

LCB File No. R110-06

PROPOSED REGULATION OF THE DIVISION OF FINANCIAL INSTITUTIONS OF THE DEPARTMENT OF BUSINESS AND INDUSTRY

PROPOSED ADOPTION AND AMENDMENTS TO THE REGULATIONS OF CREDIT UNIONS

Explanation: Material in *bold italics* is new material; material lined out within ~~bold brackets~~ is material to be omitted.

Purpose: To adopt regulations under chapter 678 of the Nevada Administrative Code relating to credit unions, establishing the amount of certain fees; establishing a records retention schedule; establishing certain definitions and policies; and providing other matters properly relating thereto.

General Authority: NRS 678.250, 678.260, 678.270, 678.310, 678.3435, 678.800, 678.810.

Section 1. Chapter 678 of the NAC is hereby amended by adding thereto the provisions set forth as sections 2 through 9, inclusive, of this regulation.

Section 2.

- 1. The nonrefundable investigation fee required pursuant to NRS 678.3435(1) is \$750.*
- 2. The annual fee required by NRS 678.3435(1) is \$750 plus \$150 for each additional branch office.*

Section 3.

The late fee for each a day a credit union fails to submit a report required pursuant to this chapter or chapter 678 of NRS is \$10.

Section 4.

Each credit union as must retain and keep records for a period and in a manner required pursuant to 678.260(2) as follows:

- 1. Preserved records may be kept in any readily reproduced format including but not limited to paper originals, machine copies or any electronic format that:*
 - (a). Accurately reflect the information of the record;*
 - (b). Can be produced to all persons who are entitled to access the record; and*
 - (c). Are capable of being transmitted, printed, or otherwise disseminated.*
- 2. Records that must be retained permanently by a credit union are:*
 - (a). Charter, bylaws and amendments;*
 - (b) Certificates of licenses to operate under various state and federal government programs, including but not limited to certificates to act as an issuing agent for the sale of U.S. Savings Bonds;*

- (c). *Records of the operation of the credit union including, but not limited to:*
- A. *Minutes of meetings of the membership, board of directors, credit committee or audit committee;*
 - B. *Any copies of NCUA 5300 financial reports or their equivalent;*
 - C. *Any copies of each audit committee comprehensive annual audit, report and attachments;*
 - D. *Audit committee records of account verification;*
 - E. *Applications for membership and account agreements;*
 - F. *Copies of periodic statements of members and individual share and loan ledgers including a complete records of all members accounts;*
 - G. *A list of all records that have been destroyed pursuant to subsection 5 of this section.*
3. *Records of applications for membership or account agreements must be retained for a period of seven years.*
4. *Any record required to be retained pursuant to state or federal law must be retained for the period prescribed in that state or federal law.*
5. *Except as required by subsection 2, 3, and 4, all other records of a credit union may be destroyed after one year from the date of the records.*

Section 5.

The term “unimpaired capital and surplus” as used in NRS 678.710 means shares plus post-closing, undivided earnings, but does not include regular reserves or special reserves required by this chapter or chapter 678 of NRS.

Section 6.

- 1. *Except as otherwise provided in this section or at the discretion of the Commissioner, a complaint and all documents and other information filed with the complaint or resulting from an investigation of the complaint are confidential.*
- 2. *If a licensee, or licensee's representative, does not respond to the Commissioner within 20 business days after receipt of a written notice of a complaint by the Commissioner, the licensee is deemed to have admitted the allegations in the complaint.*

Section 7. NAC 678.010 is hereby amended as follows:

- 1. Any person desiring to form a credit union pursuant to chapter 678 of NRS must:
 - (a) Complete the Organization Certificate, Confidential Report of Officials, Agreement by Director and Committeemen to Serve, Report of Officials and Credit Union Investigation Report provided by the commissioner.
 - (b) Submit the forms required by paragraph (a) to the commissioner, together with ~~[\$25]~~ **\$750** as payment of an investigation fee ~~[of \$12.50]~~ and a charter fee of ~~[\$12.50]~~ **\$300**.
- 2. The commissioner will investigate and determine whether the proposed Organization Certificate conforms to the requirements of chapter 678 of NRS concerning the general character and fitness of the subscribers thereto, and determine the economic feasibility of establishing the proposed credit union.
- 3. If the commissioner is satisfied that the qualifications have been met, he will issue a charter to the proposed credit union.

Section 9. NAC 678.160 is amended as follows:

1. Not later than January 31 of each year, each credit union shall pay to the division a license fee of ~~[\$200]~~ \$300.

2. A credit union which has been chartered under the laws of another jurisdiction and converts to a credit union chartered under the laws of this state shall pay a percentage of the license fee based on the number of days remaining in the year (assuming a 360 day year) and the total assets of the credit union as of the end of the month before the conversion. The prorated fee is due within 30 days after the conversion.

3. A credit union which receives a new charter (other than by conversion) is not required to pay the license fee until January 31 following its receipt of the charter.