§ 701.36 Federal credit union ownership of fixed assets.

(a) Scope. (1) Section 107(4) of the Federal Credit Union Act (12 U.S.C. 1757(4)) authorizes a federal credit union to purchase, hold, and dispose of property necessary or incidental to its operations. This section interprets and implements that provision and it:

(i) Limits investments in fixed assets;

(ii) Establishes occupancy, planning, and disposal requirements for acquired and abandoned premises; and

(iii) Prohibits certain transactions.

(b) Definitions. For purposes of this section:

Abandoned premises means real property previously used to transact credit union business but no longer used for that purpose. It also means real property originally acquired for future credit union expansion but no longer intended for that purpose. It also means real property originally acquired for future credit union expansion but no longer intended for that purpose.

Fixed assets means premises and furniture, fixtures, and equipment.

Furniture, fixtures, and equipment means all office furnishings, office machines, computer hardware and software, automated terminals, and heating and cooling equipment.

Immediate family member means a spouse or other family member living in the same household.

Investments in fixed assets means:

(1) Any investment in improved or unimproved real property which a federal credit union is using, or intends to use, as premises;

(2) Any leasehold improvement on premises;

(3) The aggregate of all capital and operating lease payments on fixed assets, without discounting commitments for future payments to present value; or

(d) For purposes of this section, “state law” means the constitution, statutes, regulations, and judicial decisions of any state, the District of Columbia, the several territories and possessions of the United States, and the Commonwealth of Puerto Rico.

§ 701.35 Share, share draft, and share certificate accounts.

(a) Federal credit unions may offer share, share draft, and share certificate accounts in accordance with section 107(6) of the Act (12 U.S.C. 1757(6)) and the board of directors may declare dividends on such accounts as provided in section 117 of the Act (12 U.S.C. 1763).

(b) A Federal credit union shall accurately represent the terms and conditions of its share, share draft, and share certificate accounts in all advertising, disclosures, or agreements, whether written or oral.

(c) A Federal credit union may, consistent with this section, parts 707 and 740 of this subchapter, other federal law, and its contractual obligations, determine the types of fees or charges and other matters affecting the opening, maintaining and closing of a share, share draft or share certificate account. State laws regulating such activities are not applicable to federal credit unions.