

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: June 27, 2003

SUBJECT: Fiscal Impact Statement: "Credit Union Act of 2003"

REFERENCE: Draft Legislation – No Bill Number Available

Conclusion

Funds are sufficient in the FY 2003 budget and the proposed FY 2004 through FY 2007 budget and financial plan as agreed to by the Mayor and the Council to implement the "Credit Union Act of 2003". No additional staff or resources will be required.

Background

The "Credit Union Act of 2003" provides the statutory framework for the Department of Banking and Financial Institutions (DBFI) to charter and supervise cooperative, nonprofit thrift and credit associations to be known as credit unions. The proposed legislation establishes the provisions for the organization, operation, powers, and supervision of credit unions. DBFI will be responsible for reviewing and approving applications for credit union charters and for the examination of District-chartered credit unions.

Financial Plan Impact

DBFI will assess credit unions for the cost of issuing credit union charters and the cost of credit union regulations. DBFI will not require additional staff and resources to implement the proposed legislation. Any costs will be absorbed within DBFI's existing budget. Should additional resources be needed in the future, DBFI will assess the credit unions for the costs of these resources. Additional revenue may be received as newly formed credit unions or currently federally chartered credit unions become District-chartered unions and pay the required application fee. Any revenue DBFI receives in the

form of application fees is considered dedicated non-tax revenue and will be used by the Department for credit union regulation activities.