



KAY IVEY
GOVERNOR

STATE OF ALABAMA
ALABAMA CREDIT UNION ADMINISTRATION

100 N. UNION STREET, SUITE 650, MONTGOMERY, ALABAMA 36104

TELEPHONE: (334) 353-5770 • FAX (334) 353-5795

www.acua.alabama.gov



H. GREG MCCLELLAN
ADMINISTRATOR

NOTICE OF INTENDED ACTION TO AMEND ACUA REGULATIONS

The Administrator of the Alabama Credit Union Administration (ACUA), hereby gives notice of the intended action to amend existing regulations.

An executive summary and full text of the amendments to the regulations are included herein.

A copy is also on file with the Alabama Secretary of State's Office.

Interested persons may present applicable data, views or arguments concerning the amended regulations being promulgated, in writing, by correspondence to the following address:

Alabama Credit Union Administration
Attention: H. Greg McClellan, Administrator
100 North Union Street, Suite 650
Montgomery, Alabama 36104

The deadline for comment is March 28, 2021, and thereafter, the amended regulations will become effective.

Dated this the 25th day of February, 2021.

H. Greg McClellan

Administrator, Alabama Credit Union Administration

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control _____ Department or Agency Alabama Credit Union Administration
Rule No. Section 21.
Rule Title: Remote Annual Meetings of Members
 New _____ Amend _____ Repeal _____ Adopt by Reference _____

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer *[Signature]*

Date 2/25/2021



APA-2

ALABAMA CREDIT UNION ADMINISTRATION

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Credit Union Administration

RULE NO. & TITLE: ACUA Regulation Section 21. Remote Annual Meetings of Members

INTENDED ACTION: New

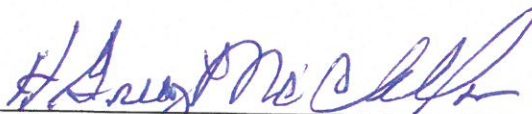
SUBSTANCE OF PROPOSED ACTION: To adopt a new regulation that permits state-chartered credit unions to satisfy their annual meeting requirement remotely when a federal, state (including, without limitation, public health officials), county and/or local authority, as applicable, declares a state of emergency or disaster in connection with COVID-19 or another regional, national or global pandemic or disaster.

TIME, PLACE, MANNER OF PRESENTING VIEWS: All interested persons may submit data, views or arguments in writing to H. Greg McClellan, Alabama Credit Union Administration, 100 N. Union Street, Suite 650, Montgomery, Alabama 36104, by mail at any time through March 28, 2021.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: March 28, 2021

CONTACT PERSON AT AGENCY:

H. Greg McClellan
Alabama Credit Union Administration
100 N. Union Street, Suite 650
Montgomery, Alabama 36104
Telephone: (334) 353-5770



H. Greg McClellan, Administrator

Section 21. Remote Annual Meetings of Members

Notwithstanding any requirement or other provisions of law, during the pendency of a state of emergency or disaster declared in connection with COVID-19 or another regional, national or global pandemic or disaster by a federal, state (including, without limitation, public health officials), county and/or local authority, as applicable, state-chartered unions governed by Title 5, Chapter 17 of the Alabama Code (1975) shall be permitted to satisfy their annual meeting requirement via remote participation pursuant to guidelines and procedures adopted by the credit union's board of directors.

Members remotely participating in a member meeting shall be deemed present and may vote at such meeting if:

1. The credit union has implemented reasonable measures to verify membership of each person participating; and
2. The credit union has provided members participating remotely with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to communicate, and to read or hear the proceedings of the meeting, substantially concurrent with the proceedings.

With respect to members who are unable to attend or otherwise participate remotely in a credit union's annual meeting, a credit union's board of directors shall be permitted to formally authorize such members to vote by absentee ballot on all matters that are voted upon at the annual meeting so long as the credit union has included and adopted (a) Article V, Section 4 (Proxy Voting) of the ACUA's Standard Credit Union Bylaws in its bylaws, or (b) language of substantially similar effect to that of Article V, Section 4 (Proxy Voting) of the ACUA's Standard Credit Union Bylaws in its bylaws.

Any guidelines and procedures adopted under this Section 21 (a) must provide for pre-meeting notice to the members that describes the means of remote communication to be used during the meeting; (b) the notice must include the record date for determining the members entitled to vote at the meeting, if that date is different from the record date for determining members entitled to notice of the meeting; and (c) in the event the credit union's board of directors has formally authorized members who are unable to attend or participate remotely to vote by absentee ballot in accordance with its bylaws, the notice must likewise include an absentee ballot that sets forth the required date for submission of such absentee ballot prior to the meeting.

The credit union shall maintain a list of members entitled to vote at the meeting, and any member shall be entitled to inspect the list upon a written request received by the credit union within five (5) days of the scheduled meeting.

Authors: Riley W. Roby; Asher L. Kitchings

Statutory Authority: Code of Alabama, Sections 5-17-46 & -47 (2016)

History: **New Rule:** Filed February 25, 2021

**TRANSMITTAL SHEET FOR
BUSINESS ECONOMIC IMPACT STATEMENT
(Section 41-22-5.1)**

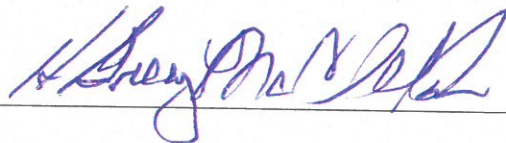
Control No. _____ Department/Agency Alabama Credit Union Administration

Rule No. Section 21.

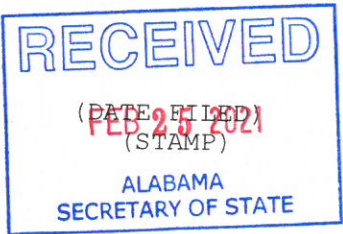
Rule Title: Remote Annual Meetings of Members

New Amend Repeal Adopt by Reference

Attached is a Business Economic Impact Statement filed pursuant to Section 41-22-5.1, Code of Alabama 1975.

Signature of Filing Officer 

Date 2/25/2021



**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. _____ Department or Agency Alabama Credit Union Administration

Rule No: Section 21.

Rule Title: Remote Annual Meetings of Members

X New _____ Amend / Repeal _____ Adopt by Reference

X This rule has no economic impact.

_____ This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

3. EFFECT OF THIS RULE ON COMPETITION:

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

****Additional pages may be used if needed.**

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control _____ Department or Agency Alabama Credit Union Administration
Rule No. Section 2, Part III
Rule Title: Limits of Indebtedness and Concentration of Credit
New Amend Repeal _____ Adopt by Reference _____

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? N/A

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? N/A

Is there another, less restrictive method of regulation available that could adequately protect the public? N/A

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

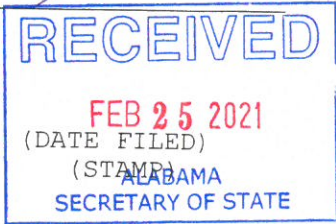
If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer *Handwritten Signature*

Date 2/25/2021



APA-2

ALABAMA CREDIT UNION ADMINISTRATION

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Credit Union Administration

RULE NO. & TITLE: ACUA Regulation Section 2, Part III Limits of
Indebtedness and Concentration of Credit

INTENDED ACTION: Amend

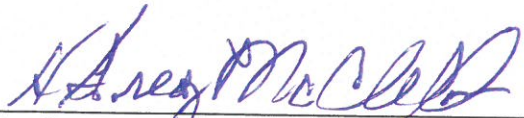
SUBSTANCE OF PROPOSED ACTION: To correct the citation to the National
Credit Union Administration's Rules and Regulations subsection that
articulates the standard upon which the particular loan limits of any
one credit union member are evaluated.

TIME, PLACE, MANNER OF PRESENTING VIEWS: All interested persons may
submit data, views or arguments in writing to H. Greg McClellan, Alabama
Credit Union Administration, 100 N. Union Street, Suite 650, Montgomery,
Alabama 36104, by mail at any time through March 28, 2021.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: March 28, 2021

CONTACT PERSON AT AGENCY:

H. Greg McClellan
Alabama Credit Union Administration
100 N. Union Street, Suite 650
Montgomery, Alabama 36104
Telephone: (334) 353-5770



H. Greg McClellan, Administrator

Section 2.

Loans

Part III. Limits of Indebtedness and Concentration of Credit

(a) No credit union shall make a loan to any one member which, when combined with his/her other closely related interests, would cause total loans to that member to exceed:

1. Ten percent of net worth of the credit union, if such loans are not secured, or
2. Twenty percent of net worth of the credit union, if such loans in excess of 10 percent of net worth are fully secured.
3. Particular loan limits will be judged by NCUA standards currently defined in NCUA R&R 701.22 (b) ~~(4) (ii) & (iv)~~ (5)(ii)-(iv).
4. In addition to the above, the aggregate member business loan limit of a credit union's net worth or 1.75 times the minimum net worth required under section 1790 (c) (1) (A) of the Federal Credit Union Act.

Authors: H. Greg McClellan, Administrator, Alabama Credit Union Administration

Statutory Authority: Code of Alabama, Sections 5-17-46 & -47 (2016)

History: Effective March 30, 2020

Amended: Filed February 25, 2021

**TRANSMITTAL SHEET FOR
BUSINESS ECONOMIC IMPACT STATEMENT
(Section 41-22-5.1)**

Control No. _____ Department/Agency Alabama Credit Union Administration

Rule No. Section 2, Part III

Rule Title: Limits of Indebtedness and Concentration of Credit

_____ New Amend _____ Repeal _____ Adopt by Reference

Attached is a Business Economic Impact Statement filed pursuant to Section 41-22-5.1, Code of Alabama 1975.

Signature of Filing Officer *Angie McClure*

Date 2/25/2021



**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. _____ Department or Agency Alabama Credit Union Administration

Rule No: Section 2, Part III

Rule Title: Limits of Indebtedness and Concentration of Credit

_____ New Amend _____ Repeal _____ Adopt by Reference

This rule has no economic impact.

_____ This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

3. EFFECT OF THIS RULE ON COMPETITION:

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

****Additional pages may be used if needed.**

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control _____ Department or Agency Alabama Credit Union Administration

Rule No. Section 6.

Rule Title: Reserves: Surplus

_____ New Amend _____ Repeal _____ Adopt by Reference _____

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? N/A

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? N/A

Is there another, less restrictive method of regulation available that could adequately protect the public? N/A

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

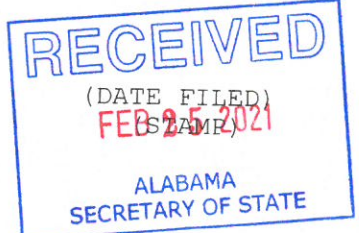
If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer [Signature]

Date 2/25/2021



APA-2

ALABAMA CREDIT UNION ADMINISTRATION

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Credit Union Administration

RULE NO. & TITLE: ACUA Regulation Section 6. Reserves; Surplus

INTENDED ACTION: Amend

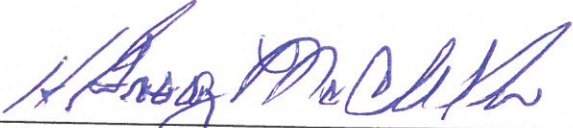
SUBSTANCE OF PROPOSED ACTION: To revise the dates state-chartered credit unions are required to submit their Capital Preservation Plans so that such dates are aligned with scheduled annual budget and strategic planning meetings.

TIME, PLACE, MANNER OF PRESENTING VIEWS: All interested persons may submit data, views or arguments in writing to H. Greg McClellan, Alabama Credit Union Administration, 100 N. Union Street, Suite 650, Montgomery, Alabama 36104, by mail at any time through March 28, 2021.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: March 28, 2021

CONTACT PERSON AT AGENCY:

H. Greg McClellan
Alabama Credit Union Administration
100 N. Union Street, Suite 650
Montgomery, Alabama 36104
Telephone: (334) 353-5770



H. Greg McClellan, Administrator

Section 6.

Reserves; Surplus

To ensure that the overall financial condition of the credit union system in Alabama will remain sound, every state chartered credit union must create an annual Capital Preservation Plan for each year, similar in intent to the Surplus Funds requirement for state chartered banks as specified in Section 5-5A-21, Code of Alabama, 1975. Such Capital Preservation Plan shall be reviewed and approved by the Board of Directors of the credit union annually and subsequently submitted in writing to the ACUA Administrator. Credit unions must submit Capital Preservation Plans ~~for the year 2020 no later than May 1, 2020. For subsequent year, Capital Preservation Plans must be submitted no later than November 1 of the current year for the following year (i.e. submit plan for 2021 no later than November 1, 2020)~~ by no later than January 31 of each year for the then-current year beginning January 31, 2022.

Authors: H. Greg McClellan, Administrator, Alabama Credit Union Administration

Statutory Authority: Code of Alabama, Sections 5-17-46 & -47 (2016)

History: Effective March 30, 2020

Amended: Filed February 25, 2021

**TRANSMITTAL SHEET FOR
BUSINESS ECONOMIC IMPACT STATEMENT
(Section 41-22-5.1)**

Control No. _____ Department/Agency Alabama Credit Union Administration

Rule No. Section 6.

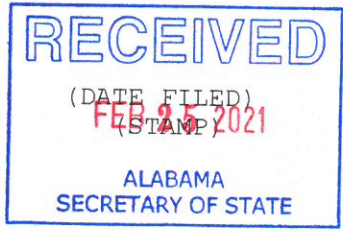
Rule Title: Reserves; Surplus

 New X Amend Repeal Adopt by Reference

Attached is a Business Economic Impact Statement filed pursuant to Section 41-22-5.1, Code of Alabama 1975.

Signature of Filing Officer *Amy McCall*

Date 2/25/2021



**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. _____ Department or Agency Alabama Credit Union Administration

Rule No: Section 6.

Rule Title: Reserves; Surplus

_____ New Amend _____ Repeal _____ Adopt by Reference

This rule has no economic impact.

_____ This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

3. EFFECT OF THIS RULE ON COMPETITION:

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

****Additional pages may be used if needed.**