



ADMINISTRATIVE RULES OF MONTANA



2.59.2041 DEBT CANCELLATION AND DEBT SUSPENSION PROGRAMS – REQUIREMENTS

- (1) A mutual association offering debt cancellation contracts and/or debt suspension agreements shall:
 - (a) manage the risks associated with debt cancellation contracts and debt suspension agreements in accordance with mutual association safety and soundness principles by establishing and maintaining effective risk management and control processes over its debt cancellation contracts and debt suspension agreements to include:
 - (i) appropriate recognition and financial reporting of income, expenses, assets, and liabilities;
 - (ii) appropriate treatment of all expected and unexpected losses associated with the contracts; and
 - (iii) assessment of the adequacy of its internal control and risk mitigation activities in view of the nature and scope of the mutual association's debt cancellation and debt suspension program; and
 - (b) obtain and maintain in effect insurance from an insurer authorized or otherwise registered with the State Auditor and Commissioner of Insurance (State Auditor) to do business in Montana. The insurance must cover 100% of the at-risk loan balances to which the mutual association's debt cancellation contracts pertain.

Authorizing statute(s): 32-2-704, MCA

Implementing statute(s): 32-2-909, MCA

History: NEW, 2022 MAR p. 230, Eff. 2/12/22.