will be closed upon occupancy of the relocated branch office by the Applicant.

9. The Applicant has provided a copy of its CRA Statement along with evidence of its intent to comply with CRA and non-discrimination laws and regulations and to address the communities' credit needs consistent with its past performance.

10. Financial information provided by the Applicant adequately demonstrates the financial strength of the Applicant with respect to safety and soundness issues.

11. The shares and deposits of the credit union are insured by the National Credit Union Share Insurance Fund ("NCUSIF") which is administered by the National Credit Union Administration ("NCUA"). Approval of the proposed branch will not have any impact on the deposit insurance coverage provided by the NCUSIF.

IV. CONCLUSIONS OF LAW

Based upon the documentary evidence filed with the Division, the Director hereby makes the following conclusions of law:

1. R. I. Gen. Laws §§ 19-1-3 and 19-2-12 authorize the Director to approve an application for the relocation of a branch of a regulated institution.

2. The Notice of Application Filed satisfies the requirements of R. I. Gen. Laws § 19-1-3 with respect to the publication of notice for the proposed branch relocation.

3. The proposed branch relocation is in the public interest; will promote the convenience and advantage of the communities to be served by the relocated branch; will have a beneficial effect on the economy and on the citizens of the communities to be served by the branch; all consistent

with safe and sound banking practices and with the requirements of Rhode Island law and the standard for issuing the certificate sought by the Applicant.

4. The Application complies with the spirit and intent of R. I. Gen. Laws § 19-9-4 regarding credit needs of local communities.

5. The Applicant's deposits at the relocated branch will have NCUSIF insurance.

V. DECISION AND ORDER

Upon review and consideration of the documentary evidence in the record presented in this matter, it is hereby ORDERED:

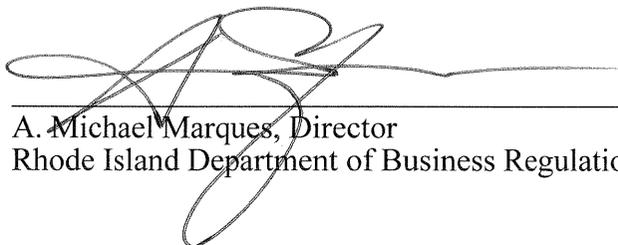
That the Application of The People's Credit Union to relocate a branch office from 6851 Post Road, North Kingstown, RI 02852 to 7490 Post Road, North Kingstown, RI 02852 is hereby approved in accordance with, and with the general effect provided for in R. I. Gen. Laws §§19-1-3 and 19-2-12, subject to the following conditions:

1. That the Applicant occupy the new branch office within one (1) year of the date of this Decision and Order; if it has not occupied the new branch office within one (1) year, it must promptly return the certificate of public convenience and advantage to the Division for cancellation unless good cause is demonstrated for an extension.

2. That the existing branch office will be closed upon occupancy of the relocated branch office.

3. That the certificate of public convenience and advantage for the existing branch office be returned to the Division upon occupancy of the new branch office.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 09-218 OF THE DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS 22nd DAY OF SEPTEMBER 2009.



A. Michael Marques, Director
Rhode Island Department of Business Regulation