

## Chapter 3A

# Shares, deposits and borrowing

3A



3A.3 Borrowing

- 3A.3.1 **R** A *credit union* must not borrow from a natural person, except by way of a subordinated loan qualifying as capital under *PRA* rules.
- 3A.3.2 **G** ■ CREDS 3A.3.1R does not apply to borrowing from a *body corporate*. A loan made to a *credit union* by a *body corporate* can either be a subordinated loan (providing regulatory capital within *PRA* rules) or a senior loan (providing ordinary funding, but not constituting regulatory capital).
- 3A.3.3 **R** A *credit union* must not require any of its members to make a subordinated loan to the *credit union* or purport to do so.