

04 NCAC 06C .0410 PROHIBITED FEES

(a) A North Carolina Credit Union shall not make any loan or extend any line of credit if, either directly or indirectly, any commission, fee, or other compensation is to be received by the Credit Union's directors, committee members, senior management employees, loan officers, or any immediate family members of such individuals, in connection with underwriting, insuring, servicing, or collecting the loan or line of credit. For the purposes of this Rule, the following definitions shall apply:

- (1) "senior management employees" shall mean the Credit Union's Chief Executive Office or President, the Treasurer or Manager, the Vice President, the Assistant Vice President, the Assistant Treasurer or Manager, the Chief Financial Officer, and the Comptroller; and
- (2) "immediate family member" shall include a spouse or other family member living in the same household.

(b) For purposes of this Rule, "compensation" shall include non-monetary items, except those of nominal value.

(c) For purposes of this Rule, the following shall not be considered a "commission, fee, or other compensation":

- (1) the annual salary of an employee;
- (2) the payment of an incentive or bonus based on the Credit Union's overall financial performance; and
- (3) the payment of an incentive or bonus to an employee other than a senior management employee, made in connection with a loan or loans made by the Credit Union. The Board of Directors of the Credit Union shall establish written policies and internal controls in connection with the payment of incentives or bonuses and shall monitor compliance with the policies and controls at least annually.

*History Note: Authority G.S. 54-109.12; 54-109.21(25); 54-109.22;
Eff. March 1, 2016;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 6, 2016.*