

(B) A CREDIT UNION MAY PARTICIPATE IN A LOAN UNDER SUBSECTION (A) OF THIS SECTION PROVIDED THAT THE CREDIT UNION THAT ORIGINATES THE LOAN RETAINS AN INTEREST OF AT LEAST 10% OF THE FACE AMOUNT OF THE LOAN.

6-608.

A CREDIT UNION MAY MAKE A LOAN THAT IS INSURED OR GUARANTEED BY THE FEDERAL GOVERNMENT, A STATE GOVERNMENT OR LOCAL GOVERNMENT, OR A UNIT OF THE FEDERAL GOVERNMENT OR OF ANY STATE OR LOCAL GOVERNMENT.

6-609.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "ELIGIBLE OBLIGATION" MEANS A LOAN OR A GROUP OF LOANS MADE TO A MEMBER OF A CREDIT UNION BY A LENDER OTHER THAN THE CREDIT UNION TO WHICH THE MEMBER BELONGS.

(3) "STUDENT LOAN" MEANS A LOAN THAT IS:

(I) GRANTED TO FINANCE THE BORROWER'S ATTENDANCE AT AN INSTITUTION OF HIGHER EDUCATION OR AT A VOCATIONAL SCHOOL; AND

(II) SECURED BY, AND ON WHICH PAYMENT OF THE OUTSTANDING PRINCIPAL AND INTEREST HAS BEEN DEFERRED IN ACCORDANCE WITH, THE INSURANCE OR GUARANTEE OF THE FEDERAL GOVERNMENT, A STATE GOVERNMENT, OR A UNIT OF THE FEDERAL GOVERNMENT OR OF A STATE GOVERNMENT.

(B) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS SUBSECTION, A CREDIT UNION MAY PURCHASE, IN WHOLE OR IN PART, IN ACCORDANCE WITH THE BOARD'S PURCHASE POLICIES:

(I) ELIGIBLE OBLIGATIONS OF ITS MEMBERS;

(II) ELIGIBLE OBLIGATIONS OF THE INDIVIDUAL MEMBERS OF A LIQUIDATING CREDIT UNION, FROM THE LIQUIDATING CREDIT UNION;

(III) STUDENT LOANS IF THE CREDIT UNION IS GRANTING STUDENT LOANS ON AN ONGOING BASIS AND IF THE PURCHASE WILL FACILITATE THE CREDIT UNION'S PACKAGING OF A POOL OF THE LOANS TO BE SOLD OR PLEDGED ON THE SECONDARY MARKET; AND

(IV) REAL ESTATE LOANS IF THE CREDIT UNION IS GRANTING REAL ESTATE LOANS UNDER THIS SUBTITLE ON AN ONGOING BASIS AND IF THE PURCHASE WILL FACILITATE THE CREDIT UNION'S PACKAGING OF A POOL OF THE LOANS TO BE SOLD OR PLEDGED ON THE SECONDARY MORTGAGE MARKET.

(2) A CREDIT UNION MAY MAKE A PURCHASE UNDER PARAGRAPH (1) OF THIS SUBSECTION IF:

(I) THE BOARD OR INVESTMENT COMMITTEE APPROVES THE PURCHASE;