**Section 190.110 Share Drafts**

a) A credit union with total assets of $1 million or less may, upon resolution of the Board of Directors, request permission of the Division to offer share drafts to their members provided that:

1) the total assets of the credit union are at a sufficient level to support the additional costs of the program;

2) shares are insured by NCUA or other approved insurance programs;

3) the credit union has full time management or is serviced by a center with full time management;

4) has automated record keeping or is serviced by a center with such equipment; and

5) the financial trends of the credit union, including, but not limited to, the loan delinquency, liquidity, reserves, expense and growth ratios, demonstrate the credit union's ability to manage safely a Share Draft Program.

b) The Division will respond to all applications within 30 days after receipt. If the application is not approved, the disapproval will identify the financial and/or operation characteristics which must be improved before re-application can be made.

c) A credit union with total assets greater than $1 million may, upon resolution of the Board of Directors, offer share drafts to its members without permission of the Division.

d) If dividends on the proposed share draft accounts are to be paid at a different rate or calculated on a basis different from existing common share accounts, then in accordance with Section 37 of the Illinois Credit Union Act [205 ILCS 305/37], the share drafts must be established as a class of share.

(Source: Amended at 30 Ill. Reg. 18919, effective December 4, 2006)