

(2) A credit union in operation for 4 years or more and having assets of \$500,000 or more shall credit to the reserve fund, at the end of each accounting period:

(i) 10 percent of its gross income until the reserve fund equals 4 percent of its risk assets; and

(ii) Then, 5 percent of its gross income until the reserve fund equals 6 percent of its risk assets.

(3) A credit union in operation for less than 4 years or having assets of less than \$500,000 shall credit to the reserve fund, at the end of each accounting period:

(i) 10 percent of its gross income until the reserve fund equals 7.5 percent of its risk assets; and

(ii) Then, 5 percent of its gross income until the reserve fund equals 10 percent of its risk assets.

(4) On recommendation of the board [of directors], the [members of a credit union may vote to increase the] amount credited to the reserve fund MAY BE INCREASED.

(d) If the reserve fund falls below the amounts required by subsection (c) (2) or (3) of this section, it shall be restored by regular contributions.

6-704.

(A) A CREDIT UNION SHALL MAINTAIN AN ALLOWANCE FOR LOAN AND LEASE LOSS ACCOUNT IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(B) THE BALANCE OF THE ALLOWANCE FOR LOAN AND LEASE LOSS ACCOUNT SHALL INCLUDE COVERAGE FOR:

(1) INDIVIDUALLY CLASSIFIED LOANS; AND

(2) THE HISTORICAL RESERVE NEEDS OF THE CREDIT UNION.

[6-603.] 6-705.

(a) The [capital, deposits, surplus, and reserves] ASSETS of a credit union that are not committed for loans may be INVESTED IN:

[(1) Deposited in State banking institutions, national banking associations located in this State, or insured savings and loan associations located in this State;

(2)] (1) [Invested in general] GENERAL obligations of or obligations guaranteed by the United States[, this State, or any political subdivision];

[(3) Invested in certificates of deposit with the prior approval of the Commissioner; or]