

(3) A CREDIT UNION SERVICE ORGANIZATION.

[(b) Any officer or committee member of a credit union who in any way knowingly permits or participates in making a loan in violation of this section is guilty of a misdemeanor.

(c) If a loan is made in violation of this section, the credit union may recover the amount of the loan from any one or more of:

(1) The borrower; and

(2) Any officer or committee member who knowingly permitted or participated in making the loan.]

Subtitle [6.] 7. Miscellaneous Regulations.

[6-601.] 6-701.

(a) Each credit union incorporated under the laws of this State shall:

(1) Be a member of [the Credit Union Insurance Corporation] A CREDIT UNION SHARE GUARANTY CORPORATION and have its member accounts insured by that [Corporation] CORPORATION on the same basis and to the same extent and amount as provided by the National Credit Union Administration Share Insurance Program; or

(2) Participate in and have its member accounts insured under the National Credit Union Administration Share Insurance Program.

(b) No credit union may voluntarily terminate its insurance with the National Credit Union Administration Share Insurance Program without prior approval of the Commissioner.

6-702.

A CREDIT UNION IS SUBJECT TO THE PROVISIONS OF 12 C.F.R., PART 702 (PROMPT CORRECTIVE ACTION) AND 12 U.S.C. § 1790D (NET WORTH PROVISIONS).

[6-602.] 6-703.

(a) In this section, "risk assets" means a credit union's total loans outstanding to its members.

(b) (1) Each credit union shall have a reserve fund to meet losses on loans and to meet other contingencies that the Commissioner specifies.

(2) The reserve fund may be distributed to the members of the credit union only on dissolution of the credit union.

(c) (1) After paying organization expenses, each credit union shall credit to its reserve fund all entrance fees, transfer fees, and fines.