

# THE EXAMINER

Issue 7

2024 is proving to be an active year with the Division's Periodic Rules Review as well as other regulatory and statutory functions of the agency. Several actions require approval from the Administrator, and we are highlighting a couple in this newsletter as a reminder – core system conversions and dividend payments. Please visit our website at <https://cud.nc.gov/> for more information on approvals or contact us at (984) 275-6730. Other issues we are addressing are interest rate limitations for certain types of credit and the end of a source of liquidity. Enjoy the Spring!



## PERIODIC RULES REVIEW – COMMENT PERIOD

**Beginning on March 25 and continuing through May 24, 2024**, the public will be invited to comment on all active rules codified in 04 NCAC 06. The Report with Initial Determinations can be found at <https://cud.nc.gov/Laws-Regulations/Periodic-Review-of-Existing-Rules>. Caroline Warren is the rulemaking coordinator, and you may contact her with comments at [rules@nccud.nc.gov](mailto:rules@nccud.nc.gov) or by mail at 205 West Millbrook Road, Suite 105, Raleigh, NC 27609.

### IMPORTANT DATES

- March 25 – May 24, 2024 – Comment period for Periodic Rules Review
- March 29, 2024 – NCCUD Office closed for Good Friday
- April 9, 2024 – Credit Union Commission meeting
- April 30, 2024 – 1<sup>st</sup> Quarter 5300 Call Report is due no later than 11:59:59 p.m.
- May 27, 2024 – NCCUD Office closed for Memorial Day

### CORE CONVERSIONS

04 NCAC 06C .0301 (c) requires credit union management to submit a copy of the proposed contract and a description of the core system to the Administrator for review and approval **at least 60 days prior to conversion**. The contract/agreement must include several items listed in the rule. These requirements can be found on our website at <https://cud.nc.gov/Laws-Regulations>.

### DIVIDEND PAYMENTS

For credit unions reporting negative year-to-date earnings, your Bylaws require you to obtain the written approval from the Administrator **prior** to declaring or paying dividends to members. Please refer to Article XVI, Section 2 of your Bylaws for more information.

### MAXIMUM INTEREST RATES

NCGS §24-1.1 sets the maximum interest rate on closed end consumer credit with principal balances of \$25,000 or less at the greater of 16% or a rate announced monthly by the Office of the Commissioner of Banks. Please review your loan products for compliance with the statutory limitations.

## BANK TERM FUNDING PROGRAM (BTFFP) ENDS

The Federal Reserve Board authorized the 12 Reserve Banks to establish the BTFFP as another source of liquidity to depository institutions, including credit unions. This program offered advances of up to one year; however, the BTFFP ceased extending new loans on March 11, 2024. We encourage all our credit unions to evaluate liquidity options to safely meet member/depositor and institutional needs.

