

## SECTION .1300 - RESERVES

### 04 NCAC 06C .1301 SPECIAL RESERVES FOR LIQUIDITY

- (a) Credit unions shall have a Liquidity Policy and Contingency Funding Plan as set forth in 12 C.F.R. Part 741.12, including any subsequent amendments, which are incorporated by reference and may be found at no cost on the Code of Federal Regulations website [www.ecfr.gov](http://www.ecfr.gov).
- (b) Credit unions with assets of two million (\$2,000,000) or more and credit unions that offer share draft accounts shall maintain a reserve of liquid assets (liquidity reserve) equal to a minimum of five percent of the total dollar value amount of the credit union's liability base.
- (c) The liability base shall consist of shares, deposits, and notes payable with a maturity of less than one year. Pledged shares, deposits, or both shall be exempted up to the amount of the loans.
- (d) The liquidity reserve shall consist of the following:
- (1) cash;
  - (2) shares;
  - (3) deposits in the National Credit Union Administration Central Liquidity Facility, corporate credit unions, or other financial institutions;
  - (4) investments with a maturity of less than one year as authorized by G.S. 54-109.82 (3),(4),(5),(9),(10), and (12); and
  - (5) Government securities with a maturity of more than one year may be included, provided securities are carried at the lower of cost or market and adjusted on a monthly basis. Documentary evidence shall be kept on file supporting the adjustments for a period of 18 months.
- (e) The liquidity reserve shall be determined monthly, not later than the tenth day of each month, and shall be based on the credit union's liability base as the last day of business of the preceding month.
- (f) The liquidity reserve shall be used to satisfy contractual line of credit agreements, shares, and deposit withdrawals. In the event the liquidity reserve falls below the required amount as set forth in G.S. 54-109.86, the credit union shall immediately notify the Administrator. The credit union shall have 60 days to replenish the liquidity reserve.
- (g) In any special case, the Administrator shall have the authority to require a liquidity reserve for credit unions with assets of less than two million dollars (\$2,000,000) if necessary to meet the liquidity needs of its creditors, as set forth in G.S. 54-109.86(c).

*History Note:* Authority G.S. 54-109.12; 54-109.86(b); 54-109.86(c)(2);  
Eff. December 1, 1979;  
Amended Eff. February 1, 1992; March 1, 1980;  
Readopted Eff. February 1, 2018.