

CHAPTER 11
INSOLVENCY

189—11.1(533) Definition of insolvency. Insolvency shall exist where the assets of a credit union, if liquidated, would not equal the amount necessary to pay off the liability of the credit union.

189—11.2(533) Factors considered. In determining whether a credit union is insolvent, the superintendent shall, among other things, consider the following:

1. Amount and length of delinquent loans;
2. Available reserves;
3. Source of operating funds;
4. Book and market value of assets; and
5. Current and expected operating expenses.

189—11.3(533) First year of operation. A credit union in its first year of operation will not be subject to the insolvency provisions of rules 11.1(533) and 11.2(533) unless the extent of the insolvent condition threatens the safety and soundness of the credit union, or unless the credit union has violated a provision of Iowa Code chapter 533.

These rules are intended to implement Iowa Code section 533.6.

[Filed 12/20/79, Notice 10/31/79—published 1/9/80, effective 2/13/80]

[Filed emergency 8/21/86—published 9/10/86, effective 8/21/86]

[Filed 9/29/89, Notice 7/26/89—published 10/18/89, effective 11/22/89]