



Ohio Administrative Code Rule 1301:9-2-24 Member business loans.

Effective: July 8, 2024

(A) A "member business loan" is defined as any loan, line of credit or letter of credit which will be used for commercial, corporate, business, investment property or venture, or agricultural purpose. Exceptions to this definition are:

- (1) Loans fully secured by a lien on a one-to-four-family dwelling;
- (2) Loans fully secured by shares in the credit union or deposits in other financial institutions;
- (3) Aggregated member business loans to a member or an associated member for less than fifty thousand dollars;
- (4) Loans fully insured or guaranteed by the federal, state, or local government, including its political subdivisions or by an agency of the federal, state, or local government; and
- (5) Loans granted by a corporate credit union to another credit union, a credit union to another credit union, or a credit union to a credit union service organization(s).

(B) Unless otherwise determined by the superintendent, all member business loans by credit unions are subject to the provisions of 12 USC 1757a, as amended and 12 CFR Part 723, effective as of September 1, 2023, in the same manner as a credit union whose accounts are insured pursuant to 12 USC 1783, as amended in 2009.

(C) If requested by a credit union, the superintendent may approve a less restrictive member business loan policy than provided by this rule. The request shall be made in writing and filed with the superintendent. It shall include a copy of the proposed member business loan policy and a certified copy of the resolution of the board of directors adopting the policy. The credit union shall also substantiate that it has the expertise, capital, management, and experience to implement the proposed policy. The superintendent shall notify the credit union not more than twenty business days after the



filing of the request or policy whether it is denied, approved, or needs modification. If the superintendent does not respond within twenty business days after the filing of the request or policy, it shall be deemed approved; unless, the superintendent notifies the credit union in writing within twenty business days of the credit union's request being filed that additional documentation is required. If additional documentation is required, the credit union shall have thirty days to file the additional documentation with the superintendent. If the superintendent does not respond within twenty business days of receipt of the additional information, the request shall be deemed approved.