

Fifty-fifth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Monday, the sixth day of January, one thousand nine hundred and ninety-seven

SENATE BILL NO. 2129
(Industry, Business and Labor Committee)
(At the request of the Department of Banking and Financial Institutions)

AN ACT to amend and reenact subsection 2 of section 6-06-08, sections 6-06-15, and 6-06-19 of the North Dakota Century Code, relating to credit union examinations, credit union supervisory committee audits, and borrowing of money by credit unions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 6-06-08 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. Credit unions must be examined at least once each twenty-four months by the commissioner, ~~or with the commissioner's approval and the approval of the state credit union board, credit unions may be examined annually by a certified public accountant or the North Dakota credit union league.~~ In lieu of the examinations herein required, the commissioner may accept any examination made or obtained by the national credit union administration, and may in ~~his or her~~ the commissioner's discretion conduct a joint examination with ~~said federal agency~~ the national credit union administration. ~~If the examination is not made by the commissioner, the expense of such examination must be borne by the credit union examined and such examination must be in such form and contain such information as the commissioner may require. Two copies of such examination must be filed with the commissioner within thirty days after completion of the examination and must be approved by the commissioner.~~

SECTION 2. AMENDMENT. Section 6-06-15 of the North Dakota Century Code is amended and reenacted as follows:

6-06-15. Duties and powers of supervisory committee. The supervisory committee, by a majority vote, may call a special meeting of the members of the credit union to consider any matter which it wishes to submit to the membership. ~~It~~ The supervisory committee shall:

1. Fill vacancies in ~~its~~ the committee's own membership.
2. Make an examination of the affairs of the credit union, including an audit of ~~its~~ the credit union's books, at least annually, and ~~it~~ the committee may submit such report to the members of the credit union at a meeting called for that purpose by the committee whenever ~~it~~ the committee deems such action necessary.
3. Make an annual audit and report and submit ~~it~~ the audit and report at the annual meeting of the credit union.
4. Suspend any officer, director, or member of any committee when by unanimous, not including the person who is being considered for suspension, vote of the committee, such action is determined to be necessary to the proper conduct of the credit union, but upon taking such action, the committee shall call the members of the credit union together immediately to act on ~~such~~ the suspension, and the members at ~~such~~ the meeting may sustain the suspension and remove ~~such~~ the officer permanently or may reinstate ~~him~~ the officer, director, or committee member.
5. The commissioner may reject a supervisory committee examination or audit if the examination or audit is determined to be unsatisfactory.

If the bylaws do not provide for the election or appointment of a supervisory committee, the duties and powers described above are the responsibility of and delegated to the board of directors.

SECTION 3. AMENDMENT. Section 6-06-19 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6-06-19. Authority to borrow - Limitation - Exception. A credit union may borrow money from any source, but the total borrowings may not exceed twenty-five percent of ~~its~~ the credit union's assets unless the commissioner authorizes a larger amount. The state credit union board, in the exercise of its discretion, may suspend or restrict the borrowing powers of a credit union. The limitation on borrowing does not apply to a corporate central credit union which is limited to borrowing up to five times ~~its~~ the corporate central credit union's capital, surplus, and reserve fund. For ~~the~~ purposes of this section, capital, surplus, and reserve fund for a corporate central credit union includes statutory or regulatory reserves, reserves established for contingencies or any other purposes, undivided earnings, all sums on deposit by other credit unions which are permanent capital base funds as defined by the bylaws of the corporate central credit union, or any other funds being held by the corporate central credit union for the purpose of maintaining a capital base. A credit union must provide within one week written notification to the commissioner of the amount, terms, and source of all borrowings under this section. Written notification is not required if the borrowings are provided by the corporate central credit union and that information is available to the commissioner through electronic inquiry.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2129.

Senate Vote: Yeas 47 Nays 0 Absent 2

House Vote: Yeas 93 Nays 0 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,

at _____ o'clock _____ M.

Secretary of State