

**189—18.1 (533) Definitions.** The following words and terms, when used in these rules, shall have the meaning shown below:

*“Allowance for loan and lease losses”* means an estimate of loan and lease losses in the entire loan portfolio, including estimated inherent losses, in conformity with generally accepted accounting principles and which meets regulatory requirements for full and fair disclosure of the financial statements.

*“Legal reserve”* means the statutory reserve account of the credit union set aside from gross earnings as a regular reserve against losses on loans and other contingencies, in accordance with Iowa Code chapter 533.

*“Provision for loan and lease losses”* means an expense account of the general ledger to which debit or credit adjustments to the allowance for loan and lease losses are charged.

*“Special reserve”* means an additional regular reserve account of the credit union, established and required by the superintendent, to be set aside against losses from loans or other contingencies, in accordance with Iowa Code chapter 533.

[ARC 9777B, IAB 10/5/11, effective 11/9/11]