

OPERATIONAL INSTRUCTION ISSUED BY THE STATE BOARD OF FINANCIAL  
INSTITUTIONS FEBRUARY 7, 2001

In order to provide parity with Federally chartered credit unions, South Carolina State chartered credit unions may apply to the Board to serve persons who live in, attend school in, or work in a community and have common interests or interact. The area to be served must be a well-defined neighborhood, business district, community, or rural district where the credit union maintains a service facility, has a membership presence, and has the ability to serve those who qualify for and request credit union service. "Well-defined" means the area has specific geographic boundaries. Geographic boundaries may include a city, township, county, or clearly identifiable neighborhood. More than one credit union may share the same community.

The credit union requesting to serve a community must provide to the Board documentation (a) describing how the area meets standards for community interaction or common interests, (b) clearly defining the geographic boundaries of the proposed service area, and (c) establishing the area as a well-defined local neighborhood, community, rural district or business district. Current financial statements and a plan showing how the credit union intends to market its products and services to the entire community must also be provided, and the credit union must have been determined by recent examinations to have a strong financial position.

In addition, State chartered credit unions may apply to include in their field of membership underserved communities. An underserved area is defined as a local community, neighborhood, or rural district that is an "investment area" as defined below. More than one credit union may serve the same underserved area.

A credit union requesting to serve an underserved community must provide to the Board documentation establishing that the community meets the definition of an investment area. Current financial statements and a business plan showing how the credit union intends to serve the community must also be provided. The business plan must identify the credit and depository needs of the community and detail how the credit union plans to serve those needs. The credit union must have been determined by recent examinations to have a strong financial position.

An investment area includes any of the following:

- An area encompassed or located in an Empowerment Zone or Enterprise Community designated under section 1391 of the Internal Revenue Code of 1996 (26 U.S.C. 1391);
- An area where the percentage of the population living in poverty is at least 20 percent;

- An area in a Metropolitan Area where the median family income is at or below 80 percent of the Metropolitan Area median family income or the national Metropolitan Area median family income, whichever is greater;
- An area outside of a Metropolitan Area where the median family income is at or below 80 percent of the statewide non-Metropolitan Area median family income or the national non-Metropolitan Area median family income, whichever is greater;
- An area where the unemployment rate is at least 1.5 times the national average;
- An area where the percentage of occupied distressed housing (as indicated by lack of complete plumbing and occupancy of more than one person per room) is at least 20 percent;
- An area located outside of a Metropolitan Area with a county population loss between 1980 and 1990 and subsequent ten year intervals of at least 10 percent.