

**CHAPTER 13-03-03**  
**INVESTMENT IN FIRST LIEN, PUBLIC UTILITY, INDUSTRIAL, CORPORATION, OR**  
**ASSOCIATION BONDS, NOTES, OR OTHER EVIDENCES OF DEBT ISSUED BY**  
**CORPORATIONS LOCATED IN THE UNITED STATES OF AMERICA**

Section

13-03-03-01	Individual Investment Limitation - Total Investment Limitation
13-03-03-02	Applicability
13-03-03-03	Investment in Other Evidences of Debt

**13-03-03-01. Individual investment limitation - Total investment limitation.**

No credit union organized and operating under the laws of North Dakota shall invest more than ten percent, in the aggregate, of the total paid in shares and deposits of the credit union in first lien, public utility, industrial, corporation, or association bonds, or notes issued by corporations located in the United States of America, unless an exemption is granted by the state credit union board. In determining whether to grant an exemption, the board shall consider the following:

1. The net worth ratio of the credit union;
2. The capital, asset quality, management, earnings, and liquidity (CAMEL) rating of the credit union;
3. The experience of the credit union's management; and
4. Other factors deemed pertinent by the board.

**History:** Amended effective December 1, 1978; January 1, 2007; January 1, 2013.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06

**13-03-03-02. Applicability.**

Section 13-03-03-01 shall not apply to a credit union's direct loans to members. A credit union's participation in a loan originating with another lender shall be considered a loan for purposes of this chapter. Participation loans are subject to the provisions of chapter 13-03-20.

**History:** Effective August 1, 1980; amended effective January 1, 2007.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06

**13-03-03-03. Investment in other evidences of debt.**

A state-chartered credit union may invest in other evidences of debt, issued by corporations located in the United States of America, upon approval from the state credit union board.

**History:** Effective January 1, 2007.

**General Authority:** NDCC 6-01-04

**Law Implemented:** NDCC 6-06-06