

## SUBCHAPTER 06C - CREDIT UNIONS

### SECTION .0100 - GENERAL INFORMATION

#### 04 NCAC 06C .0101      DEFINITIONS

When used in this Subchapter, the following words and phrases shall have the following meaning:

- (1) "Administrator" means the Administrator of State-Chartered credit unions.
- (2) "Board of Directors" means at least five persons elected or appointed to oversee the management of each organization.
- (3) "Book value of loans" means the dollar amount of loans the credit union has on its books.
- (4) "Branch Office" means a facility that a credit union maintains and staffs at a location other than its main office to furnish credit union services to its members.
- (5) "Capital" means shares, undivided earnings, and reserves.
- (6) "Commission" means the Credit Union Commission established by G.S. 143B-439.
- (7) "Corporate Credit Union" means a credit union with an institutional field of membership, as set forth in G.S. 54-110.1 and G.S. 54-110.2.
- (8) "Credit union" means a cooperative nonprofit corporation under G.S. 54-109.1.
- (9) "Credit Union Service Organization" or "CUSO" means an organization formed and operated by credit union(s), or associations or organizations of credit unions, to provide financial or operational products or services to credit unions or credit union members.
- (10) "Deposits" means a preferred savings account on which the credit union is obligated to pay a guaranteed interest rate on a continuing basis in such amounts and terms as the Board of Directors approve.
- (11) "Dividend" means an operating expense of a credit union that is declared payable on share accounts from time to time by the Board of Directors. Dividends shall be paid as set forth in G.S. 54-109.54.
- (12) "EDP" means electronic data processing.
- (13) "Funds" means cash on hand or cash in the bank and investments.
- (14) "League" means the Carolinas Credit Union League, the trade association that serves credit unions in North and South Carolina.
- (15) "Members" means persons or organizations who have been accepted for membership by either the Board, membership officer, or an executive committee, after having met qualifications of being within the field of membership.
- (16) "Membership" means a credit union limited to those persons or groups as stipulated in the bylaws of the credit union and set forth in G.S. 54-109.26.
- (17) "Membership fee" means a fee that may be charged to applicants for membership as an entrance fee or as an annual membership fee as determined by the Board of Directors or as the bylaws may provide.
- (18) "Reserve fund" means the portion of income to be entered on the books of the corporation to offset uncollectible loans in accordance with G.S. 54-109.86.
- (19) "Shares" means the primary capital owned by the members and is comprised of the savings of the members. The par value shall be as the bylaws provide.
- (20) Types of investment transactions shall be defined as follows:
  - (a) "Standby commitments" means an agreement to purchase or sell a security at a future date, whereby the buyer is required to accept delivery of the security at the option of the seller.
  - (b) "Cash forward agreement" means an agreement to purchase or sell a security at a future date more than five days after the agreement is made and requires mandatory delivery and acceptance.
  - (c) "Reverse repurchase agreement" means an agreement whereby a credit union enters into an understanding to sell securities to a purchaser and to repurchase the same securities from that purchaser at a future date, regardless of the amount of consideration paid by the credit union or the purchaser.
  - (d) "Repurchase agreement" means an agreement whereby a credit union enters into an agreement to buy securities from a vendor and to resell securities at a future date. Repurchase agreements may be the following two types:

- (i) "Investment-type repurchase agreement" means a repurchase that contains the elements of a sale of security as specified in Rule .1202(5) of this Subchapter.
  - (ii) "Loan-type repurchase agreement" means any repurchase that does not qualify as an investment-type repurchase agreement.
- (e) "Future" means a standardized contract for the delivery of commodities, including certain government securities, sold on designated commodities exchange.
- (21) "Unimpaired capital" consists of the shares, undivided surplus, and reserves less any known or probable losses, as determined by management.

*History Note:* Authority G.S. 54-109.1; 54-109.2; 54-109.12; 54-109.21(25); 54-109.26; 54-109.86; 143B-439; Eff. February 1, 1976;  
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