

HAWAII ADMINISTRATIVE RULES

TITLE 16

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

CHAPTER 31

CREDIT UNIONS

§16-31-1	Definitions
§16-31-2	Repealed
§16-31-3	Repealed
§16-31-4	Repealed
§16-31-5	Repealed
§16-31-6	Repealed
§16-31-7	Repealed
§16-31-8	Repealed
§16-31-9	Repealed
§16-31-10	Repealed
§16-31-11	Repealed
§16-31-12	Bonds
§16-31-13	Repealed
§16-31-14	Repealed
§16-31-15	Repealed
§16-31-16	Repealed
§16-31-17	Repealed
§16-31-18	Repealed
§16-31-19	Repealed
§16-31-20	Repealed
§16-31-21	Amendment of articles of association and bylaws
§16-31-22	Repealed

Historical Note: This chapter is based substantially upon rules regulating state chartered credit unions adopted by the Department of Regulatory Agencies. [Eff 4/22/76; R 7/2/81]

§16-31-1

§16-31-1 Definitions. As used in this chapter:

"Commissioner" means the commissioner of financial institutions of this State.

"Credit union" means a cooperative, nonprofit association, chartered under chapter 412, Hawaii Revised Statutes, for the purposes of encouraging thrift among its members, creating a source of credit at a fair and reasonable rate of interest, and providing an opportunity for its members to use and control their own money to improve their economic and social condition.

"Risk assets" means all assets except the following:

- (1) Cash on hand;
- (2) Deposits or shares in federally or state-insured banks, savings and loan associations, and credit unions;
- (3) Assets which are insured by, fully guaranteed as to principal and interest by, or due from the United States government, its agencies, the Federal National Mortgage Association, or the Government National Mortgage Association;
- (4) Loans to other credit unions;
- (5) Loans to students insured under the provision of Title IV, Part B of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) or similar state insurance programs;
- (6) Loans insured under Title I of the National Housing Act (12 U.S.C. 1703) by the Federal Housing Administration;
- (7) Shares or deposits in central credit unions;
- (8) Common trust investments which deal in investments authorized by the Federal Credit Union Act;
- (9) Prepaid expenses;
- (10) Accrued interest on nonrisk investments;
- (11) Furniture and equipment; and
- (12) Land and buildings owned by the credit union. [Eff 7/2/81; am and comp 8/12/02] (Auth: HRS §§412:2-107, 412:10-602) (Imp: HRS §§412:1-109, 412:10-100, 412:10-602)

§16-31-2 Repealed. [R 8/12/02]

§16-31-3 Repealed. [R 8/12/02]

§16-31-4 Repealed. [R 8/12/02]

§16-31-5 Repealed. [R 8/12/02]

§16-31-6 Repealed. [R 8/12/02]

§16-31-7 Repealed. [R 8/12/02]

§16-31-8 Repealed. [R 8/12/02]

§16-31-9 Repealed. [R 8/12/02]

§16-31-10 Repealed. [R 8/12/02]

§16-31-11 Repealed. [R 8/12/02]

§16-31-12 Bonds. (a) The board of directors of each credit union shall review at least annually the bond coverage in force in order to ascertain the adequacy of the coverage in relation to the exposure and to the minimum requirements fixed from time to time by the commissioner or by applicable law.

(b) The surety insurer shall be authorized to do business in Hawaii.

(c) A credit union whose surety bond coverage is terminated shall submit written notice to the commissioner no less than thirty-five days prior to the effective date of such termination.

(d) The commissioner may require additional coverage for any credit union should the commissioner find that the surety bonds in force are insufficient to provide adequate surety coverage. It shall be the duty of the board of directors to obtain such additional coverage within thirty days after the date of written notice. [Eff 7/2/81; am and comp 8/12/02] (Auth: HRS §412:2-107) (Imp: HRS §412:10-112)

§16-31-13 Repealed. [R 8/12/02]

§16-31-14

§16-31-14 Repealed. [R 8/12/02]

§16-31-15 Repealed. [R 8/12/02]

§16-31-16 Repealed. [R 8/12/02]

§16-31-17 Repealed. [R 8/12/02]

§16-31-18 Repealed. [R 8/12/02]

§16-31-19 Repealed. [R 8/12/02]

§16-31-20 Repealed. [R 8/12/02]

§16-31-21 Amendment of articles of association and bylaws. A credit union may amend its bylaws and articles of association as provided by the bylaws. The amendment of the bylaws or of the articles of association shall not become effective until approved in writing by the commissioner. [Eff 7/2/81; am and comp 8/12/02] (Auth: HRS §412:2-107) (Imp: HRS §§412:3-103, 412:10-109, 412:10-110)

§16-31-22 Repealed. [R 8/12/02]

Amendments to and compilation of chapter 16-31, Hawaii Administrative Rules, on the Summary Page dated June 27, 2002, were adopted on June 27, 2002, following a public hearing held on the same date, after public notices were given in the Honolulu Star Bulletin, Hawaii Tribune-Herald, West Hawaii Today, The Maui News, and The Garden Island on May 28, 2002.

These amendments shall take effect ten days after filing with the Office of the Lieutenant Governor.

/s/ Lynn Y. Wakatsuki

LYNN Y. WAKATSUKI  
Commissioner of Financial Institutions

APPROVED AS TO FORM:      Date: 7/18/02

/s/ Christine Daleiden

Deputy Attorney General

APPROVED:                      Date: 7/26/02

/s/ Kathryn S. Matayoshi

KATHRYN S. MATAYOSHI, Director  
Commerce and Consumer Affairs

APPROVED:                      Date: 8/02/02

/s/ Benjamin J. Cayetano

BENJAMIN J. CAYETANO  
Governor  
State of Hawaii

August 2, 2002

Filed

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Amendment and Compilation of Chapter 16-31  
Hawaii Administrative Rules

June 27, 2002

SUMMARY

1. §16-31-1 is amended.
2. §§16-31-2 through 16-31-11 are repealed.
3. §16-31-12 is amended.
4. §§16-31-13 through 16-31-20 are repealed.
5. §16-31-21 is amended.
6. §16-31-22 is repealed.
7. Chapter 31 is compiled.

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Effective 8/12/02