

This rule was filed as 12 NMAC 17.8.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 17 CREDIT UNIONS
PART 8 RECORDS, ACCOUNTING SYSTEMS AND PROCEDURES

12.17.8.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, P.O. Box 25101, Santa Fe, New Mexico 87504.
[10/31/97; Recompiled 10/15/01]

12.17.8.2 SCOPE: All credit unions chartered by the state of New Mexico.
[10/31/97; Recompiled 10/15/01]

12.17.8.3 STATUTORY AUTHORITY: Section 58-11-3(C) NMSA 1978.
[10/31/97; Recompiled 10/15/01]

12.17.8.4 DURATION: Permanent beginning on the effective date.
[10/31/97; Recompiled 10/15/01]

12.17.8.5 EFFECTIVE DATE: October 31, 1997, unless a later date is cited at the end of a section or paragraph.
[10/31/97; 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[Compiler's note: The words *or paragraph*, above, are no longer applicable.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.]

12.17.8.6 OBJECTIVE: The objective of this part is to establish a definition of records maintenance and accounting systems and procedures pursuant to Section 58-11-6(A) NMSA 1978.
[10/31/97; Recompiled 10/15/01]

12.17.8.7 DEFINITIONS:

A. "Full and fair disclosure" means the level of disclosure which a prudent person would provide to a member of a credit union, the financial institutions division, the national credit union administration or, at the discretion of the board of directors, a creditor in order to fairly inform any or all of them of the financial condition and the results of operations of the credit union at any given time.

B. "Record maintenance and accounting systems and procedures" means the use of an accounting method provided for in the accounting manual for federal credit unions, which shall be either the modified cash basis or the accrual basis of accounting and the use of appropriate financial statements described in the accounting manual referenced above.

[10/31/97; Recompiled 10/15/01]

12.17.8.8 ISSUING AUTHORITY: The issuing agency is responsible for ensuring that the requirements set forth in this part have been complied with.
[10/31/97; Recompiled 10/15/01]

12.17.8.9 DISCLOSURE AND ACCOUNTING: Full and fair disclosure is the level of disclosure a prudent person would provide to a member of a credit union, NCUA, this division or a creditor in order to fairly inform them of the financial condition and the results of operations. While it is one consideration when deciding on the amount to set aside in a reserve, fair representation is also a component when making appropriate board policies and procedures, implementing relevant corrective action requests and/or securing adequate credit commitments for the credit union.

[10/31/97; Recompiled 10/15/01]

HISTORY OF 12.17.8 NMAC: [RESERVED]