STATE OF NORTH DAKOTA
BEFORE THE NORTH DAKOTA STATE CREDIT UNION BOARD
THIRD AMENDED 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 who have received a low income designation from the National Credit Union Administration, to engage in certain activities which are permitted for a federally chartered credit union with a low income designation pursuant to its parity authority; and

WHEREAS, The North Dakota State Credit Union Board previously issued Orders relating to low income designated credit unions on April 21, 2010, December 12, 2013, and July 13, 2017; and

WHEREAS, The North Dakota State Credit Union Board has been advised in a change to the federal authority under 12 CFR 701.32 upon which this Order granting parity is based; and

WHEREAS, The North Dakota State Credit Union Board, having reviewed prior orders and the supporting materials, including the relevant law and otherwise being fully advised of the issues, hereby repeals and replaces its previously issued Orders with the following ORDER pursuant to N.D.C.C. § 6-06-06(11):

I. *Authority.* A state-chartered credit union which has a low income designation from the National Credit Union Administration, pursuant to 12 CFR 701.34,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, and to the extent permitted in this ORDER, receive payments on shares (regular shares, share certificates, and share draft accounts) from other nonmembers.

II. *Limitations.*

A. The maximum amount of all public unit and nonmember 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 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. State-chartered credit unions with low income designations are also permitted to accept secondary capital from non-natural person members and non-natural person nonmembers

subject to approval by the National Credit Union Administration and compliance with applicable federal law pursuant to 12 CFR 701.34.

IV. 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 5th Day of June, 2020.

STATE CREDIT UNION BOARD

Lise Kruse

I. Lise Kruse, Chairman

Signed on behalf of the State Credit Union Board pursuant to a duly approved Motion of the Board on the 5th Day of June, 2020.

ATTEST:

Corey J. Krebs, Secretary