**Section 1000.1430 Rate of Interest**

a) NOW Accounts:

1) Maximum Rate: The maximum rate of interest which may be paid on NOW accounts shall not exceed that which federally-chartered associations may pay.

2) Minimum Rate: There shall be no minimum rate of interest which must be paid on NOW accounts.

3) Variance in Rates: An association may offer a rate of interest which is based upon a balance level maintained in a NOW account by the depositor.

4) Minimum Balance: An association may establish a minimum balance level below which no level of interest would be paid on NOW accounts.

b) Payment Order Accounts:

1) No rate of return may be paid on payment order accounts.

2) If the holder of a payment order account chooses to maintain a savings account from which transfers are automatically made to the payment order account an association may pay a rate of return on such savings account not to exceed the maximum rate permitted to be paid on NOW accounts. An automatic transfer arrangement may be offered only to those classifications of depositors as shown at Section 1000.1420(a) of this Subpart.