NORTH CAROLINA CREDIT UNION DIVISION

APPLICATION TO PURCHASE INSURANCE, MUTUAL FUNDS, AND FIXED OR VARIABLE ANNUITY PRODUCTS

Submit the completed application along with supporting documentation to support@nccud.nc.gov or mail to the North Carolina Credit Union Division, 205 W. Millbrook Road, Suite 105, Raleigh, North Carolina 27609.

PLEASE COMPLETE THE FOLLOWING:

I. GENERAL INFORMATION

1. Name of credit union:

2. Address:

3. Product type:

4. Product purpose:

II. PLAN OVERVIEW

5. Plan name and structure:

6. Loan or investment amount and terms, if applicable:
    a. Principal:
    b. Term:
    c. Interest rate:
    d. Repayment or payment schedule:
7. Collateral:
8. Projected repayments or payments:
9. Projected retirement benefits:
10. Death benefit details:
11. Return on investment:
12. Insurance carrier and rating:
13. Early termination provisions:

III. PREMIUM DEPOSIT ACCOUNT TERMS

14. Payment frequency:

15. Crediting method and rate:

IV. PROJECTED EARNINGS AND LIQUIDITY IMPACT

16. Earnings forecast:

17. Liquidity analysis:

18. Attach detailed cash flow and earnings projection spreadsheet.

V. ACCOUNTING TREATMENT

19. Describe how the initial transaction, along with subsequent entries, will be recorded on the financial statements.

20. Attach sample journal entries.

VI. 5300 CALL REPORT TREATMENT

21. Describe how this transaction will be treated on the 5300 call report.

VII. DUE DILIGENCE

22. Provide a copy of your attorney's and accountant's review of the proposed investment including the investment prospectus and/or subscription agreement.
23. Provide due diligence on the insurer's credit worthiness and qualifications of the insurance vendors, if applicable.
24. Provide "what-if" scenarios for the credit union's financials for the proposed investments. For example, what is the projected offset to the employee benefit expenses, if applicable?
25. Provide an analysis of concentrations in investment products used to fund employee benefit plans.

VIII. BOARD OF DIRECTORS RESOLUTION

26. Date BOD adopted resolution:

27. Attach a signed and dated resolution by the Board of Directors approving the plan.

Checklist of Attachments:

- Cash flow and earnings projection spreadsheet
- Accounting journal entries sample
- Attorney and accountant review of proposed investment
- Investment Prospectus and/or Subscription Agreement
- Insurance credit worthiness and qualifications
- What-if scenarios of the credit union's financial statements with the proposed investment
- Concentration analysis in investment products used to fund employee benefit plans including proposed investment
- Board Resolution (signed and dated)

The North Carolina Credit Union Division reserves the right to request additional documentation and information from the requesting credit union.

I hereby certify to the best of my knowledge that the information in this application and all attachments are true, complete, and accurate.

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Officer of Credit Union **Title** **Date**