



Ohio Revised Code

Section 1761.07 Credit union participation in credit union share guaranty corporation.

Effective: September 27, 2002

Legislation: House Bill 506 - 124th General Assembly

(A) Any credit union chartered by this state or any credit union chartered by a state that, as described in division (B) of this section, allows its credit unions to be eligible for participation in a credit union share guaranty corporation or any credit union chartered by the federal government that, as described in division (C) of this section, allows federally chartered credit unions to be eligible for participation in a credit union share guaranty corporation is eligible to participate in a credit union share guaranty corporation under this chapter, subject to the following conditions:

(1) The board of directors of the credit union and the board of directors of the credit union share guaranty corporation approve the participation;

(2) The credit union satisfies the risk eligibility standards established by the credit union share guaranty corporation and applicable to all applying and participating credit unions;

(3) The credit union agrees to furnish financial statements, delinquent loan reports, and other information considered necessary by the credit union share guaranty corporation to assess the financial condition and performance of the credit union;

(4) The credit union agrees to be bound by the provisions of this chapter and the articles of incorporation and bylaws of the credit union share guaranty corporation;

(5) Participation by the credit union would not result in a violation by the credit union share guaranty corporation of any provision of this chapter or other applicable state or federal law.

(B) Credit unions chartered by other states qualify for participation in the corporation, provided the following conditions are satisfied:

(1) Such participation is lawful under the laws of both this state and the domicile state of the credit



union applying for participation in the corporation;

(2) The credit union share guaranty corporation by agreement or law has sufficient authority to require the credit union applying for participation in the corporation to comply with the articles of incorporation and bylaws of the corporation, and with this chapter;

(3) The credit union supervisory authority of such state agrees to furnish to the credit union share guaranty corporation copies of all financial and examination reports and other information regarding participating credit unions as is necessary to effect the corporation's purposes. If the credit union supervisory authority is prohibited by law from disclosing this information, the participating credit unions shall provide the information to the corporation.

(C) Credit unions chartered by the federal government may participate in the corporation, provided the following conditions are satisfied:

(1) The national credit union administration does not restrict such participation;

(2) Such participation is lawful under the laws of both this state, the domicile state of the credit union applying for participation in the corporation, and the federal government;

(3) The credit union share guaranty corporation by agreement or law has sufficient authority to require the credit union applying for participation in the corporation to comply with the articles of incorporation and bylaws of the corporation, and with this chapter;

(4) To the extent permitted by federal law or regulation, participating credit unions insured by the national credit union administration agree to furnish to the corporation copies of all financial and examination reports and other information regarding the participating credit unions as is necessary to effect the corporation's purposes.

(D) Any credit union that has been admitted to participation in the credit union share guaranty corporation in accordance with the qualifications of this section shall have referenced in their contract with the corporation all of the appropriate conditions for participation and the manner in which these conditions were satisfied.



(E) Any credit union that has been admitted to participation in the corporation in accordance with the qualifications of division (B) or (C) of this section shall have the same privileges, benefits, and obligations of participation as those participating credit unions chartered under the laws of this state.

(F) No credit union shall be admitted to participation in the corporation unless it has paid in full its capital contribution or any applicable premiums, fees, and assessments.

(G) Notwithstanding any other provision of law to the contrary, each participating credit union, which is otherwise entitled to vote on any matters or action of the corporation under this chapter, Chapter 1701. or 1702. of the Revised Code, or the articles or bylaws of the corporation, shall be entitled to cast no more than one vote.

(H) The right to participate issued by the corporation shall be nontransferrable and shall be exempt from the securities laws of this state.