

PHIL BREDESEN
GOVERNOR

STATE OF TENNESSEE
DEPARTMENT OF FINANCIAL INSTITUTIONS
414 UNION STREET, SUITE 1000
NASHVILLE, TENNESSEE 37219
(615) 741-2236 FAX (615) 741-2883

GREG GONZALES
COMMISSIONER

Bulletin CU-09-1

TO: All Tennessee State Chartered Credit Unions

SUBJECT: Temporary Closing of Credit Union Offices

DATE: September 10, 2009

This Bulletin is intended to address specifically the issue of suspending credit union office activity in response to possible H1N1 (Swine flu) outbreaks. Additionally, this Bulletin provides certain guidance should a Tennessee state-chartered credit union close certain offices pursuant to the discretion of its directorate and management.

Credit Unions organized under the laws of the State of Tennessee may, at their discretion, temporarily close offices or operations without the prior approval of the Commissioner when, in the discretion of the directorate, such temporary closure is warranted.

The Department of Financial Institutions considers credit union determinations that H1N1 outbreaks pose legitimate health risks to the general public or significantly impacts the ability of a credit union to maintain an appropriate level of personnel on-site to meet member needs to be a justifiable basis to close an office. Other events may also justify a temporary closure and the directorate and executive management are encouraged to use reasonable discretion in making that determination. However, the safety of institution personnel and local citizens is of paramount importance when evaluating the appropriateness of closing offices.

We encourage institutions to carefully monitor and consider any guidance issued by state and federal government authorities regarding such events. The Department encourages institutions to notify both the Department as well as the National Credit Union Administration, pursuant to federal regulations Part 748, within five (5) business days of any possible event resulting in the closure of offices projected to last more than two (2) consecutive business days. Additionally, institutions should make a reasonable effort, in consideration of the public safety, to notify and accommodate members.

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This Bulletin shall serve as notice that no specific prior approval from the Department is required for Tennessee state-chartered credit unions to be closed more than two (2) consecutive business days should a Tennessee state-chartered credit union, in its discretion, determine it is necessary to temporarily close the credit union pursuant to an H1N1 outbreak or similar disaster.

Credit Unions should be advised, however, that if the Federal Reserve is open that the Federal Reserve may continue to present cash items to credit unions even if a particular credit union has exercised its discretion to close the credit union or one of its offices. Please contact your respective Federal Reserve branch for further guidance.

Questions regarding this Bulletin should be addressed to Trevor Williams, Assistant Commissioner – Credit Union Division, at (615) 741-6399, or Tina G. Miller, General Counsel, at (615) 532-1030.



Greg Gonzales, Commissioner