

7-219.

(A) A CREDIT UNION SHARE GUARANTY CORPORATION MAY TERMINATE THE PARTICIPATION OF A PARTICIPATING CREDIT UNION FOR ANY OF THE FOLLOWING REASONS:

(1) THE PARTICIPATING CREDIT UNION FAILS TO SATISFY THE RISK ELIGIBILITY STANDARDS ESTABLISHED BY THE CREDIT UNION SHARE GUARANTY CORPORATION AND APPLICABLE TO ALL PARTICIPATING CREDIT UNIONS;

(2) THE PARTICIPATING CREDIT UNION OPERATES IN AN UNSAFE AND UNSOUND MANNER AS DETERMINED BY THE CREDIT UNION SHARE GUARANTY CORPORATION;

(3) THE PARTICIPATING CREDIT UNION FAILS TO FURNISH FINANCIAL STATEMENTS, DELINQUENT LOAN REPORTS, OR OTHER INFORMATION CONSIDERED NECESSARY BY THE CREDIT UNION SHARE GUARANTY CORPORATION;

(4) THE PARTICIPATING CREDIT UNION FAILS TO REMEDY IN A TIMELY MANNER A QUALIFICATION ARISING FROM AN AUDIT PERMITTED OR REQUIRED UNDER THE WRITTEN CONTRACT BETWEEN THE PARTICIPATING CREDIT UNION AND THE CREDIT UNION SHARE GUARANTY CORPORATION;

(5) THE PARTICIPATING CREDIT UNION FAILS TO PAY WHEN DUE A CAPITAL CONTRIBUTION OR APPLICABLE PREMIUM, FEE, OR ASSESSMENT UNDER THIS SUBTITLE;

(6) THE PARTICIPATING CREDIT UNION FAILS TO COMPLY WITH ANY PROVISION OF THIS ARTICLE OR THE ARTICLES OF INCORPORATION OR BYLAWS OF THE CREDIT UNION SHARE GUARANTY CORPORATION THAT ARE MATERIAL TO THE SAFETY AND SOUNDNESS OF THE PARTICIPATING CREDIT UNION; OR

(7) CONTINUED PARTICIPATION BY THE PARTICIPATING CREDIT UNION WOULD RESULT IN A VIOLATION OF THIS SUBTITLE OR OTHER APPLICABLE STATE OR FEDERAL LAW BY THE CREDIT UNION SHARE GUARANTY CORPORATION.

(B) (1) AT LEAST 30 DAYS BEFORE THE EFFECTIVE DATE OF ANY TERMINATION, THE CREDIT UNION SHARE GUARANTY CORPORATION SHALL SEND WRITTEN NOTICE OF THE PENDING TERMINATION AND THE REASONS FOR THE TERMINATION TO:

(I) THE PARTICIPATING CREDIT UNION WHOSE PARTICIPATION IS TO BE TERMINATED; AND

(II) THE COMMISSIONER.

(2) THE 30-DAY NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO THE TERMINATION OF EXCESS COVERAGE.