



Ohio Revised Code

Section 1761.06 Corporation - powers and duties.

Effective: March 23, 2015

Legislation: House Bill 562 - 130th General Assembly

(A) In carrying out its general purposes as set forth in section 1761.03 of the Revised Code, a credit union share guaranty corporation may do any of the following:

(1) Guarantee to participating credit unions the payment of any deficiency in the individual member's or, as described in division (B)(2) of section 1761.02 of the Revised Code, a nonmember's credit union share accounts caused by insolvency or any other reason;

(2) Issue credit union share guaranty insurance policies or otherwise effect credit union share guaranty insurance;

(3) Advance funds in accordance with agreed lending terms and conditions to aid participating credit unions to operate and to meet liquidity requirements, regulatory capital requirements, or both;

(4) Upon the written order of the superintendent of credit unions or other credit union supervisory authority, and at such compensation as shall be agreed upon, the corporation may assume control of the property and business of any participating credit union and operate it at the direction of the superintendent or other authority until its financial stability has been reestablished to the satisfaction of the superintendent or other authority, or the credit union has been liquidated or merged into another credit union;

(5) Assist in the merger, consolidation, or liquidation of credit unions;

(6) Purchase or otherwise acquire, lease as lessee, invest in, hold, use, lease as lessor, encumber, sell, exchange, transfer, and dispose of property of any description or any interest therein;

(7) Borrow money, and issue, sell, and pledge its notes, bonds, and other evidences of indebtedness, and secure any of its obligations by mortgage, pledge, or deed of trust of all or any of its property, and guarantee or secure obligations of participating credit unions, subject to section 3901.72 of the



Revised Code;

(8) Enter into contracts of insurance or reinsurance, insuring in whole or in part its contractual guarantees to participating credit unions and any other insurance or bonding company contracts necessary or advisable in the conduct of its business, provided a credit union share guaranty corporation shall not assume as reinsurer any risks from another insurer;

(9) Receive money or other property from its participating credit unions, or any person;

(10) Invest its funds as provided in section 1761.13 of the Revised Code;

(11) Receive by assignment, mortgage, or purchase any asset or interest therein owned or held by a participating credit union;

(12) Sell, assign, mortgage, encumber, or transfer property of any nature;

(13) Conduct investigations, examinations, and audits of any applicant or participating credit union in order to determine the financial condition and operations of the applicant or participating credit union;

(14) Become a member or shareholder in any organization, domestic or foreign, regional or national, organized and operated for the purpose of assisting the corporation in carrying out its purposes and, subject to the approval of the superintendent of credit unions, delegate to such organization any one or more of the functions for which it is responsible under this chapter;

(15) Conduct its affairs in and outside of this state, provided it shall maintain its offices, books, and records in the location stated in its articles of incorporation as its principal place of business.

(B) The corporation may obtain, and continuously maintain in effect, reinsurance and a line of credit, each from one or more insurance companies or financial institutions and in such amount as determined by its board of directors. The superintendent of credit unions or the superintendent of insurance may require the corporation to obtain and maintain reinsurance or a line of credit but only in the event the superintendent of credit unions or the superintendent of insurance first finds that



such reinsurance or line of credit is actuarially or financially necessary and is reasonably available to the corporation. Such determination shall be made on a year-to-year basis.

In the event of lapse of either reinsurance or the line of credit of the corporation, the corporation shall immediately notify the superintendent of credit unions, the superintendent of insurance, the president of the senate, and the speaker of the house of representatives, and shall confirm this communication in writing.

(C) All written communication with regulatory significance from a credit union supervisory authority of another state to the corporation shall be copied and such copy shall be sent by the corporation to the superintendent of credit unions and the superintendent of insurance within three days of receipt.

(D) The corporation shall not publicly represent in any manner that it is an agency of the state or federal government. Any public representations of the corporation's status or legal existence are further subject to rules adopted by the superintendent of credit unions and the superintendent of insurance.

(E) The corporation shall submit its standard contract of share guaranty, and any amendments thereto, to the superintendent of credit unions and the superintendent of insurance annually. The contract of share guaranty shall reflect all terms governing the guarantee of payment of a credit union share account and shall constitute the policy of credit union share guaranty insurance.