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Share Accounts with an Agreed Maturity in Connecticut Credit Unions

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Share Accounts with an Agreed Maturity in Connecticut Credit Unions

(Transferred from § 36-200)

Sec. 36a-446-1. Definitions

As used in sections 36a-446-1 to 36a-446-5, inclusive, of the Regulations of Connecticut State agencies: (1) “Term share account” means any share certificate account, interest-bearing certificate of deposit account, dividend-bearing certificate account or other account with a maturity of at least seven days in which the member generally does not have a right to make withdrawals for six days after the account is opened, unless the account is subject to a premature withdrawal penalty of at least seven days’ dividends on amounts withdrawn, offered by a Connecticut credit union to a member for payments received on term shares; and (2) “term share” means any share having an agreed maturity authorized pursuant to subsection (g) of section 36a-446 of the Connecticut General Statutes.

(Effective June 15, 1982, transferred April 24, 1995, amended January 30, 1996)

Sec. 36a-446-2. Term shares and term share accounts

A Connecticut credit union may offer to its members term share accounts subject to such terms, rates and conditions as may be established by the governing board. The governing board may prescribe penalties for the premature withdrawal of term shares except where such withdrawal occurs upon the member’s death or disability, or upon the liquidation of the Connecticut credit union, and except as provided in subdivision (2) of section 36a-446-4 of the Regulations of Connecticut State Agencies. The governing board may declare dividends on term shares in the manner provided in subsection (a) of section 36a-459 of the Connecticut General Statutes.

(Effective June 15, 1982, transferred April 24, 1995, amended January 30, 1996)

Sec. 36a-446-3. Term share account agreements

All term share accounts shall be evidenced by A written agreement between the member and the Connecticut credit union. Any such agreement shall include, but not be limited to: (1) Any penalty for the premature withdrawal of term shares; (2) the maturity date; (3) the Connecticut credit union’s renewal policy; (4) the dividend rate and the method of determining and paying dividends on term shares; and (5) a statement as to the availability of life savings insurance. Any such agreement may be incorporated with the disclosures required pursuant to 12 C.F.R. Part 707, as from time to time amended.

(Effective September 21, 1976, transferred April 24, 1995, amended, January 30, 1996)

Sec. 36a-446-4. Term share account procedures

The following procedures shall be implemented by Connecticut credit unions offering term shares:

(1) Each member having a term share account shall be given notice before maturity of the member’s term share account in accordance with 12 C.F.R. section 707.5, as from time to time amended.

(2) Dividends on term share accounts may be withdrawn at any time without penalty.

(3) Life savings insurance shall not be provided on term share accounts unless the written agreement with the member specifies that such insurance coverage is provided.

(Effective June 25, 1986, transferred April 24, 1995, amended, January 30, 1996)

Sec. 36a-446-5. Share insurance

All term share accounts shall be considered share accounts for the purposes of share insurance.

(Effective July 26, 1990, transferred April 24, 1995, amended, January 30, 1996)