
WEST VIRGINIA CODE CHAPTER 31C
ARTICLE 11

WV Legislature

§31C-11-1. Incorporation.

A corporate credit union may be incorporated under this article. All parts of this chapter not inconsistent with this article shall apply to it.

WV Legislature

§31C-11-2. Purposes.

The purposes of the corporate credit union are to:

- (a) Accumulate and prudently manage the liquidity of its member credit unions through interlending and investment services;
- (b) Act as an intermediary for credit union funds between members and other corporate credit unions;
- (c) Obtain liquid funds from other credit union organizations, financial intermediaries and other sources;
- (d) Foster and promote in cooperation with other state, regional and national corporate credit unions and credit union organizations or associations the economic security, growth and development of member credit unions;
- (e) Provide payment systems and correspondent services to its members; and
- (f) Perform such other services of benefit to its members which are authorized by the commissioner.

§31C-11-3. Membership.

(a) Membership in the corporate credit union shall consist of and be limited to the credit union subscribers to the articles of incorporation, credit unions incorporated under this chapter, the Federal Credit Union Act or any other credit union act, organizations or associations of credit unions, and such other organizations provided for in the articles of incorporation or bylaws.

(b) A member of the corporate credit union shall designate one person to be its authorized representative to attend meetings of the corporate credit union and to vote on behalf of the member. A credit union member of the corporate credit union may only designate as its authorized representative a member of its own credit union.

§31C-11-4. Organization.

(a) Application to form a corporate credit union shall be made in writing to the commissioner. The application shall contain the names of at least ten percent of the credit unions in the proposed field of membership, but in no case less than fifty credit unions that have agreed to subscribe to shares in the corporate credit union at the time the application is made.

(b) The application shall be accompanied by articles of incorporation and bylaws.

(c) The bylaws shall provide for the selection of a board of directors of at least five persons, all of whom shall be authorized representatives of members. The bylaws shall require those applying for membership to subscribe to membership shares or other shares, or both, in a minimum amount as specified in the bylaws.

§31C-11-5. Powers and privileges.

(a) The corporate credit union shall enjoy the powers and privileges of any other credit union incorporated under this chapter in addition to those powers enumerated in this article, notwithstanding any limitations or restrictions found elsewhere in this chapter.

(b) The corporate credit union may:

(1) Accept funds, either as shares or deposits, from a member and from any credit union incorporated by this state, by another state or territory of the United States or by the United States, whether or not such credit union is a member of the corporate credit union, or from a similar institution incorporated under the laws of another country;

(2) Make loans to or invest in a member or in any credit union incorporated by this state, by another state or territory of the United States or by the United States, whether or not such credit union is a member of the corporate credit union;

(3) Make loans to or place deposits in a bank, savings bank, trust company or savings and loan association incorporated by this state, by another state or territory of the United States or by the United States;

(4) Provide payment systems and correspondent services for the benefit of its members;

(5) Participate with any credit union incorporated by this state, another state or territory of the United States or the United States in making loans to its members or to members of any other participating credit union, under the terms and conditions to which the participating credit unions agree;

(6) Purchase, sell, and hold investment securities which are marketable obligations in the form of bonds, notes or debentures which are salable under ordinary circumstances with reasonable promptness at a fair value. All investments and related contracts and agreements shall be made in accordance with written investment policies established by the board of directors, and shall conform to those investments permitted under section two, article nine of this chapter;

(7) Borrow from any source, at the discretion of its board of directors;

(8) Authorize its board of directors to delegate the authority to set interest rates on loans and deposits and to determine dividends on shares;

(9) Contract for penalties for payment of loans prior to their scheduled maturity;

(10) Sell all or a part of its assets to another depository financial institution, purchase all or part of the assets of another depository financial institution and assume the liabilities of the selling depository financial institution and those of its members or depositors. To the extent that the action results in a merger, the commissioner shall direct that the appropriate

provisions of section two, article ten of this chapter be followed;

(11) Act as intermediary for the funds of members, credit unions and other corporate credit unions;

(12) Act as agent for members, other credit unions and credit union organizations in paying, receiving, transferring the assets and liabilities received and invested as permitted in this article;

(13) Receive and hold in safekeeping the securities and other assets of its members and, in connection therewith, make such disposition of such assets as may be agreed to or directed by the member; and

(14) Exercise all incidental powers that are convenient, suitable or necessary to enable it to carry out its purposes.

(c) The corporate credit union may exercise the powers or privileges granted a federal corporate credit union, subject to the approval of the commissioner.

§31C-11-6. Participation in central system.

The corporate credit union may enter into agreements and subscribe to any required shares for the purpose of participation in the national credit union administration central liquidity facility created by Public Law 95-630 or any other state or federal central liquidity facility or central financial system available to credit unions. It may also enter into agreements with any third parties to aid credit unions to obtain additional sources of liquidity.

WV Legislature

§31C-11-7. Security interest.

The corporate credit union may require and accept security for loans to a member in the form of a pledge, assignment, hypothecation or mortgage of any assets of the member or a guarantor.

WV Legislature

§31C-11-8. Meetings.

The board of directors of the corporate credit union shall meet each month. The board may meet at other times as is necessary. Board meetings may be conducted by means of telephone as provided in the bylaws in a manner consistent with state law.

WV Legislature

§31C-11-9. Fees.

Corporate credit unions shall pay the assessment and fees set for credit unions under this code to defray the costs to the commissioner and board for their supervision, examination and administration. The assessments and operating fees established by the commissioner or Legislature may make allowances for the special purposes and operations of the corporate credit union.

WV Legislature

§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.

§31C-11-11. Annual audit.

(a) The supervisory committee of the corporate credit union shall cause an annual audit to be made by an independent certified public accountant and shall submit the annual audit report to the board of directors. A summary of the audit report shall be submitted to the membership at the next annual meeting.

(b) A copy of the audit report shall be submitted to the commissioner within thirty days after receipt by the board of directors.

§31C-11-12. Securities exemption.

The corporate credit union shall be exempt from the securities laws of this state.

WV Legislature