

CHAPTER 13-03-04
INVESTMENT IN AN OFFICE BUILDING, FURNITURE, AND FIXTURES - APPLICATION TO THE STATE CREDIT UNION BOARD

Section

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13-03-04-01. Maximum investment in fixed assets to be determined by state credit union board.

No credit union organized and operating under the laws of North Dakota shall invest more than the greater of six percent of assets or fifty percent of net worth, but not to exceed ten percent of assets, in a credit union land and building and other fixed assets, without first applying for and obtaining approval from the state credit union board.

History: Amended effective June 1, 1984; January 1, 2007; January 1, 2013; January 1, 2019; April 1, 2022.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-06-06

13-03-04-02. Procedure for investment in building.

Any state-chartered credit union planning to construct or purchase a building shall follow and comply with the following procedure:

1. The board of directors shall adopt a resolution to invest in a building, and stating the maximum funds to be invested in a lot and building.
2. If the resolution is adopted by a majority of the board of directors, and if the resolution involves an investment, which exceeds the maximum investment established in section 13-03-04-01, the board of directors shall then make application to the North Dakota state credit union board for permission to invest in a building. If the investment is within the limit established by section 13-03-04-01, the board of directors and management will proceed with the project as approved by the board of directors.

History: Amended effective June 1, 1984; January 1, 2007; April 1, 2022.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-06-06

13-03-04-03. Application to board to invest in building - Requirements.

When applying to the state credit union board for permission to invest in a building which exceeds the limit established in section 13-03-04-01, the following procedures will be followed:

1. The secretary of the credit union will certify compliance with the provisions of section 13-03-04-02.
2. The treasurer will certify the amount to be invested. The credit union, by letter, will make a special request of the state credit union board and state the amount, and the percentage of assets and net worth they desire to invest in the lot, building, furniture, fixtures, and equipment.

History: Amended effective June 1, 1984; April 1, 2022.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-06-06

13-03-04-04. Information required to accompany application.

The following information must accompany the application:

1. A blueprint or floor plan, stating type of construction, location, and information about security provisions (vaults, safes, files, alarms), if any.
2. A balance sheet for the month ending immediately preceding the application.
3. A year-end operating statement for each of the past five years, if operating that long.
4. A schedule stating the amount of delinquent loans, and the required reserves, as of the application date.
5. A schedule stating the number and amount of loans charged off, and the amount recovered for the past five years, if operating that long.

General Authority: NDCC 6-01-04, 6-06-06

Law Implemented: NDCC 6-06-06