

286.6-405 Credit union insurance on shares and deposits.

- (1) Not later than December 31, 1984, a credit union shall apply for insurance on shares and deposits as provided by the national credit union administration under Title II of the Federal Credit Union Act (12 U.S.C. secs. 1781 et seq.), or alternatively, a form of comparable insurance approved by the commissioner. This requirement does not apply to a credit union with debt and equity capital consisting primarily of funds from other credit unions.
- (2) A credit union which has been denied a commitment for such insurance shall within thirty (30) days commence steps to either liquidate, or merge with an insured credit union, or apply in writing to the commissioner for additional time to obtain an insurance commitment. The commissioner may grant one (1) or more extensions of time to obtain the insurance commitment upon satisfactory evidence that the credit union has made or is making substantial effort to achieve the conditions precedent to issuance of the commitment.
- (3) No credit union shall be granted a charter by the commissioner unless such credit union has obtained a commitment for insurance of its member share and deposit accounts.
- (4) The commissioner may make available reports of condition and examination findings to the National Credit Union Administration or to any qualified insuring organization and may accept any report of examination made on behalf of such agency or organizations. The commissioner may appoint an official of the National Credit Union Administration or of any qualified insuring organization as liquidating agent of an insured credit union.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 736, effective July 15, 2010. -- Created 1984 Ky. Acts ch. 408, sec. 41, effective July 13, 1984.

Formerly codified as KRS 290.405.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.