

189—7.1(533) Authority. Iowa Code subsection 533.301(1) grants a credit union the power to receive from its members, nonmembers where the credit union is serving predominantly low-income members, other credit unions, and federal, state, county, and city governments, payments on shares or as deposits.

Low-income designated credit unions must comply with the National Credit Union Administration (NCUA) Rules and Regulations applicable to all federally insured credit unions. In particular, NCUA Rules and Regulations, Parts 701.32, 701.34 and 705, apply specifically to low-income designated credit unions.

A low-income designated credit union has the same purpose as all other credit unions: to create a source of credit at a fair and reasonable rate of interest; to encourage habits of thrift among its members; and to provide the opportunity for people to use and control their savings for their mutual benefit. In addition, these credit unions have the additional requirement that a majority of their members must be at or below the income standards set by these rules.