WEST VIRGINIA CODE: §31C-11-10

§31C-11-10. Reserves.

(a) The corporate credit union shall be exempt from the regular reserve requirements of subsection (a), section three, article nine of this chapter but at the end of each accounting period and prior to paying a dividend or interest refund (or, at the option of the credit union, on a monthly basis if dividends or interest refunds are paid more frequently than monthly) sums shall be set aside in a regular reserve in accordance with the following schedule:

(1) When the credit union's regular reserve and undivided earnings are less than two percent of assets at the end of the transfer period, the credit union shall set aside an amount equal to .0015 times the credit union's average daily assets for the transfer period, times the number of days in the transfer period, divided by three hundred sixty-five.

(2) When the regular reserve and undivided earnings are equal to or greater than two percent of assets, but the regular reserve is less than four percent of assets, the credit union shall set aside an amount equal to .0010 times the credit union's average daily assets for the transfer period, times the number of days in the transfer period, divided by three hundred sixty-five.

(b) Charges may be made to the regular reserve for loan losses and for investment losses caused by factors other than trading losses or market fluctuations. Other charges to the regular reserve may only be made with the prior approval of the commissioner.

(c) Additional reserves for corporate credit unions may be required by the commissioner when in his or her discretion, circumstances make such additional reserves necessary and prudent for the protection of shareholders and depositors.

WV Legislature