



## Ohio Revised Code

### Section 1761.02 Establishment, licensing and operation.

Effective: September 27, 2002

Legislation: House Bill 506 - 124th General Assembly

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(A) A credit union share guaranty corporation may be established, licensed, and operated in compliance with this chapter.

(B)(1) A credit union share guaranty corporation may be organized as a corporation under this chapter. Chapter 1701. or 1702. of the Revised Code, to the extent either is applicable and not in conflict with this chapter and those chapters of Title XXXIX of the Revised Code specified in division (A) of section 1761.04 of the Revised Code, applies to such corporation. A credit union share guaranty corporation shall only be authorized to do any of the following:

(a) Engage in the business of guaranteeing payment of a credit union share account of an individual member of a credit union;

(b) In accordance with division (B)(2) of this section, engage in the business of guaranteeing payment of a credit union share account of a nonmember of a credit union;

(c) Otherwise issue or effect credit union share guaranty insurance.

(2) For purposes of division (B) of this section, both of the following apply:

(a) Nonmember share accounts are subject to guaranty provided by the credit union share guaranty corporation not exceeding twenty per cent of the aggregate share accounts of the participating credit union.

(b) Nonmember share accounts are nonmember share accounts that are received by a participating credit union that has been designated by its supervisory authority as serving predominantly low-income members; share accounts of other credit unions; and, to the extent determined by the participating credit union's supervisory authority to be received by that credit union consistent with law, share accounts of public units or political subdivisions. For purposes of division (B)(2)(b) of



this section, "supervisory authority" means, with respect to any credit union doing business in this state, the superintendent of financial institutions and, with respect to any credit union doing business in another state, the official who regulates credit unions in that state.

(C) A credit union share guaranty corporation shall have the word "insurance" in its name.

(D) Persons who receive from a credit union share guaranty corporation any commission, salary, or other emolument for services arising out of their association with the corporation shall not comprise a majority of the membership of the board of directors of the corporation. This division does not apply to persons who receive only an emolument consisting of fees or expense reimbursements for serving as a member of the board of directors of the corporation or of a committee of the board of directors.

(E) A credit union share guaranty corporation organized as a nonprofit corporation under this chapter is exempt from all taxes and fees imposed by this state or any county, municipal corporation, local authority, or other subdivision, except that any real property owned by the nonprofit corporation is subject to taxation to the same extent according to its value as other real property is taxed.

(F) Notwithstanding the provisions of section 5725.18 of the Revised Code, the capital deposits or contributions by participating credit unions shall not be included in the value of capital and surplus subject to the annual franchise tax payable by a credit union share guaranty corporation organized under this chapter nor shall any capital contributions, assessments, or fees received from participating credit unions for primary coverage by such credit union share guaranty corporation be included in the gross amount subject to the annual franchise tax. Any payment otherwise made under this division shall be in addition to any taxes due as an insurer under Title LVII of the Revised Code.