

7-217.

(A) (1) A CREDIT UNION SHARE GUARANTY CORPORATION SHALL ESTABLISH RESERVES FOR GUARANTY LOSSES ON AN INCURRED BASIS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES DURING THE PERIOD IN WHICH THE LOSSES BECOME EVIDENT.

(2) THE RESERVES SHALL PROVIDE FOR:

(I) LOSSES REPORTED TO THE CREDIT UNION SHARE GUARANTY CORPORATION;

(II) LOSSES INCURRED BUT NOT PREVIOUSLY REPORTED; AND

(III) ESTIMATED LOSSES ON THE COLLECTION OF NOTES AND OTHER GUARANTEES TO PARTICIPATING CREDIT UNIONS.

(B) THE RESERVES SHALL BE MAINTAINED UNTIL THE LOSSES FOR WHICH THE RESERVES WERE ESTABLISHED HAVE BEEN SATISFIED.

7-218.

(A) THE COMMISSIONER SHALL GIVE PROMPT NOTICE TO THE APPLICABLE CREDIT UNION SHARE GUARANTY CORPORATION WHENEVER THE COMMISSIONER:

(1) TAKES POSSESSION OF THE PROPERTY AND ASSETS OF A PARTICIPATING CREDIT UNION; AND

(2) DETERMINES TO LIQUIDATE THE PROPERTY AND ASSETS OF A PARTICIPATING CREDIT UNION.

(B) NOTWITHSTANDING THE PROVISIONS OF §§ 5-605 AND 6-905(D) OF THIS ARTICLE, THE COMMISSIONER MAY PETITION A COURT OF COMPETENT JURISDICTION TO APPOINT THE APPLICABLE CREDIT UNION SHARE GUARANTY CORPORATION AS RECEIVER OF THE PARTICIPATING CREDIT UNION.

(C) WHEN THE PROPERTY AND BUSINESS OF A PARTICIPATING CREDIT UNION HAS BEEN LIQUIDATED OR IS IN THE PROCESS OF LIQUIDATION AND THE PROCEEDS OF LIQUIDATION DISTRIBUTED ARE INSUFFICIENT TO PAY THE FULL GUARANTEED AMOUNT OF EACH CREDIT UNION SHARE OR DEPOSIT ACCOUNT, THE CREDIT UNION SHARE GUARANTY CORPORATION SHALL PAY EACH DEFICIENCY UP TO THE GUARANTEED AMOUNT WITHIN 30 DAYS AFTER THE DATE THE CREDIT UNION SHARE OR DEPOSIT ACCOUNT BALANCE IS VERIFIED.

(D) WHEN ANY PARTICIPATING CREDIT UNION SHARE OR DEPOSIT ACCOUNT IS PAID, THE CREDIT UNION SHARE GUARANTY CORPORATION SHALL BE SUBROGATED TO ALL RIGHTS OF THE MEMBER OR DEPOSITOR, UP TO THE AMOUNT PAID BY THE CREDIT UNION SHARE GUARANTY CORPORATION TO THE MEMBER OR DEPOSITOR.