

20 NCAC 07 .0603 ACCELERATION OF MATURITIES

(a) Whenever any depository shall fail to correct a deficiency in collateral pursuant to this Chapter, including but not limited to Rule 20 NCAC 7 .0202(e), the State Treasurer or the public depositor of a participating unit, as the case may be, shall cause to be made an oral demand to the depository to correct the deficiency.

(b) The public depositor, in the case of the Dedicated Method, shall report any failure of a depository to correct a deficiency in the collateral pursuant to this Chapter to the State Treasurer no less than one full work day after the oral request to correct the deficiency. This report shall include a full statement of the circumstances surrounding the deficiency. The report shall be oral but shall be immediately followed by a written report.

(c) The State Treasurer, after receiving the oral report from a public depositor pursuant to Paragraph (b) or no less than one full work day after the oral request was made in his name to a depository which fails to correct the deficiency in the collateral required by this Chapter, shall issue a written request to the depository to correct a deficiency in the collateral required by this Chapter. The depository may request an informal hearing before the State Treasurer within seven days of the receipt of the request. The appeal of the ruling by the State Treasurer shall be a contested case heard pursuant to Subchapter 1F of this Title.

(d) Any depository which after receiving the written request to correct a deficiency in the collateral does not correct the deficiency shall be subject to the provision of automatic acceleration of time deposits of public depositors having fixed maturities. On or after seven days from the receipt of the written request sent pursuant to Paragraph (c) of this Rule or three days from the receipt of the written decision of the State Treasurer arising from the hearing, the State Treasurer may cause all time deposits having fixed maturities to be accelerated and become due and payable on demand without any loss in interest through the date actually paid by the depository.

*History Note: Authority G.S. 115C-444(b); 147-79; 159-31(b);
Eff. November 1, 1983;
Amended Eff. April 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 5,
2016.*