STATE OF NORTH DAKOTA
BEFORE THE NORTH DAKOTA STATE CREDIT UNION BOARD
ORDER

This matter having come before the North Dakota State Credit Union Board on behalf of the North Dakota Department of Financial Institutions for an order authorizing state-chartered credit unions which are not low income designated credit unions to engage in certain activities which are permitted for a federally chartered credit union pursuant to its parity authority; and

WHEREAS, Federal regulation 12 CFR 701.32 permits Federal Credit Unions to receive payment on shares by public units and nonmembers, subject to certain limitations; and

Therefore, the North Dakota State Credit Union Board, having reviewed the supporting materials, including the relevant law and otherwise being fully advised of the issues, hereby issues the following ORDER pursuant to N.D.C.C. § 6-06-06(11):

I. Authority. A state-chartered credit union may receive payments on shares, (regular shares, share certificates, and share draft accounts) from public units and political subdivisions thereof (as those terms are defined in 12 CFR 745.1) and nonmember credit unions

II. Limitations.

A. The maximum amount of all public unit and nonmember credit union shares shall not, at any given time, exceed 50% of the net paid-in and unimpaired capital and surplus less any public unit and nonmember credit union shares, as measured at the time of acceptance of each public unit or nonmember share or $3 million, whichever is greater.

B. Before accepting any public unit or nonmember shares that taken together with any borrowings, exceed 70% of paid-in and unimpaired capital and surplus, the board of director must adopt a specific written plan concerning the intended use of these funds that is consistent with prudent risk management principles.

C. The limitations herein do not apply to accounts maintained in accordance with Treasury Tax and Loan Depositaries; Depositaries and Financial Agents of the Government, and matching funds required by Community Development Revolving Loan Programs for credit Unions. Once a loan granted pursuant to the Community Development Revolving Loan Program is repaid, nonmember share deposits accepted to meet the matching requirement are subject to the above limitations.

III. In no way shall the authority granted under this Order exceed that which would be permitted for a federally chartered credit union. If any ambiguity is found to exist, the
rules and regulations applicable to a federally chartered credit union, and the NCUA interpretations thereof, shall apply.

Dated this 5\textsuperscript{nd} day of June, 2020.

STATE CREDIT UNION BOARD

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I. Lise Kruse, Chairman

Signed on behalf of the State Credit Union Board pursuant to a duly approved Motion of the Board on 5\textsuperscript{nd} Day of June 2020.

ATTEST:

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Corey J. Krebs, Secretary