**Section 190.100 Classes of Share and Special Purpose Share Accounts**

a) Any account which is not a common share account shall be considered as a class of share or special purpose share account as applicable. Section 38 of the Illinois Credit Union Act [205 ILCS 305/38] requires dividends to be declared and distributed ratably among holders of share accounts of the same class. Variable rate dividends can be declared on common shares with the dividend rates determined by share balance during the dividend period.

b) A credit union may offer class(es) of shares and special purpose share account programs to its members provided that:

1) All specific offerings shall be approved by a resolution of the Board of Directors.

2) Class of share and special purpose share accounts may be issued in the same forms of ownership as common share accounts.

3) The par value of all such classes and special purpose accounts shall be the same as common shares.

4) All such programs are described in writing and prominently displayed in the office(s) of the credit union. Classes shall be designated as Class ONE, TWO etc. All accounts must be made available to members on an equal basis.

5) The terms and conditions of each class or special account must be fully described in writing to the member upon opening an account. Such description shall include how ownership of the share(s) is evidenced, the basis for the calculation and payment of dividends, any applicable penalties, any renewal options and the alternatives for receipt of dividend payments.

6) The credit union's accounting records shall give detailed information on each class, which shall include general ledger accounts for each share account balance, the dividend expense and accrued dividends payable thereon. Consolidation of account detail on classes of shares for reporting on the financial statement is permitted.

7) If a credit union's financial condition prevents payment of dividends on common share accounts, dividends may not be credited or paid on classes or special purpose shares for the same period. In this event, members with class of share accounts may withdraw shares without penalty or loss of dividends which have been paid or credited.

(Source: Amended at 30 Ill. Reg. 18919, effective December 4, 2006)