



Ohio Revised Code

Section 1761.08 Assessing financial condition and performance of credit union.

Effective: March 23, 2015

Legislation: House Bill 652 - 130th General Assembly

(A)(1) In order to permit the credit union share guaranty corporation to assess the financial condition and performance of a credit union, upon the written request of the corporation, the superintendent of credit unions or other credit union supervisory authority or the national credit union administration may furnish to the corporation a copy of unaudited financial statements filed by a participating credit union or a credit union making application to participate in the corporation pursuant to divisions (B) and (C) of section 1733.32 of the Revised Code or a comparable state or federal statute or of any examination reports of the superintendent or other credit union supervisory authority which were prepared pursuant to division (A) of section 1733.32 of the Revised Code or a comparable state or federal statute.

(2) There shall be no liability on the part of, and no cause of action of any nature shall arise against this state or any state, the superintendent of credit unions or other credit union supervisory authority, or the national credit union administration for the release of any information furnished to the corporation pursuant to this division.

(3) Financial statements and analyses furnished to the corporation pursuant to division (A) of this section are not public documents, and the information contained therein is privileged and confidential to the corporation for its sole use in carrying out its statutory functions.

(B)(1) Each participating credit union shall submit to the credit union share guaranty corporation quarterly, or more frequently as considered necessary by the corporation, a copy of its financial statements, delinquent loan report, and any other information considered necessary by the credit union share guaranty corporation in order to assess the financial performance of the participating credit union. The corporation may require that participating credit unions submit financial information in the format required by the corporation.

(2) Financial statements submitted to the corporation by participating credit unions pursuant to division (B)(1) of this section are public documents.



(C) Each participating credit union shall submit to the credit union share guaranty corporation upon written request of the corporation any other information as is necessary to effect the corporation's purposes.

(D)(1) In addition to other powers conferred in this chapter a credit union share guaranty corporation may do the following:

(a) Appoint an independent certified public accountant or public accountant to prepare an audit report containing audited financial statements together with such other information as the corporation, in good faith, requires regarding the financial condition of any participating credit union;

(b) Upon notification to its participating credit union and after notice to the superintendent of credit unions, or other credit union supervisory authority, or the national credit union administration, send a specialized employee to investigate the operations of a participating credit union.

(2) Costs and expenses for an audit report or special investigation report under division (D)(1)(a) of this section shall be paid by the corporation.

(E)(1) Upon determination by the superintendent of credit unions or the credit union share guaranty corporation that a participating credit union is operating in an unsafe or unsound manner, or that financial statements, delinquent loan reports, and other data received or examined by the corporation is unreliable or the participating credit union investment in the corporation is in excess of five per cent of the corporation's fund, the corporation shall require that an audit of the books and records of the participating credit union be conducted. The audit shall be completed in accordance with generally accepted auditing standards, and include such testing of the records necessary to render an opinion of an independent certified public accountant.

(2) If the report, certificate, or opinion of the independent accountant, as described in division (E)(1) of this section, is in any way qualified, the corporation shall require the credit union to take such action as the corporation considers necessary to permit an independent accountant to remove such qualification from the report, certificate, or opinion. If such qualification is not remedied within the



time period designated, the corporation shall report such qualification in writing to the superintendent within three days thereof.

(3) In addition to other action described in this division, the corporation may do the following:

(a) Recommend appropriate corrective measures to the operational policies and procedures of the participating credit unions;

(b) Enter into a written agreement of corrective action with any participating credit union, which agreement may include the superintendent or appropriate credit union supervisory authority or the national credit union administration;

(c) Make appropriate recommendations to the superintendent or appropriate credit union supervisory authority or the national credit union administration including the recommendation that the participating credit union be liquidated or consolidated;

(d) Submit reports and make recommendations to the superintendent of credit unions, other credit union supervisory authority, or the national credit union administration regarding the financial condition of any participating credit union. Such reports and recommendations are not public documents.

(4) There shall be no liability on the part of, and no cause of action of any nature shall arise against, the corporation or its participating credit unions, directors, officers, employees, or agents, or the superintendent or other credit union supervisory authority or the national credit union administration, for any statements made by them in any reports or recommendations made in accordance with division (E) of this section.

(F) When an examination or investigation of any participating credit union is considered necessary for good cause shown by the superintendent of credit unions under this chapter, the corporation shall pay to the superintendent of credit unions the cost thereof, including the salary or other compensation paid to the persons making the examination or rendering special services and overhead cost incurred in connection with the examination or investigation as fixed by the superintendent. In determining the costs of services or examinations, the superintendent may use the estimated hourly



cost for all persons performing services for, or examinations of, the corporation for the fiscal year.
Travel expenses shall be paid by the division of financial institutions.

(G) Neither the corporation nor any participating credit union, as an agent of the corporation or of its participating credit unions, or any other person shall use information obtained under division (A), (B), (C), (D), or (E) of this section for any purpose not authorized by this section. The conviction for violation of this division by any person located outside this state shall be reported to the appropriate credit union supervisory authority or the national credit union administration for prosecution under the laws of that jurisdiction.