



shall be deemed equal...

Section 745.3 addresses single ownership accounts. The relevant provisions follow:

(a) Funds owned by an individual and deposited in the manner set forth below shall be added together and insured up to \$100,000 in the aggregate.

(1) *Individual accounts.* Funds owned by an individual ... and deposited in one or more accounts in the individual's own name shall be insured up to \$100,000 in the aggregate.

Section 745.8 addresses joint accounts. The relevant provisions follow:

(a) Separate insurance coverage. Accounts owned jointly... shall be insured separately from accounts individually

owned by any of the co-owners.

(b) Qualifying joint accounts. Joint accounts are insured separately from individual accounts up to a maximum of \$100,000 provided that each of the co-owners has personally signed an account signature card and has a right of withdrawal on the same basis as the other co-owners.

(c) Failure to qualify. An account owned jointly which does not qualify as a joint account for purposes of insurance of accounts shall be treated as owned by the named persons as individuals and the actual ownership interest of each such person in such account shall be added to any other accounts individually owned by such person and insured up to \$100,000 in the aggregate...

The NCUA Regulations state that single ownership accounts are insured up to \$100,000 for each individual and that joint accounts shall be separately insured if certain qualifications are met. Accounts xxxxxxxxxxxx were originally set up as joint accounts for xxxxxxxxxxxxxxxxxxxx. The Liquidating Agent originally insured these accounts pursuant to §745.8(d) of the Regulations for a total of xxxxxxxx. Upon appeal, the xxxxxxxx submitted evidence to show that funds from these two joint accounts were transferred into two individual accounts, one for xxxxxxxxxxxx and the other for xxxxxxxxxxxx. The credit union treated these accounts as individual single ownership accounts from the time of the transfer until the credit union liquidated. Therefore, the accounts should be insured as individual ownership accounts pursuant to §745.3(a) of the Regulations. The Liquidating Agent made the adjustment and paid additional proceeds to the xxxxxxxx.

xxxxxxxxxxx was a non-qualifying joint account because it lacked the signature of xx xxxxxxxxxxxx. The Liquidating Agent insured Account xxxx as individually owned funds of xxxxxxxxxxxxxxxxxxxxxxxx pursuant to §745.8(c) of the Regulations.

The xxxxxxxx are entitled to xxxxxxxx each in insurance coverage for their respective interests in the three accounts. The xxxxxxxx have been paid the appropriate amounts according to the NCUA insurance regulations.

xxxxxxxxxxx present no further argument or evidence to provide for additional insurance coverage. There is no basis for any additional payout.

Order

For the reasons set forth above, it is ORDERED as follows:

The Board upholds the Liquidating Agent's decision to deny xxxxxxxxxxxxxxxxxxxxxxxx claim in the amount of xxxxxxxxx and denies the xxxxxxxxx appeal.

The Board's decision constitutes a final agency determination. Pursuant to

12 CFR 745.203(c), this final determination is reviewable in accordance with the provisions of Chapter 7, Title 5, United States Code, by the United States Court of Appeals for the District of Columbia or the court of appeals for the Federal judicial circuit where the credit union's principal place of business was located. Such action must be filed not later than 60 days after the date of this final determination.

So ORDERED this 16th day of October, 1996 by the National Credit Union Administration Board.

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Becky Baker

Secretary of the Board

<sup>[1]</sup> The ALMC is the NCUA component responsible for, *inter alia*, the liquidation of federally-insured credit unions. The Liquidating Agent is an NCUA employee responsible for conducting ALMC liquidation functions. The terms "ALMC" and "Liquidating Agent" may be used interchangeably herein.

<sup>[2]</sup> On March 13, 1996, the Board approved the payment of unaccrued and unposted dividends for credit union members through September 1995. In addition, new evidence submitted by the Appellants established that accounts xxxxxxxxxxxx should be treated as individual accounts rather than joint accounts for the same combination of individuals.

<sup>[3]</sup> The Liquidating Agent determined that accounts xxxxxxxxxxxx should be insured individually rather than as joint accounts for the same combination of individuals. It paid additional proceeds and issued a new certificate of uninsured shares for accounts xxxxxxxxxxxx based on the Board's approval of unposted dividends and the new evidence submitted. It also increased the verified balance of account xxxx to account for unposted dividends approved by the Board. xxxxxxxxxxxx was paid a total of xxxxxxxx for his interest in accounts xxxxxxxxxxxx and xxxxxxxxxxxx was paid a total of xxxxxxxx for her interest in accounts xxxxxxxxxxxx. The Liquidating Agent originally determined that xxxxxxxxxxxxxxxxxxxxxxxx each owned equal shares of account xxxx. However, on June 13, 1996, the Liquidating Agent set forth the flow of shares from accounts xxxxxxxxxxxx into account xxxx based on credit union records of transfers made in August 1992. The Liquidating Agent determined that 49% of the proceeds of account xxxx came from xxxxxxxxxxxxxxxx account xxxx and 51% of the proceeds came from xxxxxxxxxxxxxxxx account xxxx.