

Article 8.—CREDIT UNION UNSAFE AND UNSOUND PRACTICES

121-8-1. Unsafe or unsound practice. For the purpose of this article, “unsafe or unsound practice” shall mean any act or conduct by any credit union board member, employee, supervisory committee member, or credit committee member that meets any of the following conditions:

(a) Varies materially from any act or conduct prescribed by statute, regulation, any policy adopted by the credit union board, or any bylaw of the credit union;

(b) jeopardizes or causes the loss of the fidelity bond eligibility of an employee, director, officer, supervisory committee member, or credit committee member;

(c) jeopardizes or causes the loss of the credit union's national credit union administration share insurance; or

(d) is contrary to or inconsistent with generally accepted standards of credit union operations and either results in or creates a substantial likelihood of resulting in an abnormal or unacceptable level of risk or loss to the credit union or a shareholder of the credit union.

(Authorized by K.S.A. 17-2260; implementing K.S.A. 17-2206; effective, T-121-9-6-06, Sept. 6, 2006; effective Dec. 15, 2006.)