

**DATE:** June 14, 2021  
**BULLETIN:** 2021-KDCU-CUB-12  
**TO:** Kansas Chartered Credit Unions  
**SUBJECT:** State Charter

### STATE CHARTER

The Kansas Department of Credit Unions (KDCU) often receives inquiries from groups or individuals interested in establishing a new state-chartered credit union. The last time a credit union was chartered in Kansas was 2005; of course, the first was in 1929. Below is information which has been shared over the years explaining the benefit of the Kansas charter.

One of the strengths of the credit union system is the flexibility and versatility of the dual chartering system in which a credit union can select either a state or federal charter. There are distinct advantages to a Kansas credit union charter.

**Governance:** Kansas chartered credit unions are subject to Kansas laws and regulations. The Kansas Legislature is sensitive to local credit union needs and receptive to citizen concerns. Credit union boards and management have access to Kansas legislators, the Governor and the KDCU Administrator. This accessibility provides Kansas credit unions greater opportunity to affect credit union policy and input into their governance than their federal counterparts.

**Supervision:** The KDCU Administrator lives in Kansas and is required by statute to have credit union management experience. K.S.A. 17-2233. The Administrator communicates electronically with credit union management through bulletins and website postings, as well as being available for local meetings and outreach. There is opportunity for greater interaction than at the federal level.

**Credit Union Service Organization (CUSO):** Kansas Administrative Regulations allow credit unions to invest in or loan money to CUSO's if the CUSO is legally established under Kansas law. K.A.R. 121-3-1(a).

**Investment:** Kansas chartered credit unions follow Investment Guidelines issued by the KDCU Administrator and are not bound to follow the National Credit Union Administration's investment rules and regulations.

**Accreditation:** The KDCU is a NASCUS-accredited state agency. This accreditation process includes a thorough audit of the agency's policies, procedures and performance. Accreditation is an acknowledgement of professionalism and ensures Kansas state-chartered credit unions are being served by an agency adhering to the highest standards.

**NOTE:** Administrator Vickie Hurt has determined the Kansas Department of Credit Unions (KDCU) will begin a return to on-site credit union examinations effective July 1, 2021. In determining the appropriate number of on-site and remote examiners, a variety of factors will be used; however, a minimum of two (2) examiners should be expected. If your credit union has questions, please contact [Administrator Hurt](#).