

189—7.5(533) Removal of low-income designation. Once a credit union qualifies for low-income designation, it is presumed that the status will be retained. However, the income level of the field of membership may increase due to improvement in economic conditions, or the merger or expansion of the credit union. Documentation regarding continued low-income status eligibility will be reviewed during each regular examination of the credit union to ensure that the credit union continues to meet the standards established by this rule. Final decision regarding removal of low-income designation rests with the superintendent. Removals may be appealed to the credit union review board in a timely manner.

7.5(1) Reason for removal. The designation as a low-income credit union may be removed by the superintendent:

a. At the request of the credit union if it is determined by the superintendent that to do so will not adversely affect the members of the credit union and that the removal action would be in the public interest; or

b. If, after notice to the credit union and the opportunity for a hearing, the superintendent determines that the credit union no longer meets the standards and limitations established by this rule and that the removal action would be in the public interest.

7.5(2) Result of loss of low-income designation on nonmember accounts. Immediately following the removal of the low-income status, the credit union shall provide all nonmembers written notice of the removal action, informing them:

a. That the credit union is no longer eligible to receive nonmember payments on shares and deposits;

b. That all nonmember accounts with a stated maturity date may be withdrawn prior to maturity without any early withdrawal penalty; and

c. That the nonmember shares and deposits held by the credit union must be withdrawn and the account closed either upon the stated date of maturity of the account or the date when the account ceases to be federally insured as required by Iowa Code section 533.64, whichever occurs first.