

This rule was filed as 12 NMAC 17.4.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 17 CREDIT UNIONS
PART 4 CREDIT UNION SERVICE ORGANIZATION

12.17.4.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, 725 St. Michael's Drive, Santa Fe, New Mexico 87504. Telephone No. (505) 827-7100.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.4.2 SCOPE: All credit unions chartered by the state of New Mexico.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.4.3 STATUTORY AUTHORITY: Section 58-11-56(F) NMSA 1978.
[6/19/87; 9/30/97; Recompiled 10/15/01]

12.17.4.4 DURATION: Permanent.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.4.5 EFFECTIVE DATE: October 19, 1990, unless a later date is cited at the end of a section or paragraph. Reformatted in NMAC format 9/30/97.
[10/19/90; 9/30/97; Recompiled 10/15/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

12.17.4.6 OBJECTIVE: The objective of this part is to provide for the formation of credit union service organizations by state credit unions.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.4.7 DEFINITIONS:

A. "Credit union service organization" is an entity defined in Sections 107(5) (D) and 107(7) (I) of the Federal Credit Union Act (12 U.S.C. Sections 1757(5) (D) and 1757(7) (I) and Part 701.27 of the NCUA Rules and Regulations [12 C.F.R. Section 701.27].

B. "Paid-in and unimpaired capital and surplus" means the balance of the paid-in share accounts and deposits, less any loss that may have been incurred for which there is no reserve or which has not been charged against undivided earnings, plus the credit balance (or less the debit balance) of the undivided earnings account, after all losses have been provided for and net earnings or net losses have been added thereto or deducted therefrom. Reserves shall not be considered as part of surplus.
[10/19/90; 9/30/97; Recompiled 10/15/01]

12.17.4.8 CREDIT UNION SERVICE ORGANIZATIONS:

A. The purpose of a credit union service organization is to provide those goods and services and perform those functions that are associated with routine credit union operations. It may provide any or all of the following functions or services:

(1) credit card and debit card services, ATM services, accounting systems, data processing, management training and support, payment item processing, record retention and storage, locator services, research services, debt collection services, credit analysis and loan servicing and coin and currency services;

(2) family financial services including, but not limited to, financial planning and counseling, including retirement counseling, estate planning and income tax preparation, developing and administering IRA and Keogh plans and other personal benefit plans and provision of trust services including acting as trustee or in any other similar fiduciary capacity;

(3) personal property leasing and developing of leasing plans; and

(4) other services, as determined by the director, that are associated with the routine operation of credit unions.

B. A credit union may, either by itself or in agreement with other entities, form or invest in a credit union service organization.

C. A credit union investing in or lending to a credit union service organization must submit call reports or any other information upon request by the director. In addition, a credit union service organization shall be subject to examination by the financial institutions division.

D. A credit union may invest in and lend to a credit union service organization within the following limits:

(1) in shares, stocks or obligations of a credit union service organization, up to one percent of the total paid-in and unimpaired capital and surplus of the credit union, with the approval of the director;

(2) in loans to credit union service organizations, up to one percent of the total paid-in and unimpaired capital and surplus of the credit union, with the approval of the credit union's board of directors.

[10/19/90; 9/30/97; Recompiled 10/15/01]

HISTORY OF 12.17.4 NMAC;

Pre-NMAC Regulatory Filing History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

Regulation 85-8, Credit Union Service Organization, filed 4/30/85 and

Regulation 90-4CU, Credit Union Service Organization, filed 11/14/90.

History of Repealed Material: [RESERVED]