

Why a Montana State Charter?

Montana Division of Banking and Financial Institutions

Dual chartering and supervision are an essential element of the credit union system since the 1860's. The Montana Division of Banking and Financial Institutions is sincerely committed to the dual system. The ability to make a meaningful choice between regulatory agencies has encouraged competition, innovations and identification of best practices not only for financial institutions, but also among regulatory agencies. It not only promotes innovation between the regulators but it also acts as a restraint on excessive regulation.

All credit unions have the option of choosing a state or national charter. Montana has 9 state-chartered credit unions with total assets exceeding two billion dollars.

The Montana state charter has distinct advantages. While the following list is not all inclusive, it does provide an understanding of the advantages of being a state-chartered credit union in Montana.

- **Accessibility/Expeditious Treatment** – The Commissioner and the Credit Union Bureau Chief are very accessible. This promotes better communication and allows management and directors to talk directly to a decision maker. Requests are considered and responded to in a timely and efficient manner.
- **Local Supervision** – Division examiners live in the area in which they work. They understand the unique characteristics of Montana, its people and its economy. The Division operates its main office in Helena and a field office in Billings.
- **Competitive Equality** – The Division is a proponent of competitive equality for state chartered credit unions. Montana law allows a state chartered credit union to engage in any activity or business a federal credit union can as long as the power or activity is not expressly prohibited by Montana law.
- **Certification**– Division examiners are professionally certified.
- **Relationship with Federal Regulators** – The Division has a collaborative working relationship with its federal counterpart, the National Credit Union Administration (NCUA).
- **Success of State Chartered Credit Unions** – The Division promotes state chartered credit unions in the legislative, public policy forum while assuring safety and soundness of the credit union industry.

It is for these reasons that state charter should be the charter of choice for our Montana credit unions.

Our goal simply stated, “*Successful credit unions through partnership and common sense regulation*”. Our goal results in a safe and sound financial system that meets the needs of all Montanans. This goal requires us to find a balance between encouraging economic opportunity and accountability to Montanans.