

**04 NCAC 06C .1303      CORPORATE CREDIT UNION RESERVES**

(a) Definitions.

- (1) A "corporate credit union" is a credit union whose primary mission is to serve corporate (credit union) accounts. The membership of a corporate credit union shall be institutional and only credit unions can become members, unless the bylaws otherwise prescribe.
- (2) Risk assets of a corporate credit union shall be defined in G.S. 54-109.88.

(b) Corporate Reserve.

- (1) Immediately, before the payment of each dividend but more often if the Board of directors so determine, the gross earnings derived from activity with the Credit Union corporate members will be determined. From this amount there shall be transferred to a reserve known as the Corporate Reserve, 2 per centum of specified gross earnings until the Corporate Reserve shall equal one and one half per centum of the corporates total assets.
- (2) Whenever the Reserves fall below one and one half per centum of total assets it shall be replenished by regular transfers of 2 per centum of specified gross earnings or by contributions in such amounts as may be needed to maintain the Reserves at one and one half per centum of total assets, whichever is less.
- (3) The Administrator may increase or decrease the reserve requirement set forth herein when such action is deemed necessary or desirable.
- (4) Charges may be made against the Reserves to offset losses on loans, and investments.

*History Note:*      *Authority G.S. 54-110.8;*  
                         *Eff. December 1, 1979;*  
                         *Amended Eff. October 1, 1983;*  
                         *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 6, 2016.*