

UNITED STATES OF AMERICA

BEFORE THE NATIONAL CREDIT UNION ADMINISTRATION

In the Matter of

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Docket 96-013

Insurance Claim

Bartow Employees Federal Credit Union

Decision and Order on Appeal

Decision

This matter comes before the National Credit Union Administration Board (Board) pursuant to 12 CFR 745.202 as an administrative appeal of the determination by the Liquidating Agent of Bartow Employees Federal Credit Union denying the xxxxxx insurance claim in the amount of xxxxxxxxxx.

Summary of Claim

This appeal involves the two accounts the claimants held at the credit union.

xxxxxxxxxxxxxxxxxxxx-- Appellants claim the accounts should be treated as individual accounts. The Liquidating Agent treated the accounts as joint accounts with the same combination of individuals, aggregating the accounts for insurance purposes. The Asset Liquidation Management Center (ALMC)^[1] paid Appellants xx under accrued and unposted dividends) plus xx under accrued and unposted dividends) = xxxxxxxxxx -- and issued an uninsured share certificate for xxxxxxxxxx.

General Background

Bartow Employees Center Federal Credit Union, located in Cartersville, Georgia, was an occupational credit union chartered to serve teachers in Cartersville county. It had approximately 1200 members. The Board placed the credit union into involuntary liquidation due to insolvency, effective November 27, 1995.

Facts

xx (husband, wife and adult son) had two accounts (xxxxxxxxxxxx) at the credit union. The account card for account xxxx contained xxxx xxxxxx name and signature on the front. The account card for account xxxx contained xxxxxxxxxxxxxxx name and signature on the front. Both account cards had the signatures of all three account holders on the joint account agreement on the back of the signature cards. The joint account agreement provided for equal withdrawal rights for all signatories.

Regulations and Analysis

Part 745 of NCUA's Regulations addresses share insurance coverage. Section 745.2 states in part:

- (a) This Part provides for determination by the [NCUA] Board of the amount of members' insured accounts. The rules

for determining the insurance coverage of accounts maintained by members in the same or different rights and capacities in the same insured credit union are set forth in the following provisions of this Part.

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... .

(d) Same combination of individuals. All joint accounts owned by the same combination of individuals shall be added together and insured up to \$100,000 in the aggregate.

The joint account agreements on both accounts xxxxxxxxxxxx were signed by xxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxx. Thus, the accounts were established as joint accounts with the same combination of individuals. The Liquidating Agent properly insured these accounts pursuant to §745.8(d) of the regulations for a total of \$100,000.

The xxxxxx are entitled to xxxxxxxx total in insurance coverage for their two accounts at the credit union. The xxxxxx have been paid the appropriate amounts according to the NCUA insurance regulations.

The xxxxxx have not presented any additional argument or evidence to support a claim for additional insurance coverage and the Board finds 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 xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxx claim in the amount of xxxxxxxxxx and denies the xxxxxxxx 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 19th day of December, 1996 by the National Credit Union Administration Board.

Becky Baker

Secretary of the Board

^[1]ALMC was the NCUA component responsible for, *inter alia*, the liquidation of federally-insured credit unions. In October 1996, ALMC was renamed the Asset Management and Assistance Center (AMAC). The Liquidating Agent is an NCUA employee responsible for conducting ALMC/AMAC liquidation functions. The terms "ALMC", "AMAC", and "Liquidating Agent" may be used interchangeably herein.