52.15 BORROWING; LIMITATION.

Subdivision 1. **Fifty percent of unimpaired assets.** A credit union may borrow from any source, or sources, sums not exceeding in the aggregate 50 percent of its unimpaired assets. For the purposes of this subdivision, "unimpaired assets" mean total assets less borrowings, including all forms of indebtedness, accounts payable, and any amount by which reserves and undivided earnings will not be adequate to meet the reserve requirements caused by classified assets.

Subd. 2. **More borrowing for liquidity needs.** Notwithstanding the provisions of subdivision 1, a credit union, with the prior written approval of the commissioner of commerce, may borrow additional sums to meet its liquidity needs. For purposes of this subdivision, "liquidity needs" means the needs of a credit union for:

(a) short-term adjustment credit to cushion deposit or share outflows pending an orderly adjustment of assets and liabilities;

(b) seasonal needs arising from a combination of expected patterns of movement in share and deposit accounts and loans; and

(c) protracted adjustment needs in the event of unusual or emergency circumstances of a longer-term nature resulting from national, regional or local difficulties. Applications for written approval shall include the specific dollar amount or increase in the aggregate percentage with respect to unimpaired assets that may be borrowed by the credit union and the period of time the additional borrowed sums will be needed. The commissioner's approval must state the specific dollar amount or increase in the aggregate percentage being approved and the period of time for which the approval is effective.

History: *(7774-15) 1925 c 206 s 15; 1943 c 647 s 3; 1961 c 331 s 13; 1979 c 149 s 3; 1983 c 43 s 3,4; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 2002 c 339 s 9*