

189—7.4(533) Nonmember deposits. Low-income credit unions can receive nonmember shares and deposits from any source, including other financial institutions, public units, philanthropic individuals or groups such as churches and foundations, and the Community Development Revolving Loan Program. Nonmember account holders shall not have the rights and privileges afforded by Iowa Code chapter 533 to members of a credit union, and are limited in their involvement with a credit union to that specified by this rule.

7.4(1) Limitations. Unless a greater amount has been approved by the superintendent, the maximum aggregate amount of all public unit and nonmember accounts shall not, at any given time, exceed 20 percent of the total shares and deposits of the credit union or \$1.5 million, whichever is greater.

7.4(2) Exception to limit. Before accepting any public unit or nonmember accounts in excess of 20 percent of total shares and deposits, the board of directors must adopt a specific written plan concerning the intended use of these accounts and forward a copy to, and receive approval from, the superintendent.

a. The plan must include:

(1) A statement of the credit union's needs, sources and intended uses of public unit and nonmember shares and deposits;

(2) Provision for matching maturities of public unit and nonmember shares and deposits with corresponding assets, or justification for any mismatch; and

(3) Provision for adequate income spread between public unit and nonmember shares and corresponding assets.

b. In addition to the plan specified by this subrule, a credit union seeking an exception must include in its written request:

(1) The new maximum level of public unit and nonmember shares and deposits being requested, either as a dollar amount or a percentage of total shares and deposits of the credit union;

(2) A copy of the credit union's latest financial statement, including income and expenses;

(3) A copy of the credit union's loan and investment policies; and

(4) Such other documentation as may be required by the superintendent.

7.4(3) Use of nonmember deposits. Nonmember deposits in low-income designated credit unions may be:

a. Loaned to the members when current member share and deposit accounts are insufficient to meet the loan demand and liquidity needs of the credit union;

b. Invested and the positive spread used to improve the income of the credit union; and

c. Invested and the positive spread used to build the capital of the credit union.