

SUBCHAPTER 16F - SERVICE CORPORATIONS AND FINANCE SUBSIDIARIES

04 NCAC 16F .0101 PERMITTED ACTIVITIES

The service corporation of a savings institution may engage in activities that are approved by the federal regulatory authority pursuant to 12 C.F.R. 5.59(f) for service corporations owned by federal associations that have principal offices in this State and may engage in any other activity authorized for state-chartered savings institutions and approved in advance in writing by the Commissioner of Banks upon a showing by the savings institution that the activity enhances the safe and sound operation of the savings institution, is well managed, is subject to adequate controls, and is not otherwise violative of . North Carolina law. 12 C.F.R. 5.59(f) 1831o is hereby incorporated by reference, including subsequent amendments or editions, and may be found free of charge as follows:
https://www.ecfr.gov/cgi-bin/text-idx?SID=b1cbbe0d7d8194e47523927417a42a03&mc=true&node=se12.1.5_159&rgn=div8.

History Note: Authority G.S. 54B-55; 54B-194; 54C-53; 54C-144;
Eff. August 31, 1981;
Amended Eff. July 1, 1990; October 1, 1987;
Temporary Amendment Eff. October 2, 1991 for a period of 180 days to expire on March 31, 1992;
Amended Eff. November 1, 2017; May 11, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. November 22, 2018.

04 NCAC 16F .0102 INVESTMENT LIMITATION

Investments in a service corporation include not only stock and other securities of a service corporation, such as notes, bonds and debentures, but also any loans, secured or unsecured, to the service corporation. The investment limitation established by G.S. 54B-194 and G.S. 54C-144 applies to the total investment that a savings institution can make in one or in any number of service corporations. A secured loan to a state-wide multi-owned service corporation shall not be included in the assets investment limitation.

History Note: Authority G.S. 54B-55; 54B-194; 54C-53; 54C-144;
Eff. August 31, 1981;
Amended Eff. July 1, 1990; October 1, 1982;
Temporary Amendment Eff. October 2, 1991 for a period of 180 days to expire on March 31, 1992;
Amended Eff. May 11, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. November 22, 2018.

04 NCAC 16F .0103 DEBT LIMITATION FOR WHOLLY-OWNED SERVICE CORPORATIONS

The aggregate amount of secured and unsecured debt that a wholly-owned service corporation may have outstanding at any one time to the savings institution and to non-stockholders shall not exceed:

- (1) ten times the total of the service corporation's net worth and unsecured debt to the savings institution; or
- (2) twenty times the total if the service corporation engages in originating, investing in, selling, purchasing, servicing, or otherwise dealing in (including brokerage or warehousing) loans and participations in loans, that are underwritten in accordance with the savings institution's lending policy and secured by real estate or liens on mobile homes.

History Note: Authority G.S. 54B-55; 54B-194; 54C-53; 54C-144;
Temporary Amendment Eff. October 2, 1991 for a period of 180 days to expire on March 31, 1992;
Eff. August 31, 1981;
Amended Eff. November 1, 2017; May 11, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. November 22, 2018.

04 NCAC 16F .0104 STOCK IN A SERVICE CORPORATION

History Note: Authority G.S. 54B-55; 54B-194;
Eff. August 31, 1981;
Repealed Eff. July 1, 1990.

04 NCAC 16F .0105 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS

(a) Prior to filing with the Secretary of State of North Carolina, a service corporation shall file with the Commissioner of Banks copies of any proposed amendment to its articles of incorporation. The Commissioner of Banks must approve the form and content of the proposed amendment.

(b) Before the bylaws or any amendments to the bylaws of a service corporation shall become effective, a certified copy of the bylaws or amendments shall be filed with and approved by the Commissioner of Banks. If the Commissioner of Banks fails to act upon the bylaws or amendment within 60 days of receipt, the bylaws or amendment shall be deemed approved.

History Note: Authority G.S. 54B-55; 54B-194; 54C-53; 54C-144;
Eff. August 31, 1981;
Amended Eff. November 1, 2017; December 1, 2011; July 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. November 22, 2018.

04 NCAC 16F .0106 ESTABLISHMENT OF FINANCE SUBSIDIARIES

04 NCAC 16F .0107 BOARD ACTION REQUIRED

04 NCAC 16F .0108 FINANCE SUBSIDIARY TRANSACTIONS WITH PARENT

04 NCAC 16F .0109 ISSUANCE OF SECURITIES BY FINANCE SUBSIDIARIES

04 NCAC 16F .0110 TRANSFER OF PROCEEDS

04 NCAC 16F .0111 HOLDING COMPANY SUBSIDIARIES AND FINANCE SUBSIDIARIES

04 NCAC 16F .0112 NOTIFICATION TO THE COMMISSIONER OF BANKS

04 NCAC 16F .0113 EXAMINATION OF FINANCE SUBSIDIARIES

History Note: Filed as a Temporary Amendment Eff. October 2, 1991 for a period of 180 days to expire on March 31, 1992;
Authority G.S. 54B-55; 54B-77; 54B-195; 54C-53; 54C-144; 54C-146;
Eff. October 1, 1984;
Amended Eff. December 1, 2011; May 11, 1992;
Repealed Eff. November 1, 2017.