

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 52

Short Title: Foreign Credit Union Act.

(Public)

Sponsors: Representatives Brubaker; Dickson, Hasty, Holmes, and Rogers.

Referred to: Commerce.

February 11, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO REGULATE FOREIGN CREDIT UNIONS.

3 The General Assembly of North Carolina enacts:

4 Section 1. Chapter 54 of the General Statutes is amended by adding a new
5 Article 14N to read:

6 **"ARTICLE 14N.**
7 **"FOREIGN CREDIT UNIONS.**

8 **"§ 54-109.106. Foreign Credit Unions.**

9 (a) A credit union organized under the laws of another state or territory of the
10 United States may conduct business as a credit union in this State with the approval of
11 the Administrator, provided credit unions incorporated under Articles 14A through 14M
12 of this Chapter are allowed to do business in the other state under conditions similar to
13 these provisions. Before granting the approval, the Administrator must find that the
14 foreign credit union:

- 15 (1) Is a credit union organized under laws similar to Articles 14A through
16 14M of this Chapter;
17 (2) Is financially solvent;
18 (3) Has account insurance through the federal government or any agency
19 thereof;
20 (4) Is examined and supervised by a regulatory agency of the state in
21 which it is organized;
22 (5) Will serve a field of membership not being served in this State or to
23 adequately serve its members in this State;

- 1 (6) Operation by the credit union will not have adverse impact on the
2 financial, economic or other interests of residents of this State.
- 3 (b) No foreign credit union may conduct business in this State unless it:
- 4 (1) Makes loans at such terms allowed under the provisions of Article 14G
5 of this Chapter;
- 6 (2) Complies with the rules and regulations applicable to credit unions
7 incorporated under Articles 14A through 14M of this Chapter;
- 8 (3) Agrees to furnish the Administrator a copy of the report of
9 examination of its regulatory agency and such other documents or
10 reports as may be requested or to submit to an examination as the
11 Administrator deems necessary;
- 12 (4) Designates and maintains an agent for the service of process in this
13 State.
- 14 (c) The Administrator may deny or revoke approval of a credit union to conduct
15 business in this State if the Administrator finds that:
- 16 (1) The credit union fails to meet the requirements of subsection (a);
17 (2) The credit union fails to comply with the laws of this State or lawful
18 rules or orders issued by the Administrator;
19 (3) The credit union has engaged in a pattern of unsafe or unsound credit
20 union practices."

21 Sec. 2. This act becomes effective October 1, 1991.