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SC

FILE NO. 26

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BOND IS REQUIRED OF ALL OFFICERS handling money; amount to be fixed by board:

Indiana	[\$28-7-1-16(c)]	Rhode Island	[\$19-21-22(c)]
Mississippi	[\$81-13-27(c)]	South Carolina	[\$8-661(3)]
Nebraska	[\$21-1785]	Utah	[\$7-9-11(3)]
New Mexico	[\$48-19-9(B)]	West Virginia	[\$31-10-9(b)]
New York	[\$469(2)]		

BOND IS REQUIRED OF ALL OFFICERS and employees handling money; amount to be fixed by board:

Alabama	[\$5-17-11]	Maryland	[\$6-316(b)(3)]
Connecticut	[\$36-213(2)]	Michigan	[\$490.9(c)]
Illinois	[\$496.13(3)]	Minnesota	[\$52.09(3)]

AMOUNT OF BOND TO BE FIXED by board of directors, based on assets of the credit union. Required of all officers, directors, committeemen and employees having access to money. Graduated schedule for bond based on assets provided in statute:

Florida	[\$657.09(3)]	Kentucky	[\$290.130(3)]
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ANY PERSON HANDLING MONEY OR COLLATERAL shall be covered by an individual, schedule, or blanket bond, as a condition precedent to entry upon the discharge of duties:

Missouri—Supervisor must approve amount of bond. [§370.235]

Ohio—Directors and superintendent must approve amount of bond; amount may be increased by the superintendent. [§1733.23]

Wisconsin—Directors must approve amount; form prescribed by commissioner. [§186.19]

OTHER ACTS:

CALIFORNIA—The directors shall obtain adequate fidelity bond coverage for each officer and employee having access to funds or securities commensurate with risks involved, and shall obtain adequate surety bond coverage for the treasurer and any assistant treasurer conditioned upon the honest performance of his trust. The minimum principal amount of such bond shall be based on the gross assets of the credit union, as provided in the graduated schedule. [§14406(c)(d)]

COLORADO—The board shall fix the amount of the blanket surety bond which shall cover all elected and appointed officials and all employees of the credit union. Such bond shall be in an amount equal to the assets of the credit union as of December 31 of the previous year, or \$1 million, whichever is less. [§11-30-109(1)(c)]

IOWA—Bond is required of all officers and employees who handle money; amount to be fixed by board. [§533.9(3)] A bond in the amount of \$100,000 is required of the administrator to insure the faithful performance of his staff and to insure against property loss which might occur during the course of any lawful activity of the credit union department. [L. 1978, S.F. 137, Sec. 9]

LOUISIANA—Amount of faithful performance bond fixed by board of directors. Bond shall cover each officer, director, or employee, who has charge of or who handles cash or securities of the credit union. Minimum bond \$1,000. [§6:6-1(B)(3)]

MASSACHUSETTS—The treasurer and all other officers and employees of a credit union having access to its cash or negotiable securities, shall give bond to the credit union at its expense in such amounts and under such conditions as the commissioner may prescribe. The directors may require bonds of such other officers, employees, or agents as they deem advisable. The persons required to give bond may be included in one or more blanket or schedule

bonds, provided that such bonds are approved by the commissioner. [Ch. 171, §15]

NEW JERSEY—Bond is required of all officers and employees handling money or securities, and the amount is fixed by the board. The board shall annually examine all bonds and pass on their sufficiency. The commissioner may order the bond of any person to be increased. In lieu of such individual bonds the board may procure a blanket bond providing the same protection to the credit union. [§17:13-36]

OKLAHOMA—Each active officer and employee shall, before he enters upon his duties, make and give a bond in amount fixed by the state credit union board. [§2010(B)]

OREGON—It shall be the duty of the directors to purchase a fidelity bond which includes employee faithful performance to cover any and all acts of its agents, directors, officers, committee members or employees in an amount not less than 100 percent of its assets up to \$2 million. Such bond shall be approved by the superintendent who may require such additional amounts as he deems necessary for credit unions with assets in excess of \$2 million. [§723.122(1); 723.296(2)]

PUERTO RICO—The board shall require of all officers and employees who handle money or securities the bonds required under the regulations of the inspector of cooperatives. [§16(c)]

TENNESSEE—Amount of the blanket surety bond shall be determined by the board of directors and required for all officials and employees. Amounts as follows: for one year from the charter date, the bond shall be not less than \$1,000; thereafter the bond shall not be less than 30% of the true assets of the credit union, and shall be adjusted annually subject to a maximum bond requirement of \$1,000,000. [§45-1813(3)]

TEXAS—The board of directors shall purchase from a surety company authorized to do business in this state a blanket security bond covering all officers, employees, members of official committees, attorneys at law, and other agents of the credit union to protect the credit union against loss caused by the failure of a person to faithfully perform his duties. [§5.06(b)]

ACT IS SILENT:

New Hampshire

Share and Deposit Insurance

(Voluntary or mandatory participation in either federal or state share and deposit insurance programs)

CUNA MODEL ACT: A credit union may obtain insurance on shares and deposits from the National Credit Union Administration under the Federal Credit Union Act or from any guarantee organization qualified under the laws of this state to provide such guarantees or from any insurer qualified under the laws of this state to write such insurance.

The Director of the Credit Union Department may make available reports of condition and examination reports to the Administrator of the National Credit Union Administration or to an administrator of any qualified state guarantee organization and may accept any report of examination made on behalf of such administrators. The Director may appoint the Administrator of the National Credit Union Administration or the administrator of any qualified state guarantee organization as liquidating agent of an insured credit union.

Any legally chartered credit union may become a member of the Credit Union Share Insurance Corporation upon application by



the credit union's directors and approval of the directors of the corporation.

Before any credit union which is not chartered under the laws of this state may be admitted to membership, written authorization from its supervisory agency shall be submitted. In such authorization, the supervisory agency shall agree to cooperate with the Director of the Credit Union Department of this state in fulfilling the share insurance laws of this state with respect to such credit union.

[Optional] Every credit union chartered under the laws of this state shall become a member of the corporation and failure to apply for membership within _____ days after the effective date of this section constitutes grounds for revocation of charter by the Director of the Credit Union Department. Failure to become a member within _____ years after application for membership constitutes grounds for revocation of charter by the Director of the Credit Union Department. [§8.20, 14.30]

FEDERAL CREDIT UNION ACT: The National Credit Union Administration Board shall insure the accounts of all federal credit unions and it may insure the accounts of credit unions organized and operating according to the laws of any state, the District of Columbia, the several territories, including the trust territories, and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, and credit unions organized and operating under the jurisdiction of the Department of Defense. [§201(a)]

ACT PROVIDES FOR MANDATORY PARTICIPATION in the NCUA insurance program:

Arizona	[§6-504(E)]	**Michigan	[§490.31]
Arkansas	[§67-902(5)(7)]	Nevada	[§678.750(3)]
Kentucky	[§290.070(3)]	*North Dakota	[§6-06-40]
Louisiana	[§6:641(E)]	South Carolina	[§8-653]
Maine	[§836]	Vermont	[§2087]

*A central credit union with corporate shareholdings of at least 75% of its total assets may elect not to be insured.

**Participation optional for credit unions whose assets consist primarily of funds from other credit unions.

ACT PROVIDES FOR MANDATORY PARTICIPATION in either the NCUA or the local state insurance program:

Connecticut	[§36-200b]	New Mexico	[§48-19-25.1]
Florida	[§657.253(6)]	North Carolina	[§54-109.78]
Georgia	[§11A-3117(a)]	*Ohio	[§1733.041]
**Kansas	[§L. 1975, SB 516]	Tennessee	[§45-1850]
Massachusetts	[Ch. 171, §34]	Virginia	[§6.1-226.5]
Missouri	[§370.377]	Washington	[§31.12A.040(4)]

*or that of any qualified insurer

**Central credit unions located in the state are exempt from mandatory participation.

ACT PERMITS STATE CREDIT UNIONS to participate voluntarily in the NCUA insurance program:

Oklahoma [§2011]

ACT PROVIDES FOR MANDATORY PARTICIPATION in either the NCUA insurance program or some other officially sanctioned insurance program:

California	[§14805.6]	*New York	[§32]
*Hawaii	[§410-45]	Oregon	[§723.582]
Iowa [L. 1978, S.F. 137, §15]		*Pennsylvania	[§12315(B)]
Minnesota	[§52.24]		

*Banking Board or Department may permit exemptions.

ACT PROVIDES FOR MANDATORY PARTICIPATION in the local state insurance program:

Maryland [§140A] Wisconsin [§196.35(5)]

OTHER ACTS:

ALABAMA—Act provides for mandatory initial participation in the NCUA program. If the NCUA coverage is subsequently cancelled, the supervisor may allow a credit union to obtain some other kind of insurance. [§5-17-19]

ILLINOIS—The credit union may purchase insurance for the benefit of the credit union and its members. [§496.9(9)] Any credit union which issues shares in trust pursuant to §496.8 must be insured by the NCUA. [§496.8]

MONTANA—A central credit union with corporate shareholdings equal to 95% of its total assets may participate in the NCUA insurance program at its own option. Participation is mandatory for other credit unions. [§14-658; 14-671(5)]

RHODE ISLAND—No credit union is required to participate in State Credit Union Insurance Corporation. [L. 1976, H.B. 7401, §9] However, any credit union permitted by law to receive deposits shall have insurance on all deposits made in an amount not less than that established by the Board of Bank Incorporation. [§19-11-9] The RICUL Corporate Central Credit Union is exempt from deposit insurance requirements. [§19-21-53]

TEXAS—The commissioner, with the approval of the commission, shall promulgate rules and regulations requiring credit unions doing business within the state to provide or cause to be provided share and deposit insurance for members and depositors. [§11.10(e)]

ACT IS SILENT:

Colorado	Nebraska	Puerto Rico
Idaho	New Hampshire	Utah
Indiana	New Jersey	West Virginia
Mississippi		

Establishment of Insurance Program

(Applies only to federal program and 18 states with share insurance laws)

CUNA MODEL ACT: There is created the _____ Credit Union Share Insurance Corporation, a nonprofit membership corporation, hereinafter referred to as the corporation. The general purposes of the corporation shall be to:

(1) Aid and assist any member credit union which is in liquidation or incurs financial difficulty, such as insolvency or lack of liquidity, in order that the shareholdings and deposits of any individual member of a member credit union shall be protected or guaranteed against loss. The amounts of loss to be protected or guaranteed shall be established from time to time by the corporation with the approval of the Director of the Credit Union Department.

(2) Cooperate with its member credit unions and the Credit Union Department for the purpose of advancing the general welfare of credit unions in this state. [§14.18]

FEDERAL CREDIT UNION ACT: The Board shall insure the member accounts of all federal credit unions and it may insure the member accounts of credit unions organized and operating under the laws of any state, the District of Columbia, and the territories, trust territories, and possessions of the United States

continued

and credit unions organized and operating under the jurisdiction of the Department of Defense . . . There is created in the Treasury of the United States a National Credit Union Share Insurance Fund which shall be used by the Board as a revolving fund for carrying out the purposes of the Act. [§201, 203]

ACT SIMILAR TO MODEL ACT:

Tennessee—may also serve credit unions in other states. [§§45-1835, 45-1836]

GUARANTY CORPORATION is created to: (1) provide a mechanism whereby the shareholdings, savings and deposits of any member of a member credit union shall be protected or guaranteed up to amounts which are established by the corporation and to avoid excessive delay in payment of such shareholdings, savings and deposits and to avoid financial loss to members of credit unions because of the insolvency or liquidation of a member credit union; (2) assist in the detection and prevention of credit union insolvencies or liquidations; (3) create a corporation to administer, implement and supervise the plan of operation provided for under this act; and (4) provide for the equitable apportionment among member credit unions and to assess the cost of such protection among member credit unions:

**Florida—Florida Credit Union Guaranty Corporation [§657.251]

*Nebraska—Nebraska Depository Institution Guaranty Corporation [§21-17, 128]

*Act refers to depository institutions rather than credit unions.

**Act refers to "shares and deposits" being protected and guaranteed.

OTHER ACTS:

CONNECTICUT—The Connecticut Credit Union Share Insurance Corporation is established as a nonprofit membership corporation. Its general purposes shall be to, to the extent of its resources: (a) guarantee and protect members' shares in every member credit union up to the maximum share or membership liability which the law permits any member to own; (b) aid and assist any member credit union which develops financial difficulties such as insolvency or nonliquidity or which enters liquidation proceedings; and (c) cooperate with its member credit unions and the bank commissioner for the purpose of improving the general welfare of credit unions in this state. [§SA 73-142, §1, 2]

GEORGIA—The Credit Union Deposit Insurance Corporation is created to aid and assist any member credit union which is in liquidation or facing liquidation due to insolvency in order that the deposits and shares of any member shall be insured or guaranteed against loss in such amounts as may be established by the board of directors of the corporation pursuant to the act. [L. 1974, Act 1002, §1(a)]

KANSAS—A guarantee corporation is any person other than an insurance company, approved by the commissioner, who contracts with credit unions to guarantee the shares of members. [L. 1975, SB 516, §9(a)]

MARYLAND—A nonstock, nonprofit corporation is created, known as the Maryland Credit Union Insurance Corporation. The purposes of the corporation are to improve and stimulate the ability of credit unions doing business in the state to provide low-cost consumer loans, to promote the elasticity and flexibility of the resources of credit unions, to make loans for liquidity purposes to credit unions, to discount notes of credit unions, to provide a state service of interlending for credit unions, to aid in the rehabilita-

tion and stabilization of credit unions, to aid in the orderly liquidation of credit unions when necessary, to aid in the strengthening and development of credit unions serving low-income persons, to insure and guarantee the share and deposit accounts of member credit unions, and to cooperate with and assist credit unions, organizations of credit unions, the supervisor of credit unions of this state, the National Credit Union Administration, and the Central Credit Union of Maryland. [§452]

MASSACHUSETTS—The Massachusetts Credit Union Share Insurance Corporation is constituted a corporation for the purpose of creating and maintaining a fund for the insurance of shares and deposits of members of credit unions and the Central Credit Union Fund, Inc. [Ch. 294, §1]

MISSOURI—Upon approval by the director, a credit union share guaranty corporation may be organized by 25 or more credit unions chartered under the act or by an association of credit unions, composed of a majority of the credit unions chartered under the act. The general purpose of such non-profit corporations shall be to aid member credit unions which develop financial problems and to assist member credit unions in the process of merger or consolidation in order that the shares of each member of member credit unions shall be protected and guaranteed to a total of \$50,000 in shares and deposits for each credit union member and up to \$50,000 in deposits for each nonmember depositor. [§370.371; 370.372]

NEW MEXICO—Any seven or more credit unions in the state organized under the act, may form the New Mexico Share Insurance Corporation for the purpose of creating and maintaining a fund for the insurance of shares and deposits of credit unions which become members. [Ch. 114, §3]

NEW YORK—Any fifty or more credit unions organized under the act whose shares aggregate at least 50% of the total shares of all credit unions so organized, may agree, with the approval of the superintendent of banking, to create a fund for the purpose of insuring the shares of such credit unions as shall become parties to the agreement. [§481]

NORTH CAROLINA—Not less than ten credit unions and building and loan associations organized under North Carolina law may become incorporated as a mutual deposit guaranty association without capital stock. The purposes shall be to assure liquidity of member institutions and guarantee deposits therein. [§54-44.8]

OHIO—The purpose of the Ohio Credit Union Shareholders' Guaranty Association is to establish and maintain a nonprofit organization of member credit unions for the prevention of insolvencies of their members; and in the event of liquidation, insolvency, or bankruptcy of any member, to provide for the guaranty of the return of deposits, the redemption of shares or share accounts of members of member credit unions; to aid and assist the supervisor of credit unions in maintaining the solvency of state-chartered credit unions and the handling of liquidations of credit unions under order of liquidation; and to assist its member credit unions that are going through voluntary liquidation. [§1761.02]

RHODE ISLAND—The Rhode Island Share and Deposit Insurance Corporation is constituted for the purpose of providing a fund for the insurance against loss of shares and deposits of members of credit unions. [L. 1969, HB 2037, §1]

VIRGINIA—Representatives of nine or more credit unions may establish a corporation for the purpose of aiding and assisting any member credit union which is in liquidation or experiencing financial difficulties such as insolvency or nonliquidity, in order

that the member shares of member credit unions shall be protected, in amounts not less than \$20,000 which shall be established by the corporation with the approval of the State Corporation Commission; and for the further purpose of cooperating with the commission and member credit unions in maintaining and advancing the financial integrity of member credit unions. [§6.1-226.3]

WASHINGTON—The Washington Credit Union Share Guaranty Association is created for the purpose of providing funds arising from assessments upon member credit unions to guarantee payment to credit union shareholders of the amount of loss to their share and deposit accounts in a liquidating member credit union, and to provide other services to promote the stability of state-chartered credit unions. [§31.12A.005]

WISCONSIN—The Wisconsin Credit Union Savings Insurance Corporation, a nonprofit corporation, shall be organized by the authorized representatives of not less than nine credit unions chartered under the Act. The general purposes of the corporation shall be to aid and assist any member credit union which develops financial difficulties such as insolvency, nonliquidity, or liquidation in order that the savings of any individual member credit union shall be protected or guaranteed to any amount not to exceed \$40,000, and to cooperate with its member credit unions and the commissioner for the purpose of improving the general welfare of credit unions in the state. [§186.35(1)(2)]

ACT IS SILENT:

Texas

Supervision of Insurance Program

(Applies only to federal program and 18 states with share insurance laws)

CUNA MODEL ACT: The Credit Union Share Insurance Corporation shall be subject to supervision and an annual examination by the Credit Union Department. The cost of each examination shall be paid by the corporation. [§14.45]

FEDERAL CREDIT UNION ACT: The National Credit Union Administration Board insures member accounts of credit unions. [§201]

SHARE INSURANCE CORPORATION SUPERVISED BY au-

thority specified and annual examination required:

- Connecticut—Commissioner of Banking [§7(b)]
- Missouri—Director of the Division of Credit Unions of the Dept. of Consumer Affairs, Regulation and Licensing [§370.375]
- Nebraska—[§13]
- North Carolina—Commissioner of Insurance [§54-44-1]
- Tennessee—Commissioner of Banking [§45-1845]
- Virginia—State Corporation Commission [§6.1-226.10(1)]
- Washington—State Supervisor of the Division of Savings and Loans [§31.12A.120]
- Wisconsin—Commissioner of Credit Unions [§186.35(7)]

BYLAWS SUBJECT TO APPROVAL of Commissioner of Banks. Other powers which corporation may exercise subject to approval or rule-making authority of commissioner:

Massachusetts [Ch. 294, §3.6] New Mexico [§4(C)]

OTHER ACTS:

FLORIDA—The books, records and accounts of the corporation shall be subject to an examination by the Department of Banking and Finance. [§657.263]

KANSAS—The commissioner of insurance shall issue certificates to qualified guarantee corporations, may adopt rules and regulations regarding such corporations, and may examine their records. [L. 1975, SB 516, §11,12,16,19]

MARYLAND—The Banking Commissioner must approve bylaws, rules and regulations set by the corporation. [§457]

NEW YORK—The credit union insurance fund may be organized with the approval of the superintendent of banks. [§481]

OHIO—The superintendent of credit unions is empowered to issue rules and orders necessary to further the purposes of the act and to protect the guaranty association, the member credit unions, or the public interest. He shall make or cause to be made an annual examination and such special examinations as he deems necessary. [§1761.31]

RHODE ISLAND—The corporation is subject to supervision by the director of business regulation, who shall examine the books, assets and liabilities of the corporation at least every 2 years. [L. 1976, H.B. 7401, §11]

ACT IS SILENT:

Georgia Texas

THE SUPERVISORY AUTHORITY



Government Supervisor

CUNA MODEL ACT: [Alternative A] There is created a Credit Union Department under the supervision of a Director appointed by the Governor, with the advice and consent of the Credit Union Council.

[Alternative B] There is created a Credit Union Department under the supervision of a Director appointed by the Credit Union Council. [§2.10(1)]

FEDERAL CREDIT UNION ACT: This section establishes the National Credit Union Administration as an independent agency within the executive branch of the government. The management of the Administration is vested in the National Credit Union Administration Board. The Board shall consist of three members who are appointed, by the President with the advice and consent of the Senate, for six year terms. [§102(a),(b),(c)]

ACT PROVIDES THAT STATE BANKING AUTHORITY supervises credit unions:

Alabama	[§5-2-100]	Montana	[§14-609]
Arizona	[§6-502(A)]	Nebraska	[§21-1775]
Arkansas	[§67-940]	New Hampshire	[§394:3]
Colorado	[§11-30-106(1)]	New Jersey	[§17:13-50]
Connecticut	[§36-195]	New York	[§177(1)]
Florida	[§657.06(1)]	North Dakota	[§6-01-01]
Georgia	[§11A-3003(a)]	Oklahoma	[§2008(A)]
Kentucky	[§290.100]	Oregon	[§723.102(2)]
Maine	[§815]	Pennsylvania	[§12307]
Maryland	[§1-11(a)]	Rhode Island	[§19-21-38]
Massachusetts	[Ch. 171, §2]	Tennessee	[§45-1808]
Minnesota	[§52.06(1)]	Vermont	[§2066]
Mississippi	[§81-13-15]	West Virginia	[§31-10-6]

ACT PROVIDES THAT THE COMMISSIONER OR DEPARTMENT OF FINANCIAL INSTITUTIONS shall supervise credit unions:

Idaho	[§26-21-44]	Michigan	[§490.6]
Illinois	[§496.24]	New Mexico	[§48-19-6(A)]
Indiana	[§28-7-1-11]	South Carolina	[§8-653]
Louisiana	[§6:64(A)(1)]	Utah	[§7-9-24]

ACT PROVIDES THAT THE ADMINISTRATOR OR COMMISSIONER OF CREDIT UNIONS shall supervise credit unions:

Kansas	[§17-2206(a)]	Texas	[§11.10]
Iowa	[§527.3(1)]	Wisconsin	[§186.012(2)]

OTHER ACTS:

CALIFORNIA—Commissioner of Corporations. [§15800]

HAWAII—The Director of the Department of Regulatory Agencies shall be the commissioner of credit unions. [§410-4(a)]

MISSOURI—The Director of the Division of Credit Unions, Department of Consumer Affairs, Regulation and Licensing. [§370.005]

NEVADA—Commissioner of Credit Unions, subject to supervision by the Director of the Department of Commerce and the Credit Union Advisory Council. [§678.250]

NORTH CAROLINA—Administrator of Credit Unions, Department of Commerce. [§54-109.12]

OHIO—Superintendent of Credit Unions, Division of Credit Unions. [§1733.32(a)]

PUERTO RICO—Inspector of Cooperatives. [§3]

VIRGINIA—State Corporation Commission. [§6.1-220]

WASHINGTON—Supervisor of the Division of Savings and Loan Associations. [§31.12.360]

Approval of Charters

(Governmental agency or officer issuing credit union charter)

CUNA MODEL ACT: [Alternative A.] The subscribers shall forward the required charter fee, the articles of incorporation, and the bylaws to the Director of the Credit Union Department. If they conform to the law, he shall within thirty (30) days issue a certificate of approval attached to the articles and return a copy of the bylaws and the articles to the applicants or their representatives, which shall be preserved in the permanent files of the credit union.

[Alternative B.] The subscribers shall forward the required charter fee and the articles of incorporation and the bylaws to the Director of the Credit Union Department. The Director may issue a certificate of approval, if the articles and the bylaws are in conformity with this Act and he is satisfied that the proposed field of operation is favorable to the success of such credit union and that the standing of the proposed organizers is such as to give assurance that its affairs will be properly administered. He shall return a copy of the bylaws and the articles to the applicants or their representatives, which shall be preserved in the permanent files of the credit union. The application shall be acted upon within thirty (30) days. [§1.20(5)]

FEDERAL CREDIT UNION ACT: The organization certificate shall be presented to the National Credit Union Administration Board. Before any organization certificate is approved, an appropriate investigation shall be made for the purpose of determining (1) whether the organization certificate conforms to the provisions of this Act; (2) the general character and fitness of the subscribers thereto; and (3) the economic advisability of establishing the proposed federal credit union. Upon approval of such organization certificate by the Board it shall be the charter of the corporation. [§104]

CHARTER APPROVED BY SAME GOVERNMENT AGENCY
that supervises credit unions:

Alabama	[§5-17-2(b)]	Missouri	[§370.040]
Arizona	[§6-502(D)]	Montana	[§14-603(5)]
Arkansas	[§67-902(C)]	Nebraska	[§21-1761]
California	[§14254(a)]	Nevada	[§678.310(1)]
Colorado	[§11-30-101(4)]	New Hampshire	[§394:4]
Connecticut	[§36-196(a)]	New Jersey	[§17:13-27]
Florida	[§657.01]	New Mexico	[§48-19-1(B)]
Georgia	[§41A-3003(b)]	New York	[§450]
Hawaii	[§410-8]	No. Carolina	[§54-109.2(e)]
Idaho	[§26-2105(d)]	North Dakota	[§6-06-02(3)]
Illinois	[§496.4]	Ohio	[§1733.07(D)]
Indiana	[§28-7-1-1(d)]	Oregon	[§723.012(4)]
Iowa	[§533.1(3)]	Pennsylvania	[§12303(C)]
Kansas	[§17-2201(a)]	Puerto Rico	[§3(c), §9]
Kentucky	[§290.020(1)]	South Carolina	[§8-654]
Louisiana	[§6:641(D)]	Tennessee	[§45-1804]
Maine	[§812(4)]	Texas	[§2.03(e)]
Maryland	[§6-305]	Utah	[§7-9-3]
Massachusetts	[Ch. 171, §2]	Vermont	[§2051(3)]
Michigan	[§490.1(c)]	Virginia	[§6.1-197]
Minnesota	[§52.01]	Washington	[§31.12.040]
Mississippi	[§81-13-1]	Wisconsin	[§18'02]

CHARTER APPROVED BY SECRETARY OF STATE:

West Virginia [§31-10-1(d)]

OTHER ACTS:

OKLAHOMA—The Bank Commissioner advises the State Credit Union Board which makes the actual decision. [§2003]

RHODE ISLAND—Charter is approved by the Board of Bank Incorporation. [§19-21-2]

Appointment of Advisory Council

CUNA MODEL ACT: The Credit Union Council shall consist of five (5) persons of tested credit union experience who shall be appointed by the Governor from a list of recommended names submitted by the credit unions of the state. Appointment to the Council shall be for terms of three (3) years each, except that initial appointments shall be: two (2) members for three (3) years each; two (2) members for two (2) years each, and one (1) member for one (1) year. [§2.50(2)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

Nevada [§678.290(2)]

OTHER ACTS:

ALABAMA—The Credit Union Board shall consist of the superintendent of banks (as ex-officio member) and seven other persons,

one from each congressional district, appointed by the governor with the consent of the Senate. All nominations for board membership shall come from a list of recommended names submitted by the credit unions of the state; 5 years experience as state credit union officer required and must continue to hold credit union office. After confirmation by the Senate, they shall serve for staggered terms of six years. [§§5-2-120, 5-2-123]

HAWAII—Credit Union Review Board consists of five members, appointed by the governor for four year terms. [§410-3(a)]

ILLINOIS—The governor appoints a five-man Board of Credit Union Advisers from people familiar with and associated in the field of credit unions to serve for terms of four years each on a staggered basis. [§496.26]

IOWA—Credit Union Review Board consists of seven members, each of whom must have been a member for at least the five previous years of an Iowa or federally chartered credit union. Two members may not be credit union employees or directors. Upon appointment by the governor and approval by the senate, the members serve for staggered terms of three years. [L. 1978, S.F. 137, Sec. 4]

KANSAS—Credit Union Council consists of seven members, appointed by the governor, for three year terms. Kansas credit unions may submit to governor a list of 25 names to be considered for positions on the council. [§17-2232]

MAINE—The superintendent shall create an advisory board and appoint the members thereof in such manner and form and in a number not less than 9 nor more than 15 as the superintendent deems necessary. Membership on such board shall include persons associated with representative financial institutions and shall include members of the general public. [§216]

MINNESOTA—The Credit Union Advisory Council consists of five members appointed by the governor for four year terms. Members must have three or more years experience as credit union officer. The Minnesota League of Credit Unions may submit list of 15 names to be considered for these positions. [§52.061]

NEW HAMPSHIRE—The advisory board shall consist of ten members, seven members to be appointed by the governor with the advice and consent of the council from nominations made from various financial institutions, including credit unions, each of whom shall select a panel of three persons representing its type of institution and from each of the seven panels thus selected one person shall be appointed to the advisory board. Their terms of office shall be for six years each. In addition, the speaker of the house shall appoint two members of the house, and the president of the senate one member of the senate to the board. They shall serve for a term of four years or until they are no longer members of their respective house. [§383:19]

NORTH CAROLINA—Credit Union Commission shall consist of seven members, appointed by the governor for four year terms. Four members shall have had a minimum of three years experience as credit union director or similar management position. [§143A-181(a)]

NORTH DAKOTA—The State Credit Union Board shall consist of the state examiner and two members appointed by the governor from a panel of five residents of North Dakota who have had at least three years of experience as an officer, director or committeeman of a state-chartered credit union, said panel to be furnished the governor by the North Dakota Credit Union League. Terms are for five years. The State Examiner shall be chairman of the board. [§8-01-03(2)]

continued

OKLAHOMA—State Credit Union Board shall consist of five members, one of whom shall be Bank Commissioner, appointed by the governor, with consent of Senate for four year terms. The Oklahoma Credit Union League may submit list of 12 names to be considered for those positions. [§2001.1]

TEXAS—The Credit Union Commission consists of six members, all of whom are from state-chartered credit unions. They are appointed by the governor, with consent of Senate, for six year terms. All members shall have at least five years credit union experience. [§11.01, 11.02, 11.03]

UTAH—There shall be a board of credit union advisors of five members to be appointed by the governor. Members of the board shall be individuals who are familiar with and associated in the field of credit unions. At least three of the members shall be persons who have had three or more years of experience as a credit union officer and shall be selected from a list submitted by the Utah Credit Union League. Terms of members are for five years, expiring on a staggered basis. [§7-9-28]

WISCONSIN—The Credit Union Review Board consists of five members appointed by the governor with the advice and consent of the Senate. All members of the board shall have at least five years' experience in the operation of a credit union. Members of the board shall each be appointed for a term of five years and until his successor shall be appointed and qualified. [§186.015(2)]

ACT IS SILENT:

31 states and Puerto Rico.

Duties of Advisory Council

CUNA MODEL ACT: There is created a Credit Union Council to consult with, advise and make recommendations to the Director of the Credit Union Department and to hear appeals on matters pertaining to credit unions. [§2.50(1)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT PROVIDES THAT THE COUNCIL may advise and make recommendations to the supervisor:

Minnesota [§52.061] Nevada [§678.290(1)]

OTHER ACTS:

ALABAMA—The Board may advise and make recommendations to the governor, superintendent of banks, and to the supervisor of the bureau of credit unions with respect to credit union laws. Credit union rules and regulations must be approved by the Board. [§5-2-125]

HAWAII—The duties of the Credit Union Review Board shall include, but not be limited to: (1) advising the commissioner, supervisor of credit unions, and others in improving the condition and service of credit unions; (2) reviewing the acts and decisions of the commissioner in relation to credit unions; (3) serving as an appeal board for credit unions and performing other review functions in relation to credit unions as are provided by law; (4) issuing subpoenas, taking testimony, and administering oaths to witnesses; (5) making available the official actions of the commissioner for inspection of the board; (6) making necessary recommendations as to procedural rules and regulations pursuant to Chapter 91; (7) adopting rules to safeguard the interest of depositors and shareholders. [§410-3(b)]

ILLINOIS—Duties of the Board of Credit Union Advisers include obtaining from director of financial institutions reports concerning supervision and regulation of credit unions, to advise the governor and the director on problems concerning credit unions, to foster interest and cooperation of credit unions in improving service, and to advise governor and director upon appointments and employment of personnel concerned with supervision of credit unions. [§496.29]

IOWA—The Credit Union Review Board has power to adopt, amend and repeal rules or take other action it deems necessary or suitable to carry out this Act. [L. 1978, S.F. 137, Sec. 5]

KANSAS—The Credit Union Council shall hire and fix the compensation of an administrator, who shall serve at its pleasure. The administrator shall head the Credit Union Department and have general supervision of credit unions, subject to the orders and direction of the council. [§17-2233]

MAINE—The advisory board shall advise the superintendent on the regulation, supervision and structure of financial institutions, but shall not have veto power over his actions. [§213(1)]

NEW HAMPSHIRE—The advisory board shall advise and consult with the commissioner from time to time in order to promote understanding and cooperation between the office of the bank commissioner and the institutions under his supervision, to provide for better enforcement and observation of the laws relating to banking and credit, and to serve as a medium for exchange of ideas for the establishment of sound banking and credit practices. The advisory board shall also act as a committee to study the banking laws and make such recommendations as they see fit to any future session of the legislature. [§383:19]

NORTH CAROLINA—The Credit Union Commission is vested with full power and authority to review, approve, or modify any action taken by the Administrator of Credit Unions in the exercise of all powers, duties, and functions vested by law in or exercised by the Administrator of Credit Unions under the credit union laws of this state. An appeal may be taken to the commission from any finding, ruling, order, decision or the final action of the administrator by any credit union which feels aggrieved thereby. [§143A-181(c)]

NORTH DAKOTA—The State Credit Union Board has power to make such rules and regulations for the government of credit unions as in its judgment may seem wise and expedient; it reviews all reports made by credit unions and all reports of examinations made by state, and shall approve or disapprove such reports. The board shall make and enforce such orders as may be necessary to protect the public and the members of credit unions. [§6-01-04]

OKLAHOMA—The State Credit Union Board shall exercise the powers that, prior to this Act, were exercised by the Bank Commissioner; it may promulgate rules and regulations to carry out the credit union laws. [§2001.2]

TEXAS—The Credit Union Commission shall advise the credit union commissioner. The Credit Union Commission or commissioner assumes all duties relating to credit unions previously held by the banking commissioner. [§11.01(a)]

UTAH—The Board of Credit Union Advisers shall have the powers and duties to advise the governor and bank commissioner on problems relating to credit unions, and to foster the interest and cooperation of credit unions in the improvement of their services to the people of the state of Utah. [§7-9-28]

WISCONSIN—The commissioner shall confer with the Credit Union Review Board on matters affecting credit unions and his office. The board may require the commissioner to submit any of his official actions to the board for its approval. The board may make rules of procedure as provided in Ch. 227. Any interested person aggrieved by act, order or determination of the commissioner may apply for review thereof by filing a petition with the secretary of the board within 30 days after the act, order or determination to be reviewed.

The board may make rules to safeguard the interest of depositors and shareholders. [§186.015(1)(3)(b)(e)]

ACT IS SILENT:

31 states and Puerto Rico.

Rules and Regulations

CUNA MODEL ACT: The Director may prescribe rules and regulations for the administration of this Act subject to the advice and consent of the Credit Union Council. [§2.10(3)]

FEDERAL CREDIT UNION ACT: The Board may prescribe rules and regulations for the administration of this act (including, but not by way of limitation, the merger, consolidation, and dissolution of corporations organized under this Act). [§120(a)]

ACT SIMILAR TO MODEL ACT:

Texas [§11.07(a)]

SUPERVISOR AUTHORIZED TO PRESCRIBE OR ADOPT RULES AND REGULATIONS pursuant to administering or enforcing the credit union act:

Arizona	[§6-123(2)]	Michigan	[§496-27]
Arkansas	[§67-940]	Missouri	[§370.100(1)]
California	[§15801]	Montana	[§14-609(2)]
Colorado	[§11-30-106(3)]	New Mexico	[§48-19-4.1]
Connecticut	[§36-216]	No. Carolina	[§54-109.12]
Georgia	[§41A-3114]	North Dakota	[§6-01-04]
Hawaii	[§410-38]	Ohio	[§1733.41]
Idaho	[§26-2144]	Oregon	[§723.102(3)]
Kentucky	[§290.070(2)]	Pennsylvania	[§12307]
Louisiana	[§6:640(A)(1)]	Puerto Rico	[§4]
Maine	[§215, 251]	Rhode Island	[§19-21-45]
Massachusetts		South Carolina	[§8-653]

[Ch. 167, §11D, 16A]

OTHER ACTS:

ALABAMA—Superintendent of Banks, with the approval of state credit union board, may issue rules and regulations. Proposed regulations must be distributed to all credit unions who have 30 days to comment and can demand a formal hearing. [§§5-2-10, 5-2-125]

FLORIDA—The department of banking and finance shall promulgate rules and regulations governing the conduct of state credit unions, and may adopt rules to promote and preserve the liquidity and soundness of credit unions. [§657.06(3)(b); 657.16]

IOWA—The Credit Union Review Board has authority to make rules and regulations regarding credit unions. The administrator may make further rules as necessary, subject to Board approval. [§533.1]

KANSAS—The Administrator has the authority to promulgate audit and reporting standards via regulations. [§17-2206(b)]

MISSISSIPPI—The Department of Bank Supervision is empowered with authority to promulgate rules and regulations concerning the operation of credit unions. [§81-13-15]

NEBRASKA—The Department of Banking shall make regulations as to the minimum amount and kind of fidelity or performance bonds that shall be required of officials or employees. [§21-1776]

NEVADA—The commissioner of credit unions shall make the decisions and determinations and adopt regulations to accomplish the purposes of this chapter, subject to administrative supervision by the director and the advisory council. [§678.250]

NEW JERSEY—The Department of Banking may promulgate rules and regulations, in relation to loans or investments, in substantial conformity with similar rules and regulations under the Federal Credit Union Act. [§17:13-27(k)]

NEW YORK—The superintendent may prescribe regulations and restrictions regarding the power of credit unions to act as trustees for certain retirement plans. [§453(1-a),(1-b)]

VERMONT—The commissioner may make rules necessary for the proper conduct of credit unions. Such rules must not be inconsistent with the act. General rules become effective only after the credit unions and the Vermont Credit Union League have had time to comment. [§2066(a)]

WASHINGTON—Supervisor authorized to make and promulgate uniform rules and regulations dealing with merger of one credit union with another. [§31.12.370]

WISCONSIN—The Credit Union Review Board may make rules to safeguard the interests of depositors and shareholders. [§186.015(e)]

ACT IS SILENT:

Illinois	New Hampshire	Utah
Indiana	Oklahoma	Virginia
Maryland	Tennessee	West Virginia
Minnesota		

Reporting to Supervisory Authority

CUNA MODEL ACT: Credit unions organized under this Act shall report to the Director annually on or before the first day of _____ on forms supplied by him for that purpose. Additional reports may be required. [§2.20(1)]

FEDERAL CREDIT UNION ACT: Financial reports shall be made to the Board when it requires, but at least annually. [§106]

ACT SIMILAR TO MODEL ACT:

Alabama	February 1	[§5-17-8]
Iowa	February 1	[§533.6(1)]
Montana	February 1	[§14-610(1)]
New York	February 1	[§477(1),(2)]

ACT SIMILAR TO FEDERAL ACT:

Oklahoma	[§2008(A)]
Pennsylvania	[§12307]

REPORT TO BE MADE AT LEAST SEMI-ANNUALLY on or before specified dates, with additional reports as required:

Indiana	January 31, July 31	[§28-7-1-11]
North Carolina	January, July	[§54-109.15(a)]
Washington	•	[§31.12.320]
West Virginia	January 1, July 1	[§31-10-6]

* Within 30 days after first business day of January

continued

REPORT TO BE MADE AT LEAST ANNUALLY on or before specified dates, with additional reports as may be required:

California	•	[\$15802]
Connecticut	••	[\$36-215(a)]
Florida	January 31	[\$657.06(1)]
Hawaii	January 31	[\$410-13-(15)]
Maryland	March 31	[\$141(a)]
Michigan	February 15	[\$490.6]
Minnesota	January 25	[\$52.06(1)]
Missouri	November 15	[\$370.110(1)]
New Mexico	January 31	[\$48-19-6(A)]
Oregon	January 31	[\$723.106(1)]
Puerto Rico	•••	[\$13]
Texas	February 1	[\$2.09]
Vermont	February 15	[\$2067]

*On or before 45 days after December 31

**Within 30 days after December 31

***Within 60 days after the close of their fiscal year.

REPORT TO BE MADE AT LEAST ANNUALLY on or before specified date:

Arizona	February 15	[\$6-523(A)]
Arkansas	February 1	[\$67-930]
Colorado	February 1	[\$11-30-106(2)]
Idaho	February 1	[\$26-2133]
Illinois	February 1	[\$49C-25]
Maine	••	[\$835(1)]
Massachusetts	••	[Ch. 171, §27]
Mississippi	January 21	[\$81-13-15]
Nebraska	February 1	[\$21-1775]
Nevada	February 1	[\$678.780(1)]
New Hampshire	•••	[\$394:45]
New Jersey	January 31	[\$17:13-49]
Ohio	January 31	[\$1732.32(C)]
Rhode Island	March 1	[\$19-21-39]
South Carolina	••••	[\$8-674]
Utah	February 1	[\$7-9-24]
Virginia	December 31	[\$6.1-220]

•••Within 30 days after last December business day

••••Within 20 days after the last June business day

•••••Within 31 days of last December business day

OTHER ACTS:

KANSAS—Reports to be made at least semi-annually on forms supplied by the Administrator in April and October. [§17-2200(a)]

KENTUCKY—Credit union reports shall be made to director of banking on the dates of the calls made to the state banks. Such reports must be made as often as the Commission requires, but at least annually. [§§290.090,290.100]

LOUISIANA—Report to be made at end of fiscal year (December 31), to be filed on or before February 15. Additional reports may be required. [§6:646(B)(2)]

NORTH DAKOTA—Reports made at least once annually, upon the call of the supervisory authority. [§6-06-08]

TENNESSEE—Report is to be made at least semi-annually on the dates of the second and fifth calls made to national banks. [§45-1808]

WISCONSIN—Report to be made on December 31 of each year and filed on or before February 1. [§180.25]

ACT IS SILENT:

Georgia

Examinations by Government

CUNA MODEL ACT: The Credit Union Department shall annually examine or cause to be examined each credit union. Each credit union and all of its officers and agents shall be required to give to representatives of the Director of said Department full access to all books, papers, securities, records and other sources of information under their control; and for the purpose of such examination said representatives may subpoena witnesses, administer oaths, compel the giving of testimony, and require the submission of documents. [§2.3C, 1]

FEDERAL CREDIT UNION ACT: Each federal credit union shall be subject to examination by any person designated by the Board, and shall make its books and records accessible to such person. [§106]

ACT SIMILAR TO MODEL ACT:

Hawaii	[\$410-25]	Nevada	[\$678.790(1)]
Illinois	[\$496.25]	Ohio	[\$1733.32(A)]
Iowa	[\$533.6(2), L. 1978, S.F. 137, Sec. 10]	Oregon	[\$723.112(1)]
Montana	[\$14-611(1)]		

ACT SIMILAR TO FEDERAL ACT:

Kentucky	[\$290.100]	South Carolina	[\$8-653]
Missouri	[\$370.120(1)]		

ACT PROVIDES THAT THE CREDIT UNION shall be examined by the supervisory authority at least annually:

Alabama	[\$5-17-8]	Nebraska	[\$21-1777]
Arizona	[\$6-523(C)]	New Mexico	[\$48-19-6(B)]
Arkansas	[\$67-933(1)]	North Dakota	[\$6-06-08]
Colorado	[\$11-30-106(1)]	Texas	[\$11.12]
Florida	[\$657.06(2)]	Washington	[\$31.12:320]
Michigan	[\$490.6]	West Virginia	[\$31-10-6]
Minnesota	[\$52.00(1)]	Wisconsin	[\$180.26(1)]

ACT PROVIDES THAT THE CREDIT UNION shall be examined by the supervisory authority at least annually and whenever the supervisor deems necessary:

California	[\$15807(a)]	Oklahoma	[\$2008(A)]
Connecticut	[\$36-214(1)]	Pennsylvania	[\$1230-7]
Kansas	[\$17-2200]	Puerto Rico	[\$13]
Maryland	[\$141(a)]	Rhode Island	[\$19-21-38]
Mississippi	[\$81-13-17]	Tennessee	[\$45-1809]
New York	[Art. 11, §36]	Vermont	[\$2069(a)]
No. Carolina	[\$54-109.16]		

OTHER ACTS:

IDAHO—Each credit union shall be examined at least annually by the Department of Finance. [§26-2136] Each credit union, as a supervised lender, is to be examined at least every 2 years by the administrator. [§28-33-506]

INDIANA—Every credit union shall be examined by the Department as often as the Department considers necessary. [§28-7-1-12]

LOUISIANA—Each credit union shall be examined at least biennially by the commissioner or his deputy. [§6:646(B)(3)]

MAINE—The superintendent shall examine each credit union at least once in every 18 months. [§§815,221]

MASSACHUSETTS—Each credit union shall be audited and examined at least once every three years, in manner prescribed by commissioner. If the credit union has assets of more than \$5 mil-

lion, such audit and examination must be made by an accountant not connected with the credit union. [Ch. 171, §17]

NEW HAMPSHIRE—Bank commissioner has same authority and powers in the supervision of credit unions that are vested in him in the supervision of banks. [§394:3]

NEW JERSEY—Every credit union shall be examined by commissioner at least once in each two years, or more often if it is deemed expedient. [§17:13-50]

UTAH—Act provides for setting of examination fees by commissioner. [§7-1-10]

VIRGINIA—Each credit union shall be examined as often as the commissioner deems is in the shareholder's interests, but not less than twice in every three year period. [§6.1-221]

ACT IS SILENT:

Georgia

Audit in Lieu of Examination

CUNA MODEL ACT: In lieu of making an annual examination of a credit union, the Director may accept an audit report of the condition of the credit union made by an auditor approved by the Director. The cost of the audit shall be borne by the credit union. [§2.30(3)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

Arizona	[§6-523(1D)]	Montana	[§14-611(3)]
Indiana	[§28-7-1-12]	Nebraska	[§21-1778]
Michigan	[§490.6]	Rhode Island	[§19-21-38]
Missouri	[§370.120(3)]	South Carolina	[§8-653]

ACT PERMITS ACCEPTANCE BY THE STATE of an external audit by an approved auditor in lieu of an examination by the supervisory authority:

California	[§15807(a)]	New Jersey	[§17:13-50]
Idaho	[§26-2136]	Puerto Rico	[§13]
Massachusetts	[Ch. 171, §17]	Washington	[§31.12.320]

ACT PERMITS ACCEPTANCE BY THE STATE of an external audit by an approved auditor in lieu of examination if the credit union's assets are less than \$25,000:

Colorado	[§11-30-106(1)]	West Virginia	[§31-10-6]
Florida	[§657.06(2)]		

OTHER ACTS:

ILLINOIS—Any credit union with assets under \$500,000 may submit an audit rather than examination but if such an audit is submitted, the Director of Financial Institutions has the discretion to reject it in favor of the state examination; any credit union with assets over \$500,000 must be audited by a firm registered with the Department of Registration and Education except where the Director may determine that a state examination should be made. [§496.25]

IOWA—The administrator of credit unions may accept, in lieu of the annual examination of a credit union, an audit report conducted by a certified public accounting firm selected from a list of firms previously approved by the administrator. [§533.6(2)]

KANSAS—In lieu of examination, the Administrator may accept examination by National Credit Union Administration, other ap-

propriate federal agency, or an independent auditor or CPA licensed to do business in the state. [§17-2206(b)]

MINNESOTA—The commissioner may accept either an audit by a CPA or an examination by the National Credit Union Administration in lieu of the annual examination. [§52.06(1)]

NEVADA—The directors may engage a qualified audit service or accountant to perform the examination in lieu of the division staff. [§678.790(4)]

NORTH CAROLINA—The administrator may designate an independent auditing firm to do the work under his direction and supervision. [§54-109.16]

NORTH DAKOTA—Credit union may be examined annually by a certified public accountant or the North Dakota Credit Union League, with approval of State Examiner and the State Credit Union Board. [§6-06-08]

PENNSYLVANIA—The department may use methods other than examinations to determine the condition of credit unions it supervises. [§12307]

ACT IS SILENT:

Alabama	Maryland	Oregon
Arkansas	Mississippi	Tennessee
Connecticut	New Hampshire	Texas
Georgia	New Mexico	Utah
Hawaii	New York	Vermont
Kentucky	Ohio	Virginia
Louisiana	Oklahoma	Wisconsin
Maine		

Examination Fees

CUNA MODEL ACT: The Director . . . may establish chartering, supervision and examination fees, subject to the advice and consent of the Credit Union Council. [§2.10(3)]

FEDERAL CREDIT UNION ACT: In accordance with rules prescribed by the Board, each Federal credit union shall pay to the Administration an annual operating fee which may be expended by the Board to defray the expenses incurred in carrying out the examination and supervision of credit unions. The fee assessed shall reflect the expenses of the Administration as well as the ability of credit unions to pay. [§105]

ACT SIMILAR TO MODEL ACT:

Nevada	[§678.270(1)]	Hawaii	[§410-25]
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THE CREDIT UNION SHALL PAY THE actual cost of the examination, as determined by the supervisory authority:

Arkansas	[§67-933(3)]	*Ohio	[§1733.32(E)]
California	[§16003]	Pennsylvania	[§12307]
Connecticut	[§36-214(1)]	Texas	[§11.12]
Iowa	[§533.6(4)]	**Vermont	[§2009(a)]
Maine	[§214(1)]	Washington	[§31.12.320]
New Jersey	[§17:13-51]	Wisconsin	[§186.04(3)]

*Maximum of \$2,000 for total examination and supervisory fee assessment.

**Added \$10 fee if books not balanced 30 days prior examination.

EXAMINATION FEES ARE PRESCRIBED BY the supervisory authority:

Montana	[§14-609(2)]	Oklahoma	[§2008(A)]
North Carolina	[§54-109.14(e)]		

continued

OTHER ACTS:

ALABAMA—Examination fees fixed by the supervisor of the bureau of credit unions, but not to exceed:

Assets	Fee
Up to \$25,000—	\$.50/\$100 assets subject to minimum fee \$25
Over \$25,000—	\$.08/\$100 assets up to \$500,000 assets
\$54 Examiner day plus	\$.03½/\$100 assets \$500,000 to \$1,000,000 assets \$.02½/\$100 assets \$1,000,000 to \$5,000,000 assets \$.01/\$100 assets over \$5,000,000 assets subject to minimum fee \$125. [§5-17-7(a)]

ARIZONA—\$50 for first \$50,000 of assets or fraction thereof; \$100 for the next \$50,000 of assets or fraction, \$50 for each additional \$100,000 or fraction up to \$2,000,000, and \$75 for each additional \$100,000 or fraction thereof. [§6-125A(4)]

COLORADO—\$55 per man day or \$3 for each \$1,000 assets, whichever is the lesser, plus 15¢ for each full \$1,000 of assets with a minimum fee of \$25. [§11-30-106(1)]

FLORIDA—Based on the total amount of resources held by the credit union:

Resources	Fee
Up to \$10,000	\$25.00
up to 15,000	50.00
up to 25,000	75.00
up to 50,000	100.00
up to 75,000	125.00
up to 100,000	150.00
over 100,000 but less than 1,000,000	150.00 plus \$50 for each additional \$100,000 or fractional part
over \$1,000,000 but less than \$5,000,000	600.00 plus \$45 for each additional \$100,000 or fractional part
over \$5,000,000	2,400 plus \$40 for each additional \$100,000 or fractional part

§657.06(3)]

IDAHO—A credit union shall pay an examination fee based upon the cost of performing the examination in accordance with regulations adopted by the director. [§26-2136]

ILLINOIS—Based on Assets:

Assets	Fee
\$25,000 assets or less	\$25 plus \$2 per \$1,000 of assets up to and including \$25,000
Over \$25,000 assets and not over \$100,000 assets	\$75 plus \$1.75 per \$1,000 of assets in excess of \$25,000
Over \$100,000 assets and not over \$200,000 assets	\$206.25 plus \$1.50 per \$1,000 of assets in excess of \$100,000
Over \$200,000 assets and not over \$500,000 assets	\$356.25 plus \$1.25 per \$1,000 of assets in excess of \$200,000
Over \$500,000 assets and not over \$750,000 assets	\$731.25 plus 85¢ per \$1,000 of assets in excess of \$500,000
Over \$750,000 assets and not over \$1,000,000 assets	\$943.75 plus 80¢ per \$1,000 of assets in excess of \$750,000
Over \$1,000,000 assets and not over \$5,000,000 assets	\$1,143.75 plus 40¢ per \$1,000 of assets in excess of \$1,000,000
Over \$5,000,000 assets	\$2,743.75 plus 25¢ per \$1,000 of assets in excess of \$5,000,000

or the cost of the examination including such part of the overhead cost as the Director determines is attributable to the examination, whichever is less, but not less than \$35. No examination fee may be collected from a credit union until it has been in operation one year. [§496.30]

KANSAS—Based on Assets:

Assets	Fee
Under \$25,000	Min. fee — \$25; Max. fee \$.50/\$100 assets
Over \$25,000	\$54/examiner day,*
*plus \$.08/\$100 assets up to \$500,000 plus \$.035/\$100 assets from \$500,000 to \$1,000,000 plus \$.025/\$100 assets from \$1,000,000 to \$5,000,000 plus \$.01/\$100 assets over \$5,000,000 [§17-2206(e)]	

KENTUCKY—The commissioner shall fix a scale of examination fees to be paid by credit unions, giving due consideration to the time and expense incident to such examinations and to the ability of credit unions to pay such fees. [§290.100]

LOUISIANA—Based on assets:

Assets	Fee
Less than \$15,000	\$35
\$15,000 to 20,000	45
20,000 to 30,000	55
30,000 to 40,000	60
40,000 to 50,000	70
50,000 to 60,000	135
60,000 to 75,000	155
75,000 to 100,000	165
100,000 to 150,000	190
150,000 to 200,000	215
200,000 to 300,000	245
300,000 to 400,000	270
400,000 to 500,000	300
500,000 to 600,000	325
600,000 to 700,000	370
700,000 to 800,000	405
800,000 to 900,000	490
900,000 to 1,000,000	540*

*plus \$70 for each \$100,000 or fraction thereof in excess of \$1,000,000. [§6:646B(4)]

MARYLAND—\$20 plus (after deducting \$10,000 from total assets) an additional charge of \$20 plus 1/18 of 1% of remaining assets; or \$40 per examiner day, whichever is less. [§142]

MICHIGAN—Based on Assets:

Assets	Fee
Up to \$500,000	\$6.75/examiner hour*
*plus \$.08/\$100 assets up to \$500,000 plus \$.035/\$100 assets from \$500,000 to \$1,000,000 plus \$.025/\$100 assets from \$1,000,000 to \$5,000,000 plus \$.01/\$100 assets over \$5,000,000	
All credit unions pay minimum fee of \$125. [§490.6]	

MINNESOTA—The bank commissioner shall collect an annual fee based on assets; credit unions with assets below \$25,000 must pay an additional examination fee of a minimum \$20. No examination fee for the first year of operation. [§46.131]

MISSISSIPPI—Examination fees determined by the state comptroller based on average daily cost of all examiners of the Department plus actual and necessary expenses. [§81-13-17]

NEBRASKA—Act refers to Section 8-601, Reissue Revised Statutes of Nebraska, 1943 for examination fee schedule. [§21-1779]

NEW MEXICO—\$100 per examiner day, or \$50 per examiner half day or any portion thereof. [§48-19-6(B)]

NORTH DAKOTA—Credit union shall pay to the examiner for examination a fee equal to \$65 per examiner day, with a \$100 minimum fee. [§6-06-08]

OREGON—At the time of the annual examination, each credit union shall pay a fee equal to 1/10 of 1% of total assets not in excess of \$500,000, plus 1/25 of 1% of assets in excess of \$500,000 but less than \$5,000,000, plus an amount deemed necessary by the Superintendent, but not to exceed 1/20 of 1% of assets over \$5,000,000. In addition, the credit union must pay a branch fee based on the actual cost of each branch examination, or \$25, whichever is larger. The Superintendent may, with the Banking Board's approval, reduce or charge added fees. [§723.112(3)(4)(5)]

RHODE ISLAND—For each examiner: \$100/day. No credit union shall be charged during the first two years of its existence. The total examination fees cannot exceed:

Assets	Fee
Under \$ 50,000	\$ 62.50
\$ 50,000 to 100,000	125.00
100,000 to 250,000	250.00
250,000 to 500,000	375.00
500,000 to 1,000,000	500.00
1,000,000 to 3,000,000	750.00
3,000,000 to 6,000,000	1,000.00

More than \$6,000,000—shall not exceed total examination fees imposed upon a bank, savings bank or trust company with same total assets. [§19-21-38.1]

TENNESSEE—\$40 per day for each examiner plus \$.06/\$100 assets up to \$500,000; plus \$.03/\$100 assets from \$500,000 to \$1,000,000; plus \$.02/\$100 assets from \$1,000,000 to \$5,000,000; plus \$.01/\$100 assets over \$5,000,000, plus up to an additional \$10 per day if the Superintendent of Banks prescribes. Fees for follow-up examinations are \$40 per examiner per day. [§45-1809(a),(b)]

UTAH—Hourly charge for the services of each examiner, to be set by the commissioner with the concurrence of the board of credit union advisors. [§7-1-10(5)(b)]

VIRGINIA—\$25 to cover first \$3,000 or less of assets, plus: for the amount by which its assets exceed \$3,000 and do not exceed \$30,000, \$1 for each \$1,000 or fraction; and for the amount by which assets exceed \$30,000 and do not exceed \$5,000,000, 60¢ for each \$1,000 or fraction thereof. For assets in excess of \$5,000,000, \$.30 for each \$1,000 or fraction. The Commission is authorized to increase fees by 50%. [§6.1-221.6.1-2]

WEST VIRGINIA—\$65 per day per examiner. [§31-10-6]

ACT IS SILENT:

Georgia	Missouri	Puerto Rico
Indiana	New Hampshire	South Carolina
Massachusetts	New York	

Supervision Fees

CUNA MODEL ACT: The Director . . . may establish chartering, supervision, and examination fees, subject to the advice and consent of the Credit Union Council. [§2.10(3)]

FEDERAL CREDIT UNION ACT: In accordance with rules prescribed by the Board, each Federal credit union shall pay to the Administration an annual operating fee which may be expended by the Board to defray the expenses incurred in carrying out the examination and supervision of credit unions. The fee assessed shall reflect the expenses of the Administration as well as the ability of credit unions to pay. If the annual operating fee is composed of separate charges, no supervision fee shall be payable by a Federal credit union. [§105]

ACT SIMILAR TO MODEL ACT:

Nevada [§678.270(1)]

FEE PRESCRIBED BY the supervisory authority:

Arkansas	[§67-931]	North Carolina	[§54-109.14(a)]
Montana	[§14-609(2)]	Oklahoma	[§2008(A)]

FEE REQUIRED for filing annual report to supervisor:

Rhode Island—\$5 [§19-21-39] South Carolina—\$10 [§8-674]

OTHER ACTS:

CALIFORNIA—Every credit union licensed by Commissioner shall pay in advance for ensuing year's charges and assessments in accordance with schedule:

Assets	Assessment
Assets of \$1,000 or less	\$20.00
Over \$1,000, but not more than \$50,000	\$20.00 plus \$2.00 per \$1,000 of assets in excess of \$1,000
Over \$50,000, but not more than \$150,000	\$118.00 plus \$1.75 per \$1,000 of assets in excess of \$50,000
Over \$150,000, but not more than \$300,000	\$293.00 plus \$1.50 per \$1,000 of assets in excess of \$150,000
Over \$300,000, but not more than \$500,000	\$518.00 plus \$1.00 per \$1,000 of assets in excess of \$300,000
Over \$500,000, but not more than \$750,000	\$718.00 plus \$0.50 per \$1,000 of assets in excess of \$500,000
Over \$750,000 [§16000]	\$843.00 plus \$0.25 per \$1,000 of assets in excess of \$750,000

FLORIDA—Fees collected under part I of this chapter are appropriated to the Department of Banking and Finance to be used in administering this Act. [§657.06(3)(b)]

ILLINOIS—Each credit union must pay the Department an annual supervision fee by February 1, according to a graduated scale based on assets. No fee collectible during first year of operations.

If Credit Union has Total Assets of:	Minimum Supervision Fee is:
Under \$10,000	\$ 10
At least \$10,000 but less than \$20,000	20
At least \$20,000 but less than \$25,000	25
At least \$25,000 but less than \$50,000	40
At least \$50,000 but less than \$100,000	75
At least \$100,000 but less than \$200,000	140
At least \$200,000 but less than \$350,000	175
At least \$350,000 but less than \$500,000	275
At least \$500,000 but less than \$1,000,000	400
At least \$1,000,000 but less than \$2,000,000	500
At least \$2,000,000 but less than \$5,000,000	600
At least \$5,000,000 but less than \$10,000,000	700
\$10,000,000 or greater	800

[§496.30]

IOWA—Each credit union must pay an annual filing fee to the Administrator. The fee shall be based upon the actual operating costs of the department, exclusive of examination expenses, and shall be established as a rule by the Administrator. [L. 1978, S.F. 137, Sec. 13(1)]

KANSAS—The Administrator may, with the approval of the Credit Union Council, assess a supervision fee not to exceed the following:

On assets of:	Fee not greater than:
Under \$500,000	\$.30/\$1,000 assets
\$500,000 to \$1,000,000	\$150 plus \$.25/\$1,000 assets exceeding \$500,000

continued

Supervision Fees—continued

\$1,000,000 to \$2,000,000	\$275 plus \$.20/\$1,000 assets exceeding \$1,000,000
\$2,000,000 to \$5,000,000	\$475 plus \$.15/\$1,000 assets exceeding \$2,000,000
over \$5,000,000 [§17-2206(e)]	\$925 plus \$.10/\$1,000 assets exceeding \$5,000,000

MAINE—The superintendent shall assess semiannually each financial institution at the annual rate of at least 7¢ for each \$1,000 of average deposits or share accounts, excluding deposits of other financial institutions and deposits of the United States Government. The superintendent may raise the minimum assessment rate by promulgating regulations at such time as economic conditions warrant such an increase. In no event shall the semi-annual assessment be less than \$25. [§214(2)]

MINNESOTA—Each credit union shall pay an annual fee based on assets. [§46.131]

MISSISSIPPI—\$20 a year. [§81-13-17]

MISSOURI—Each credit union shall pay an annual fee based on assets as follows:

Total Assets	Fee
Less than \$15,000	\$10.50
Over \$15,000 and not over \$50,000	\$10.50 plus 70 cents per \$1,000 in excess of \$15,000
Over \$50,000 and not over \$200,000	\$35 plus 60 cents per \$1,000 in excess of \$50,000
Over \$200,000 and not over \$500,000	\$125 plus 50 cents per \$1,000 in excess of \$200,000
Over \$500,000 and not over \$1,000,000	\$275 plus 40 cents per \$1,000 in excess of \$500,000
Over \$1,000,000 and not over \$2,000,000	\$475 plus 30 cents per \$1,000 in excess of \$1,000,000
Over \$2,000,000 and not over \$3,000,000	\$775 plus 20 cents per \$1,000 in excess of \$2,000,000
Over \$3,000,000 and not over \$5,000,000	\$975 plus 10 cents per \$1,000 in excess of \$3,000,000
Over \$5,000,000	\$1,175 plus 5 cents per \$1,000 in excess of \$5,000,000

An additional surcharge, which may not exceed 60% of the fee paid according to the above schedule, may be assessed when the supervisor's budget exceeds receipts from fees. [§370.107]

OHIO—The fee shall be 1/10 of 1% of the credit union's assets, provided that the minimum fee shall be \$50 and the maximum fee shall be \$2,000. [§1733.32(E)]

OREGON—To defray the costs of supervision, every credit union shall pay to the Superintendent of Banks a fee based on the total assets of the credit union at the time of examination:

Assets over	And not over	Fee
\$ 0	\$ 1,000	\$ 10
1,000	5,000	20
5,000	15,000	30
15,000	25,000	50
25,000	50,000	75
50,000		200

In addition thereto, the credit union shall pay at the same time such fees as the Superintendent deems necessary, but not to exceed 1/20 of 1% of assets in excess of \$5,000,000. The Superin-

tendent may, with the Banking Board's approval, reduce the supervision fee to be collected. The Superintendent may also charge additional fees based upon actual costs of extra attention devoted to a credit union's affairs. [§723.112(3),(4),(5)]

PENNSYLVANIA—A credit union shall pay annually its proportionate share of the overhead expenses of the Department of Banking determined by general rule or regulation of the Department. [§12307]

TENNESSEE—Each credit union subject to an annual supervision fee as follows, but in no event less than \$5.00:

Total Assets	Maximum Fee
\$500,000 or less	30 cents per \$1,000
Over \$500,000 and not over \$1,000,000	\$150 plus 25 cents per \$1,000 in excess of \$500,000
Over \$1,000,000 and not over \$2,000,000	\$275 plus 20 cents per \$1,000 in excess of \$1,000,000
Over \$2,000,000 and not over \$5,000,000	\$475 plus 15 cents per \$1,000 in excess of \$2,000,000
Over \$5,000,000 [§45-1809(c)]	\$925 plus 10 cents per \$1,000 in excess of \$5,000,000

TEXAS—With the approval of the commission, the commissioner shall levy and collect all supervision fees, penalties, charges and revenues required to be paid by the credit unions. [§11.10(c)]

UTAH—The fees for the cost of supervision (which are in addition to any other fee or tax imposed by law) are determined according to the following schedule:

Aggregate Assets	Fee
First \$25,000	\$5 per \$1,000 of assets or \$25, whichever is greater
Next \$475,000	\$1 per \$1,000
Next \$500,000	50 cents per \$1,000
Next \$4,000,000	35 cents per \$1,000
All over \$5,000,000	10 cents per \$1,000

[§7-1-10(5)(a)]

VERMONT—Each credit union must pay annually its proportionate share of the Department of Banking and Insurance's overhead expenses as determined by the Department. [§20069(a)]

VIRGINIA—In order to provide additional funds for the Bureau of Banking, the Commission is authorized to increase the examination fees specified in §6.1-221 by 50%. [§6.1-2]

WASHINGTON—The actual cost of supervision will be paid by the credit union examined. [§31.12.320]

WISCONSIN—The Commissioner shall set the amount of supervision fees, with the consent of the credit union review board. The fee amount should represent as nearly as possible the credit union's fair share of the maintenance of the office of the Commissioner. [§186.04(1),(2)]

ACT IS SILENT:

Alabama	Indiana	New Hampshire
Arizona	Kentucky	New Jersey
Connecticut	Louisiana	New Mexico
Colorado	Maryland	New York
Georgia	Massachusetts	North Dakota
Hawaii	Michigan	Puerto Rico
Idaho	Nebraska	West Virginia

Voluntary Liquidation

CUNA MODEL ACT:

(1) A credit union may elect to dissolve voluntarily and liquidate its affairs in the manner prescribed in this section.

(2) The board of directors shall adopt a resolution recommending the credit union be dissolved voluntarily, and directing that the question of liquidation be submitted to the members.

(3) Within ten (10) days after the board of directors decides to submit the question of liquidation to the members, the president shall notify the Director of the Credit Union Department thereof in writing, setting forth the reasons for the proposed action. Within ten (10) days after the members act on the question of liquidation, the president shall notify the Director in writing as to whether or not the members approved the proposed liquidation.

(4) As soon as the board of directors decides to submit the question of liquidation to the members, payment on shares, withdrawal of shares, making any transfer of shares to loans and interest, making investments of any kind, and granting loans shall be suspended pending action by members on the proposal to liquidate. On approval by the members of such proposal, all such business transactions shall be permanently discontinued. Necessary expenses of operation shall, however, continue to be paid on authorization of the board of directors or liquidating agent during the period of liquidation.

(5) For a credit union to enter voluntary liquidation, approval by a majority of the members in writing or by a two-thirds (2/3) majority of the members present at a regular or special meeting of the members is required. Where authorization for liquidation is to be obtained at a meeting of the members, notice in writing shall be given to each member, by first class mail, at least ten (10) days prior to such meeting.

(6) A liquidating credit union shall continue in existence for the purpose of discharging its debts, collecting and distributing its assets, and doing all acts required in order to wind up its business and may sue and be sued for the purpose of enforcing such debts and obligations until its affairs are fully adjusted.

(7) The board of directors or the liquidating agent shall use the assets of the credit union to pay: first, expenses incidental to liquidating including any surety bond that may be required; second, any liability due non-members; third, deposits and special purpose thrift accounts as provided in this Act. Assets then remaining shall be distributed to the members proportionately to the shares held by each member as of the date dissolution was voted.

(8) As soon as the board of directors or the liquidating agent determines that all assets from which there is a reasonable expectancy of realization have been liquidated and distributed as set forth in this section, they shall execute a certificate of dissolution on a form prescribed by the Credit Union Department and file the same, together with all pertinent books and records of the liquidating credit union, with the Credit Union Department, whereupon such credit union shall be dissolved. [§11.20]

FEDERAL CREDIT UNION ACT: The Board may prescribe regulations to govern voluntary liquidation. [§120(a)(b)(2)]

ACT SIMILAR TO MODEL ACT:

Montana [§14-665] Oregon [§723.676]
North Carolina [§54-109.93]

MAJORITY VOTE of entire membership required to dissolve the credit union:

Arizona	[§6-529]	Nevada	[§678.820]
Arkansas	[§67-938(1)]	North Dakota	[§6-06.1-01]
Colorado	[§11-30-120(2)]	Ohio	[§1733.35]
Florida	[§657.20(1)]	Pennsylvania	[§12328]
Idaho	[§26-2142(a)]	Tennessee	[§45-1828(a)]
Iowa	[§533.20]	Vermont	[§2082(b)]
Maine	[§871(1)]	West Virginia	[§31-10-24(a)]

APPROVAL OF PORTION OF ENTIRE MEMBERSHIP required for dissolution at a meeting called for that purpose. Approval of supervisory authority also required. (Fraction indicates vote of members required for approval.):

Kentucky—4/5	[§290.290]	New Mexico—2/3	[§48-19-20]
Mississippi—4/5	[§81-13-59]	Oklahoma—3/4	[§2018]

THREE-FOURTHS VOTE of membership present at meeting required for dissolution:

Missouri	[§370.350]	New Jersey	[§17:13-60]
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TWO-THIRDS VOTE of members present at a meeting called for the purpose of dissolution; with other conditions indicated:

Alabama—If the superintendent finds that the credit union is solvent he shall issue a certificate to the effect that the section has been complied with. [§5-17-21]

Georgia—[§41A-503(b)]

Louisiana—Verification of the vote must be given by Commissioner of Banking. [§6:660]

Massachusetts—After recommendation of two-thirds of the board of directors. [Ch. 171, §29]

Minnesota—Subject to approval of commissioner of banks. [§52.20]

Nebraska—Order for dissolution based on recommendation by two-thirds of the board of directors. [§21-17, 106]

New Hampshire—Upon prior recommendation of two-thirds of the board of directors. [§394:49]

Puerto Rico—Subject to approval by the Inspector of cooperatives. [§33]

Washington—Prior recommendation of two-thirds of the board of directors needed. [§31.12.410]

OTHER ACTS:

CALIFORNIA—When three-fourths vote of the board of directors recommend dissolution, the members may elect to dissolve by a majority vote. [§15650(a)]

CONNECTICUT—A credit union may terminate its corporate existence and be dissolved as provided by the law pertaining to non-capital stock corporations. Notification requirements are imposed in regard to both board resolutions and membership votes. If the members vote to dissolve, the Bank Commissioner can either take over the credit union himself, or have the liquidating agent take it over, or he can seek a court appointed receiver. [§36-219]

HAWAII—Upon the unanimous recommendation of the board of directors and with majority vote of members, a credit union may dissolve, provided that not more than 15 members or 10% total

continued

membership, whichever is greater, object in writing to the dissolution. [§410-28]

ILLINOIS—Board of directors adopts a resolution, which must be affirmed by majority vote of the credit union members. Director of Financial Institutions determines if statutory voluntary dissolution provision has been complied with. [§496.34]

INDIANA—Upon resolution of majority of board of directors and two-thirds written consent of members and approval of the Department of Financial Institutions. [§28-7-1-27.1]

KANSAS—At a meeting especially called to consider the matter, a majority of the entire membership may vote to dissolve the credit union. Any member not present, within the next 20 days, may vote in favor of dissolution by signing a statement in form approved by the bank commissioner. [§17-2230(a)]

MARYLAND—Four-fifths of the entire membership may vote to dissolve the credit union, such dissolution becoming effective upon approval by the Bank Commissioner. Alternatively, dissolution may be achieved by placing the credit union's affairs and assets in the Bank Commissioner's hands for final liquidation after a majority vote of the members present at a special meeting called for that purpose. [§157(a),(b)]

MICHIGAN—A majority of the entire membership of the credit union, by ballot or written consent, may agree to a dissolution of the credit union. Upon certification by the Commissioner and filing with the clerk of the county in which the credit union is located, the dissolution is complete. [§490.20(a)]

NEW YORK—While the credit union article indicates that the credit union's shareholders may vote to liquidate, the specific procedures not detailed. General Corporation law governs. [§403-a; Art. XIII, §605]

RHODE ISLAND—Two-thirds vote of the issued and outstanding shares, at a special meeting where the dissolution has the unanimous recommendation of the directors. [§19-21-42]

SOUTH CAROLINA—Upon recommendation of the board of directors and approval of the Board of Financial Institutions, a credit union may go into voluntary liquidation after obtaining approval of a majority of its members in writing or by a majority vote of the members at a regular meeting of the members or at a special meeting called for that purpose. [§5-675]

TEXAS—A majority of members present, at meeting called for that purpose, may vote to dissolve the credit union, so long as a quorum exists and every member had at least 10 days notice of meeting. [§10.02(b)]

UTAH—Majority vote of the entire membership required at specially called meeting. Any member not present at the meeting may vote within the next 20 days; each member must have at least 10 days notice of meeting. [§7-9-23(2)]

WISCONSIN—Upon unanimous recommendation of board of directors, a majority vote of members by ballot taken in person or in writing will dissolve the credit union, so long as not more than 15 members or 10% of the total membership, whichever is greater, do not object in writing. [§186.18]

ACT IS SILENT:
Virginia

Suspension of Credit Union

CUNA MODEL ACT: If it appears that any credit union is bankrupt or insolvent, or that it has willfully violated this Act, or is operating in an unsafe or unsound manner, the Director of the Credit Union Department shall issue an order temporarily suspending the credit union's operations for not less than thirty (30) nor more than sixty (60) days. The board of directors shall be given notice by registered mail of such suspension, which notice shall include a list of the reasons for such suspension, and/or a list of the specific violations of this Act. The Director of the Credit Union Department shall also notify the members of the Credit Union Council of any suspension.

Upon receipt of such suspension notice, the credit union shall cease all operations, except those authorized by the Director. The board of directors shall then file with the Director a reply to the suspension notice, and may request a hearing to present a plan of corrective actions proposed if it desires to continue operations. The board may request that the credit union be declared insolvent and a liquidating agent be appointed.

Upon receipt from the suspended credit union of evidence that the conditions causing the order of suspension have been corrected, the Director may revoke the suspension notice, permit the credit union to resume normal operations, and notify the Council of such action. [§11:10(1)(2)(3)]

FEDERAL CREDIT UNION ACT: The Board may suspend the charter of any federal credit union, upon its finding that the credit union is bankrupt, insolvent, or has violated any provision of its charter, bylaws, the Federal Credit Union Act or any regulations issued thereunder. [§120(b)(1)]

ACT PROVIDES THAT SUPERVISORY AUTHORITY may suspend credit union activities under certain conditions:

Alabama	[§5-17-8]	Nebraska	[§21-1777]
Arizona	[§6:523E]	Nevada	[§678.830(1)]
Arkansas	[§§67-930,67-937]	New Jersey	[§§17:13-52]
California	[§15810]	New Mexico	[§48-19-6(D)]
Colorado	[§11-30-120(1)(a)]	No. Carolina	[§54-109.92]
Connecticut	[§36-214(2)]	North Dakota	[§6-06-08]
Florida	[§657.06(1)]	Ohio	[§1733.32(D), 1733.36]
Hawaii	[§110-35(a)(11)]	Oklahoma	[§2008(B)]
Idaho	[§26-2141]	Oregon	[§723.672]
Illinois	[§496.37(1)]	Pennsylvania	[§12307]
Iowa	[§533.6(1)]	Puerto Rico	[§§13,32]
Kentucky	[§290.280(2)]	Tennessee	[§45-1810]
Louisiana	[§6:646B(1)]	Texas	[§10.01]
Maryland	[§1-41(b)]	Utah	[§7-9-23(1)]
Michigan	[§490.6]	Vermont	[§2082(a)]
Minnesota	[§52.062]	Virginia	[§6.1-223]
Mississippi	[§81-13-21]	Washington	[§§31.12.440, 31.12.450]
Missouri	[§370.150(2)]	Wisconsin	[§186.29(14)]
Montana	[§14-064]		

ACT IS SILENT:

Georgia	Massachusetts	Rhode Island
Indiana	New Hampshire	South Carolina
Kansas	New York	West Virginia
Maine		

Involuntary Liquidation

CUNA MODEL ACT: If the Director, after issuing notice of suspension and providing an opportunity for a hearing, rejects the credit union's plan to continue operations, he may issue a notice of involuntary liquidation and appoint a liquidating agent. The credit union may request the appropriate court to stay execution of such action. Involuntary liquidation may not be ordered prior to the conclusion of suspension procedures outlined in this section.

If, within the suspension period, the credit union fails to answer the suspension notice or request a hearing, the Director may then revoke the credit union's charter, appoint a liquidating agent and liquidate the credit union. [§11.10(4)(5)]

FEDERAL CREDIT UNION ACT: The Board may suspend or revoke the charter of any federal credit union, or place the same in involuntary liquidation and appoint a liquidating agent therefor, upon its finding that the organization is bankrupt or insolvent, or has violated any of the provisions of its charter, its bylaws, this Act, or any regulations issued thereunder.

The Board through such persons as it shall designate, may examine any federal credit union in voluntary liquidation and, upon his finding that such voluntary liquidation is not being conducted in an orderly or efficient manner or in the best interests of its members, may terminate such voluntary liquidation and place such organization in involuntary liquidation and appoint a liquidating agent therefor. [§120(b)(1)(2)]

ACT PROVIDES FOR INVOLUNTARY LIQUIDATION of credit union by supervisory authority under certain conditions:

Alabama	[§5-17-8]	Missouri	[§370.150]
Arizona	[§0-530]	Montana	[§14-664(4)(5)]
Arkansas	[§67-938(2)]	Nebraska	[§21-1777]
California	[§15811]	Nevada	[§678.830]
Colorado	[§11-30-120(1)(c)]	New Jersey	[§§17:13-53,54,55]
Connecticut	[§36-195, 36-214(2)]	New Mexico	[§48-19-6(D)]
Florida	[§§657.01(1),657.20(2)]	No. Carolina	[§54-109.92(d),(e)]
Hawaii	[§410-35(a)]	North Dakota	[§6-06-08]
Idaho	[§26-2142(b)]	Ohio	[§1733.32(D)]
Illinois	[§496.37(2)]	Oklahoma	[§2008(B)]
Indiana	[§28-7-1-13]	Oregon	[§723.672(4)(5)]
Iowa	[§§533.6(1),(4)]	Pennsylvania	[§12307]
Kansas	[§17-2230(b)]	Puerto Rico	[§32]
Kentucky	[§290.280]	Tennessee	[§45-1810]
Louisiana	[§6:646(B)(1)]	Texas	[§10.92(a)]
Maine	[§871(2)]	Utah	[§7-9-23(3)]
Maryland	[§141(b)]	Vermont	[§2082(c)]
Michigan	[§490.6,490.20(b)]	Virginia	[§6.1-223]
Minnesota	[§§52.063,52.064]	Washington	[§§31.12.440, 31.12.450]
Mississippi	[§81-13-21]	West Virginia	[§31-10-24(b)]
		Wisconsin	[§186.29]

ACT IS SILENT:

Georgia	New Hampshire	Rhode Island
Massachusetts	New York	South Carolina

Crimes and Offenses

CUNA MODEL ACT: [Optional] Any credit union officer, director, employee or agent, who willfully does any of the following may be fined not more than \$ _____ dollars or imprisoned not more than _____ years, or both:

(1) With intent to deceive, falsifies any books of account, report, statement, record or other document of a credit union whether by alteration, false entry, omission or otherwise;

(2) Signs, issues, publishes or transmits to a government office any book of account, report, statement, record or other document which he knows to be false;

(3) By means of deceit, obtains a signature to a writing which is a subject of forgery; or

(4) With intent to deceive, destroys any credit union book of account, report, statement, record or other document. [§15.10]

FEDERAL CREDIT UNION ACT: Anyone connected in an official capacity with the National Credit Union Administration or any institution insured by the NCUA or a receiver for any such institution can be fined up to \$5,000 and imprisoned not more than five years, or both, if he embezzles, obstructs, purloins or willfully misapplies any monies, funds or other things of value belonging to the institution, or pledged or entrusted to its care. [18 USC, §657] Anyone connected in an official capacity with the National Credit Union Administration or any institution insured by the NCUA can be fined up to \$10,000 and imprisoned up to 5 years if, with intent to defraud the institution or deceive it or a government agency, makes any false entry in a book, report or statement or without authorization draws any order, bill of exchange, makes any acceptance, or issues, puts forth or assigns any note or other obligation, or draft, bill of exchange, mortgage, judgment and decree. If any such person, with intent to defraud shares or receives directly or indirectly any money profit, property or benefits through any transaction of the institution he is subject to same penalties. [18 USC, §1006]

ACT SIMILAR TO MODEL ACT:

Oregon—Such crimes are class C felonies. [§723.826(1); 723.992(1)]

UNLAWFUL FOR OFFICIALS OF CREDIT UNION to knowingly permit a loan to be made to a non-member or to participate in such a loan. Such official liable to credit union for amount illegally loaned and may also be subject to other penalties indicated:

Arizona—[§6-518(E)]

California—[§14600, 14601]

Connecticut—Also shall be fined not more than \$500. [§36-207]

Kentucky—Also may be fined \$10 to \$100 and/or imprisoned one to six months. [§290.230(5), 290.900(3)]

New York—[§178]

Texas—Any other form of illegal loan is a felony of third degree. [§5.08]

UNLAWFUL FOR OFFICIAL OF CREDIT UNION: (1) To permit a loan to be made or to participate in a loan to a non-member; violator guilty of misdemeanor and primarily liable to credit union for such loan. (2) A felony to make or subscribe to false entries or to

exhibit fictitious paper instruments, or security to an authorized examiner of credit union. (3) Official who accepts payments on shares knowing credit union is insolvent is also guilty of crime indicated:

Arkansas—A felony punishable by fine of \$5,000 and/or imprisonment up to 10 years. [§67-914]

Idaho—A misdemeanor. [§26-2117]

OTHER ACTS:

GEORGIA—Any director, officer, agent or employee who willfully engages in the business of a credit union before receiving a permit to do so under 41A-3004 shall be guilty of a felony. [§41A-9908(3)(iii)]

ILLINOIS—Any officer who embezzles funds commits a class 4 felony and in addition shall be fined double the amount fraudulently taken. Any officer, director or member of a credit union committee who knowingly permits a loan to be made or participates in a loan to a non-member or who solicits or accepts any form of payment to influence the granting of a loan is guilty of a misdemeanor and is liable to the credit union for the amount loaned. [§496.39, 496.40]

IOWA—Any director, officer, agent, employee or clerk of any credit union who knowingly subscribes or makes any false statements or entries in the books, or knowingly subscribes or exhibits false papers with intent to deceive any person authorized to examine its condition, or knowingly subscribes and makes false reports, or knowingly diverts the funds of the credit union to unauthorized objects can be imprisoned up to five years or fined up to \$1,000, or both, and be forever barred from holding any credit union office. [§533.31] Also, any person who willfully accepts a deposit from or establishes a business relationship with any member of the credit union department shall, upon conviction, be guilty of a serious misdemeanor and shall be permanently disqualified from certain jobs. Specific penalties are also prescribed for making certain types of false statements. [L.1978, S.F.137, Sec. 13(4),14,16]

LOUISIANA—Any director or committeeman who knowingly and willfully makes or agrees to the making of any loan to other than a member or another qualified credit union, shall by such act become jointly, severally or in solido responsible with the maker and endorsers for the full amount of the debt. [§6:656(C)]

MAINE—Any person responsible for an act or omission expressly declared to be a criminal offense by statutes pertaining to the supervision of financial institutions and for which no other penalty has been provided by statute shall be guilty of a misdemeanor and shall be punished by imprisonment for not more than 11 months or by a fine of not more than \$5,000 or by both. If the act or omission was intended to defraud, such person shall be guilty of a felony and shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or by both.

A director, corporator, officer, agent or employee of a financial institution shall be responsible for an act or omission of the institution declared to be a criminal offense against statutes pertaining to the supervision of financial institutions whenever, knowing that such act or omission is unlawful, he participates in authorizing, executing, ratifying or concealing such act, or in authorizing or ratifying such omission or, having a duty to take the required action, omits to do so. [§466]

MICHIGAN—A person who willfully or intentionally violates any provisions of this act for which specific punishment is not provided under any other provision of this act or of other laws applicable to such violation, is guilty of a misdemeanor and shall be fined not less

than \$100 nor more than \$500 or imprisoned not more than six months, or both. [§490.29]

MINNESOTA—Any director, officer or trustee who, in the opinion of the commissioner has committed any violation of law, or has violated any final cease and desist order, or has participated in any unsound act in connection with the credit union or has committed any act or omission which constitutes a breach of his fiduciary duty, may be removed from office pursuant to procedures set forth in the statute. [§46.26-33]

MISSISSIPPI—The making of a willfully false affidavit to any statement, report or other document required by law in connection with the establishment or operating of a credit union shall be perjury and punishable as such, according to the general laws of the state and the embezzlement of any of the funds, securities or other property of a credit union, shall be punishable as such according to the general laws. [§81-13-71]

NEW JERSEY—A person who willfully and corruptly testifies falsely to a material matter upon oath administered by the commissioner or examiner upon investigation, or makes a false statement in any affidavit or oath verifying any report made to the commissioner, shall be guilty of perjury and punished accordingly. [§17:13-49,50]

NEW MEXICO—Any person who makes a false statement in writing for the purpose of obtaining credit union funds shall be guilty of a third degree felony, and upon conviction shall be punished by imprisonment for not less than two years nor more than ten years, or fined not more than \$5,000, or both. [§48-19-25]

PUERTO RICO—Any person violating any of the provisions of this act or of any regulation of the office of the Inspector of Cooperatives, shall be guilty of a misdemeanor and for a first offense shall be fined a minimum of \$50 or imprisoned for a minimum term of 25 days, or both. Should the offense be repeated, the minimum fine shall be of \$500 and the minimum imprisonment six months, or both. [§41(b)]

VIRGINIA—The commission may impose, enter judgment for, and enforce by its process, a fine of not more than \$10,000 against any credit union or against any of its directors, officers or employees for knowingly or willfully violating any lawful order of the commission. [§6.1-223.1]

WASHINGTON—Any person who knowingly subscribes to or makes or causes to be made a false statement or false entry in the books of a credit union or in a report required to be made to a supervisor, or who knowingly exhibits a false or fictitious paper, instrument or security to a person authorized to examine the institution, shall be guilty of a felony. [§31.12.340]

WEST VIRGINIA—Any violation of this article shall be deemed a misdemeanor and any person convicted thereof shall be fined not less than \$100 nor more than \$500 and imprisoned in the county jail not less than one month nor more than six months. [§31-10-29]

ACT IS SILENT:

Alabama	Missouri	Oklahoma
Colorado	Montana	Pennsylvania
Florida	Nebraska	Rhode Island
Hawaii	Nevada	South Carolina
Indiana	New Hampshire	Tennessee
Kansas	North Carolina	Utah
Maryland	North Dakota	Vermont
Massachusetts	Ohio	Wisconsin

False Statements or Reports

CUNA MODEL ACT: Whoever maliciously and knowingly spreads false reports about the management or finances of any credit union shall be fined not less than \$50 nor more than \$500 or be imprisoned for not less than 30 days nor more than one year, or both. [§15.15]

FEDERAL CREDIT UNION ACT: No provision in the Federal Credit Union Act; however, the U.S. Code, Title 18, "Crimes and Criminal Procedures", provides that a person who knowingly makes any false statement or report upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of same, to a federal credit union shall be fined not more than \$5,000 or imprisoned not more than two years, or both. [18 U.S.C., §1014]

ACT SIMILAR TO MODEL ACT but with differing penalties:

Arkansas	[§67-934]	Oregon	[§723.816(2);
Idaho	[§26-2137]		723.992(2)]

OTHER ACTS:

CALIFORNIA—The making, circulating, or transmitting of any statement which is untrue in facts and directly or by inference derogatory to the financial condition of any credit union shall be a misdemeanor punishable by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both. [§14005]

IOWA—Any director, officer, agent, employee, or clerk of any credit union who shall knowingly subscribe or make any false statements or false entries in the books thereof, or knowingly subscribe or exhibit false papers with intent to deceive any person authorized to examine its condition, or shall knowingly subscribe and make false reports, or shall knowingly divert the funds of the credit union to other objects than those authorized by law, shall be punished by imprisonment in the penitentiary not more than five years or in the county jail not more than one year, or by fine of not more than \$1,000, or by both such fine and imprisonment, and be forever after barred from holding any office. [§533.31]

LOUISIANA—Whoever makes false statement or report to influence credit union action on a loan application or any document

relating to a loan transaction shall be fined not more than \$1,000 or jailed for not more than one year, or both. [§6:668]

MAINE—No director, corporator, officer, agent or employee of a financial institution shall, with intent to deceive, make any false or misleading statement or entry or omit any statement or entry that should be made in any book, account, report or statement of the institution; obstruct or endeavor to obstruct a lawful examination or investigation of the institution or any of its affairs by an official or employee of the Bureau of Banking. [§466(7)]

NEVADA—Any person who maliciously and knowingly spreads false reports about the management or finances of any credit union is guilty of a gross misdemeanor. [§678.880(2)]

NEW JERSEY—Any false statement made in any affidavit or oath verifying any report made to the supervisory authority shall be deemed perjury and shall be punished accordingly. [§17:13-49]

NEW MEXICO—Any person giving a false affidavit in regard to any matter specified in this act shall be guilty of a 3rd degree felony. [§48-19-25]

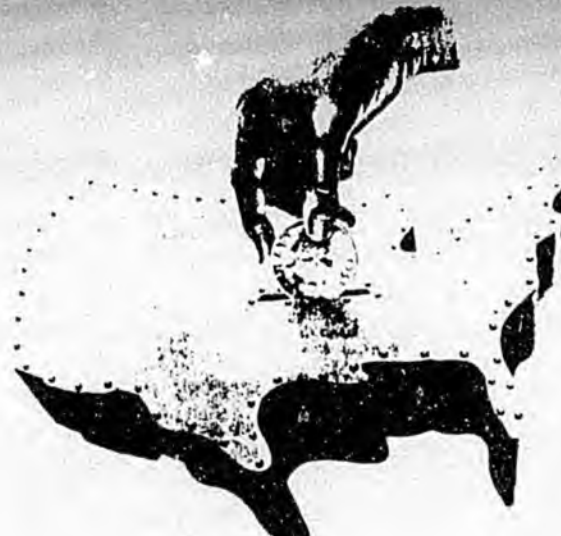
PUERTO RICO—Any credit union or credit union officer or director who violates any provision in this act may be fined not more than \$100. [§41(9)]

WASHINGTON—Any person who knowingly subscribes to or makes or causes to be made a false statement or false entry in the books of a credit union, or who knowingly makes a false statement or entry in a report required to be made to the supervisor, or who knowingly exhibits a false or fictitious paper, instrument, or security to a person authorized to examine the institution, shall be guilty of a felony. [§31.12.340]

WEST VIRGINIA—A person, firm, corporation, or association who maliciously and knowingly spreads false reports about the management or finances of any credit union shall upon conviction be fined not less than \$25 nor more than \$200 or be imprisoned for not less than 30 days nor more than 1 year, or both. [§31-10-32]

ACT IS SILENT:

34 states



OTHER CREDIT UNION ACTIVITIES

Investments in U. S. Obligations

CUNA MODEL ACT: Funds not used in loans to members may be invested in securities, obligations, or other instruments of or issued by or fully guaranteed as to principal and interest by the United States of America or any agency thereof or in any trust or trusts established for investing directly or collectively in the same. [§9.10(1)]

FEDERAL CREDIT UNION ACT: A federal credit union may invest its funds in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; . . . in obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, or any corporation designated in section 846 of Title 31 as a wholly owned government corporation; or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or section 306 of the Federal Home Loan Mortgage Corporation Act; or in obligations or other instruments or securities of the Student Loan Marketing Association; in participation certificates evidencing beneficial interests in obligations, or in the right to receive interest and principal collections therefrom, which obligations have been subjected by one or more government agencies to a trust or trusts for which any executive department, agency or instrumentality of the United States (or the head thereof) has been named to act as trustee. [§107(7)(B)(E)(F)]

ACT SIMILAR TO MODEL ACT:

Arizona	[§6-520(1)(5)]	*New Hampshire	[§394.17(V)]
*Florida	[§657.161(8)]	North Dakota	[§6-06-06(5)(a)]
*Hawaii	[§410-22(3)]	Oregon	[§723.602(1)]
Iowa	[§533.4(5)(b)]	Rhode Island	[§19-21-27(a)]
Michigan	[§490.4(e)]	*Texas	[§8.01(4)]
Montana	[§14-659(1)]	Utah	[§7-9-16(1)(5)]
*Nevada	[§678.760(1)]	Vermont	[§2079(1)]

*May also invest in participations.

ACT SIMILAR TO FEDERAL ACT:

**Georgia	[§41A-3101(d)(1)]	*Washington	[§31.12.260(b)(c)(d)(f)]
Illinois	[§496.23(1)]		
New York	[§453(14)]		

*May also invest in ICU government securities program.

**Excludes FHLMCA, SLMA instruments, and participation certificates. Includes GNMA instruments.

OBLIGATIONS OF THE U. S. OR SECURITIES fully guaranteed as to principal and interest thereby:

Arkansas	[§87-925(3)]	Nebraska	[§21-1773(8)(b)]
Colorado	[§11-30-104(1)(e)]	No. Carolina	[§54-109.82(4)]
Missouri	[§370.075(1)]	Oklahoma	[§2006(8)(b)]

OTHER ACTS:

CALIFORNIA—A credit union may invest with the written approval of the commissioner, in trusts organized solely for the purpose of investing in United States government securities and United States government agency securities; provided such trust is formed by an organization composed of credit unions described in subdivision (a) of Section 14805.5 or an organization of credit union associations. [§15101(f)]

IDAHO—A credit union may invest in obligations fully guaranteed as to principal and interest by the United States government. [§26-2127(a)]

INDIANA—A credit union may invest in: (1) Bonds, notes, or certificates which are direct or indirect obligations of the United States.

(2) Bonds or debentures issued under and by the authority of the Federal Farm Loan Act, the Federal Home Loan Bank Act, the Home Owners' Loan Act, interest-bearing obligations of the Federal Savings and Loan Insurance Corporation issued pursuant to Title IV of the National Housing Act, obligations of national mortgage associations issued under and by the authority of the National Housing Act and mortgages on real estate situated in the State of Indiana which are fully insured under Title II of the National Housing Act.

(3) In trusts which are created by and fully controlled by credit unions or credit union associations, or wholly owned corporate subsidiaries thereof and which trusts have been established for investing directly or collectively in securities, obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the United States government or any agency thereof. However, prior to the investment of any credit union funds as authorized in this paragraph, the trusts to be invested in shall have obtained certification from the department as approved trusts. The department is granted specific authority, to make and promulgate rules and regulations, concerning trusts referred to in this paragraph, in the manner prescribed in the Indiana Industrial Loan and investment Act. [§28-7-1-9(c)]

KANSAS—A credit union may invest in bonds of the U.S.; and in the bonds, debentures, or similar obligations issued under the authority of and pursuant to the act of Congress known as the Farm

Credit Act of 1971, as amended: Provided, however, the total amount of such bonds, debentures, or other similar obligations of any one obligor or maker shall at no time exceed 15% of the capital, surplus, and reserves of the credit union. [§17-2204(3), 17-2204a]

KENTUCKY—Funds of credit unions may be invested in (a) Bonds and other interest-bearing obligations of the federal government; (b) Obligations issued by or for federal land banks, federal intermediate credit banks and banks for cooperatives under the Act of Congress known as the Farm Credit Act; (c) Bonds and obligations of the Home Owners' Loan Corporation; (d) Notes and bonds secured by mortgage or trust deed insured by the Federal Housing Administrator, obligations issued or insured by the Federal Housing Administrator, and securities issued by National Mortgage Association. [§290.220(3)]

LOUISIANA—Investments may be made in bonds, certificates, notes, or other evidence of indebtedness of the United States, and in federal farm loan bonds issued by Federal Land Banks, debentures issued by Federal Intermediate Credit Banks, and debentures issued by Banks for Cooperatives. [§6:644(3)(a)]

MAINE—A credit union may invest in any bonds or notes of the United States which are legal investments for savings banks in this state. [§862(2)]

MARYLAND—A credit union may invest in registered or coupon bonds of the United States and those guaranteed by it. [§151]

MASSACHUSETTS—A credit union may invest in 1) a common trust unit plan organized for the purchase of bonds or notes of the United States or any subdivision thereof which are legal investments for savings banks and which plan has, as its custodian, a banking institution authorized to accept deposits from a credit union, or from a savings bank as provided in Chapter 168, Section 55; 2) bonds or notes of the U.S.; 3) bonds or notes of federal agencies; 4) repurchase agreements secured by government obligations; and 5) federal funds. [Ch. 171, §21(i-j,o)]

MISSISSIPPI—A credit union may invest in United States bonds, notes, or bills, of long or short term. [§81-13-11(c)(i)]

NEW MEXICO—A credit union may purchase obligations of the United States and may invest in any obligation in which a federal credit union is authorized to invest. [§48-19-4(B)(1.5)]

OHIO—A credit union may invest in United States government securities. [§1733.30(A)]

PENNSYLVANIA—A credit union may invest in bonds or other interest-bearing obligations of the United States or those for the payment of the principal and interest on which the faith and credit of the United States are pledged, or those of any wholly owned United States Government Corporation as so designated by Section 101 of the Government Corporations Control Act of 1945, its supplements and amendments. [§12305(7)(a)]

TENNESSEE—A credit union may invest in obligations of or securities fully guaranteed as to principal and interest by the Government of the United States of America; in any bonds or other obligations issued by the Tennessee Valley Authority; and in investments authorized under sections 35-327 and 35-328 (FNMA securities, debentures of federal housing commissioner, and notes and bonds secured by mortgages or trust deeds insured by the federal housing commissioner) or any investment which is lawful for federal credit unions. [§45-1806(3)(e)(f)(g)]

VIRGINIA—A credit union may invest in obligations of the United States. [§6.1-216(5)]

WISCONSIN—A credit union may invest in United States government direct and agency obligations. [§186.11(1)]

ACT IS SILENT:

Alabama	New Jersey	South Carolina
Connecticut	Puerto Rico	West Virginia
Minnesota		

Investments in State Obligations

(Includes State, County, and Municipal Obligations)

CUNA MODEL ACT: Funds not used in loans to members may be invested in obligations of any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the several territories organized by Congress, or any political subdivision thereof. [§9.10(2)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

California	[§15101(c)]	Oregon	[§723.602(2)]
Montana	[§14-659(2)]	Vermont	[§2079(2)]

CREDIT UNION MAY INVEST IN MUNICIPAL BONDS issued by municipalities of this state:

Ohio	[§1733-30(A)]	Wisconsin	[§186.11(1)]
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CREDIT UNION MAY INVEST IN OBLIGATIONS of the state or any subdivision thereof:

Arkansas	[§67-925(2)]	No. Carolina	[§54-109.82(3)]
Hawaii	[§410-22(2)]	Tennessee	[§45-1806(3)(e)]
Iowa	[§533.4(5)(c)]	Texas	[§8.01(2)]
Nevada	[§678.760(2)]		

OTHER ACTS:

COLORADO—A credit union may invest in obligations of any state or territory of the United States, or of any political subdivision or instrumentality thereof, except certain revenue obligations of municipalities having less than 5,000 residents. [§11-30-104(1)(e)]

FLORIDA—A credit union may invest in general obligations of state and general obligations of counties, municipalities or county road, school, hospital and other public purpose districts of the state; provided, that such securities shall not be eligible for investment if they have been in default either as to principal or interest within five years prior to date of purchase. [§657.161(2)]

GEORGIA—A credit union may invest in general and direct obligations of the state, its counties, districts, and municipalities, which have been validated as provided by law, but no more than 25% of the shares and deposits of a credit union shall be invested in the obligations of any one such obligor. [§41A-3101(d)(2)]

ILLINOIS—A credit union may invest in securities issued as direct obligations and guaranteed by any state or municipality within the United States. [§496.23(1)(D)]

INDIANA—A credit union may invest in bonds, notes or certificates which are the direct or indirect obligations of the state of Indiana; or the direct obligations of any county, township, city, town or other taxing district or municipality or instrumentality of the state of Indiana, subject to certain limitations regarding default. [§28-7-1-9(c)(1)]

KANSAS—A credit union may invest in the bonds of any state or of

continued

any municipality, the bonds of which municipality are legal investments for savings banks in Kansas. [§17-2204(3)]

KENTUCKY—A credit union may invest in bonds, state warrants and other interest-bearing obligations of this state. [§290.220(3)(b)]

LOUISIANA—A credit union may invest in bonds, certificates, notes, or other evidence of indebtedness of the state or of any municipality of Louisiana, including paving certificates of municipalities. [§6:644(3)(a)]

MAINE—A credit union may invest in any bonds or notes of any state or subdivision thereof which are legal investments for savings banks in this state. [§862(2)]

MARYLAND—A credit union may invest in registered or coupon bonds of, or those guaranteed by, the state or any county or municipality thereof, including public stock debt of Baltimore City. [§151]

MASSACHUSETTS—A credit union may invest in bonds or notes of any state or subdivision thereof. [Ch. 171, §21(j)]

MISSISSIPPI—A credit union may invest in state, county, county district, municipal and corporate bonds or notes or bills of long or short term. [§81-13-11(c)(i)]

MISSOURI—A credit union may invest in bonds of the state of Missouri or bonds of any other state, or bonds of any town, city, county or school districts, subject to certain limitations regarding default; provided that no investment in any single type of security shall exceed 25% of the capital, surplus and reserve fund. [§370.075(2)(3)(6)]

NEBRASKA—A credit union may invest in bonds, notes, and warrants of the state or any political subdivision thereof. [§21-1773(8)(b)]

NEW HAMPSHIRE—A credit union may invest in obligations of the state, or any county, city, or town of the state, issued pursuant to authority of law. [§394:17(IV)]

NEW MEXICO—A credit union may invest in obligations of a state or territory of the United States; a subdivision or instrumentality thereof; an authority organized under either state law, an interstate compact or by substantially identical legislation adopted by two or more states; or in an amount not exceeding 20% of its reserve accounts in any one issue for revenue obligations issued to provide, enlarge or improve electric power, gas, water, sewer facilities and other public facilities, by any city or town located in New Mexico, provided total investments in all such issues shall not exceed total reserve accounts. [§18-19-4(B)(1),(2),(4)]

NORTH DAKOTA—A credit union may invest in bonds or evidences of debt of this or any state; and in bonds or certificates of indebtedness of any county, city, village, or school district in this state, issued pursuant to authority of law. Not more than 30% of the assets of any credit union may be invested in county, city, village or school bonds or certificates of indebtedness. [§7-06-06(5)(b)(c)]

PENNSYLVANIA—A credit union may invest in bonds or other interest-bearing obligations of the Commonwealth of Pennsylvania or any county, city, borough, township, incorporated town or school district thereof or an authority which has been created as a body corporate and politic under any law of this Commonwealth; and bonds and notes of the Pennsylvania Housing Agency. [§12305(7)(b),(d)]

VIRGINIA—A credit union may invest in obligations, including

revenue bonds, of the state or any political subdivision or agency thereof. [§6.1-216(5)]

WASHINGTON—A credit union may invest in general obligations of this state and general obligations of counties, municipalities, or public purpose districts of this state. [§31.12.260(b)]

ACT IS SILENT:

Alabama	Minnesota	Rhode Island
Arizona	New Jersey	South Carolina
Connecticut	New York	Utah
Idaho	Oklahoma	West Virginia
Michigan	Puerto Rico	

Investments in Financial Institutions

(Refer also to "Deposit of Funds" and "Investments in Other Credit Unions")

CUNA MODEL ACT: Funds not used in loans to members may be invested . . . in certificates of deposit or passbook type accounts issued by a state or national bank, mutual savings bank, or savings and loan association. [§9.10(3)]

FEDERAL CREDIT UNION ACT: A federal credit union may invest in shares or accounts of savings and loan associations or mutual savings banks, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation. [§107(7)(D)]

ACT SIMILAR TO MODEL ACT:

Montana	[§14-659(3)]	Oregon	[§723.602(3)]
Nevada	[§678.760(3)]	Vermont	[§2079(3)]

A CREDIT UNION MAY INVEST in the shares and accounts of savings and loan associations insured by the Federal Savings and Loan Insurance Corporation (FSLIC):
Colorado [§11-30-104(1)(d)]

A CREDIT UNION MAY INVEST in time deposits, including certificates of deposit, in any bank which is a member of the Federal Deposit Insurance Corporation. Deposits in out-of-state banks shall be limited to such accounts as are fully insured by the FDIC. May also invest in shares and savings certificates of any savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation. Investments in out-of-state associations shall be limited to such accounts as are fully insured by the FSLIC.

Arizona	[§6-520(2)(3)]	Utah	[§7-9-16(2)(3)]
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A CREDIT UNION CAN MAKE DEPOSITS in state and national banks and trust companies.

Minnesota	[§52.04(4)]	*West Virginia	[§31-10-4(d)]
North Dakota	[§6-06-06(4)]		

*Act does not include trust companies.

OTHER ACTS:

ALABAMA—A credit union may deposit in national and state banks and savings and loan associations, the accounts of which are fully insured by the FDIC or the FSLIC. [§5-17-4(a)(6)]

CALIFORNIA—A credit union may invest in accounts, with investment certificates, or withdrawable shares of, any savings and loan associations doing business in this state and which is an insured institution as defined by Title IV of the National Housing Act. The total sum so invested in any one savings and loan association may not exceed the greater of ¼ of 1% of the savings and loan

association's total withdrawable accounts or the maximum amount of insurance on a single savings and loan account then provided by the Federal Savings and Loan Insurance Corporation and Title IV of the National Housing Act. [§15101(e)]

CONNECTICUT—A credit union may invest in accounts of mutual savings banks, state bank and trust companies, national banking associations and federal and state chartered building or savings and loan associations which are insured by or under a program operated by an agency of the U.S. Investments in institutions located outside the state shall be limited to the extent that the accounts are so insured. [§36-198(g)(2)(3)]

FLORIDA—A credit union may invest in shares of building and loan associations and savings and loan associations, or in certificates of deposit or time deposits of state and national banks and savings and loan associations. [§657.161(4)(9)]

GEORGIA—A credit union may invest in deposits in banks, building and loan associations and savings and loan associations and may purchase certificates of deposit and savings certificates which such financial institutions are authorized to issue, to the extent provided in regulations issued by the department. [§41A-3101(d)(4)]

HAWAII—A credit union may invest in certificates of passbook-type accounts, insured by the Federal Savings and Loan Insurance Corporation, which are issued by a savings and loan association domiciled in the United States. Also in certificates of deposit issued by a state or national bank domiciled in Hawaii. However, no credit union may purchase, or own at any one time, certificates of deposit totaling in excess of 25% of the paid-in capital and surplus of an issuing bank. [§410-22(6),(7)]

IDAHO—A credit union may invest in time certificates of deposit issued by any state or federally chartered bank in Idaho whose accounts are insured by the Federal Deposit Insurance Corporation in an amount not to exceed the greater of the FDIC insurance limits or 1% of the issuing bank's total deposits; and in time certificates of deposit or savings accounts in any state or federally chartered savings and loan association in Idaho whose accounts are insured by the Federal Savings and Loan Insurance Corporation in an amount not to exceed the greater of the FSLIC insurance limit or 1% of the savings and loan's withdrawable savings liability. [§26-2127(b)(c)]

ILLINOIS—A credit union may invest in withdrawable accounts or investment certificates of any savings or building and loan association incorporated under the laws of this state or of any other state or of the United States, if the withdrawable accounts or investment certificates are fully insured by the Federal Savings and Loan Insurance Corporation. Investment in such institutions may not exceed 40% of the credit union's unimpaired capital and surplus. Also may invest in savings certificates of deposit of any state or national bank, if the certificates are fully insured by the Federal Deposit Insurance Corporation. [§496.23(1)(D),(2)]

INDIANA—A credit union may invest in building and savings and loan associations and in certificates of indebtedness or investment of any industrial loan and investment company operating under the Indiana Industrial Loan and Investment Act, provided the association or company is insured by an agency of the federal government. Not more than 20% of the assets of a credit union may be invested in the shares or certificates of any such association or company nor more than 40% in all such associations and companies. [§28-7-1-9(c)(2)]

IOWA—A credit union may invest in time deposits in national and

state banks the deposits of which are insured by the Federal Deposit Insurance Corporation, and in paid up shares of savings and loans, the shares of which are insured by the Federal Savings and Loan Insurance Corporation. [§533.4(5)(a)(d)]

KANSAS—A credit union may invest in shares of any savings and loan association having its principal office located in the state, or in deposits in savings banks, state banks, trust companies, and national banks. [§17-2204(3)]

KENTUCKY—A credit union may invest in deposits in state or national banks doing commercial banking, and in savings and loan associations. [§290.220(1)]

LOUISIANA—A credit union may invest in deposits to the credit of the corporation in savings banks, state banks, trust companies, and national banks. [§6:644(3)(c)]

MAINE—A credit union may invest in deposits or share accounts in any financial institution; provided that deposits in such institution are insured by the FDIC or the Federal Savings and Loan Insurance Corporation. [§862(1)]

MARYLAND—A credit union may invest in deposits in banking institutions organized under the laws of Maryland, or in national banks located therein, and insured building, savings, and loan associations. The total of all types of accounts, excluding checking accounts, in any one institution shall not exceed the insurable amount per account that the institution currently carries. [§151]

MASSACHUSETTS—A credit union may invest in savings banks or trust companies incorporated in the Commonwealth, or in banking companies so incorporated and which are members of the Federal Deposit Insurance Corporation, or in national banks located in the Commonwealth, or in paid-up shares and accounts of co-operative banks incorporated in the Commonwealth, or in the shares of savings and loan associations so incorporated, or in the shares of federal savings and loan associations having a usual place of business within the Commonwealth. Amount may not exceed the insurance provided by the Federal Savings and Loan Insurance Corporation for a depositor in any one of such associations. [Ch. 171, §21]

MICHIGAN—A credit union may invest in deposits in federally insured state and national banks; and in savings and share accounts in federally insured savings and loan associations doing business in the state, provided such investments, together with investments in other credit unions, shall not exceed 50% of the investing credit union's capital. [§490.4(d)]

MISSISSIPPI—A credit union may invest in deposits in savings banks, state banks, national banks, mutual banks, trust companies, savings and loan associations, and any other financial institutions whose savings and deposits are insured as to principal by any agency of the U. S. Government. [§81-13-11(c)(iii)]

MISSOURI—A credit union may invest in savings share accounts of federal and state chartered savings and loan associations doing business in Missouri and holding certificates of insurance from the Federal Savings and Loan Insurance Corporation, provided that such investments shall not exceed 25% of the capital, surplus and reserve fund of the credit union. [§370.075(4)]

NEBRASKA—A credit union may invest in the shares or accounts of savings and loan associations to the extent they are insured, or, with the approval of the department of banking, in the shares or accounts of savings and loan institutions which are uninsured up to the insured limit. It may also make deposits in national, state and mutual-savings banks operating in accordance with the laws of the United States or the State of Nebraska. [§21-1773(8)(c),(9)]

NEW HAMPSHIRE—A credit union may invest in deposits in any cooperative bank, building and loan association, savings bank, trust company, federal savings and loan association, or national bank in this state, provided they are insured by either the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. [§394:17(1)]

NEW JERSEY—A credit union may invest in shares, certificates and accounts of savings and loan associations organized under New Jersey or federal law, provided all such investments are insured by an agency or instrumentality of the United States Government and do not exceed the amount of the insurance. [§17:13-27]

NEW MEXICO—A credit union may invest in paid-in shares of building and loan associations, to an extent which shall not exceed 25% of the investing credit union's capital; deposits in state and national banks and building and loan associations may also be made. [§48-19-4(A)(4)]

NEW YORK—A credit union may invest in shares of savings and loan associations, chartered under New York, federal, or other state laws, and insured by the FSLIC. The amount so invested may not exceed the insured maximum in any one association. May also deposit funds in savings banks, state banks, trust companies, or industrial banks incorporated under New York law or in national banks located in the state. [§454(13-a), 456]

NORTH CAROLINA—A credit union may invest in deposits in savings banks, savings and loan associations, state banks or trust companies incorporated under the laws of the state, or in national banks located therein; in time deposits in any banks insured by the Federal Deposit Insurance Corporation, or in deposits or investments in any savings or building and loan association insured by the Federal Savings and Loan Insurance Corporation. [§54-109.82(5),(9)]

OHIO—A credit union may invest in state or national banks, and state or federal chartered savings and loans doing business in the state. [§1733.30(A)]

OKLAHOMA—A credit union may invest in shares or accounts of savings and loan associations insured by the FSLIC, as well as deposits in national banks, state banks and trust companies. [§2006(8)(e),(9)]

PENNSYLVANIA—A credit union may invest in shares of any building and loan or savings and loan association, organized under the laws of the Commonwealth, or of any federal savings and loan association to the extent to which such shares are insured by the Federal Savings and Loan Insurance Corporation. [§12305(7)(c)]

PUERTO RICO—A credit union may make deposits in commercial banks. [§7(d)]

RHODE ISLAND—A credit union may invest in shares of savings and loan associations organized under federal or state law that are insured by the Federal Savings and Loan Insurance Corporation. Such investments in institutions located outside the state shall be limited to the extent that they are insured. [§19-21-27(4)]

SOUTH CAROLINA—A credit union may invest in deposits to the credit of the credit union in savings and loan associations, building and loan associations, trust companies, state banks or national banks. [§8-668]

TENNESSEE—A credit union may invest in any legally chartered bank or trust company and in any state or federal savings and loan association. [§45-1806(1)(a),(b)]

TEXAS—A credit union may invest in certificates of deposit or

passbook accounts issued by a state or national bank, a building and loan association, or a savings and loan association, subject to regulations established by the commissioner. [§8.01(3)]

VIRGINIA—A credit union may invest in deposits in banks doing business in the state, and in shares of any savings and loan doing business in the state whose shares are insured by the Federal Savings and Loan Insurance Corporation. [§6.1-216(3)(6)]

WASHINGTON—A credit union may invest in deposits in banks or trust companies or in state or national banks located in Washington or in FDIC insured checking accounts in out-of-state banks; investment may also be made in the shares of savings and loan associations organized or authorized to do business under the laws of this state or of the United States. [§31.12.260(a)(e)]

WISCONSIN—A credit union may invest in banks and savings and loans located in Wisconsin. [§186.11(1)]

ACT IS SILENT:
Arkansas

Investments in Other Credit Unions

(Refer also to "Investment in Central Credit Unions")

CUNA MODEL ACT: Funds not used in loans to members may be invested . . . in loans to or in shares or deposits of other credit unions. [§9.10(4)]

FEDERAL CREDIT UNION ACT: A federal credit union shall have power to invest its funds . . . in accordance with rules and regulations prescribed by the Board, in loans to other credit unions in the total amount not exceeding 25 per centum of its paid-in and unimpaired cap. and surplus and in shares, share certificates, or share deposits of federally insured credit unions. [§107(7)(C),(H)]

ACT SIMILAR TO MODEL ACT:

Mississippi	[§81-3-11(b)(c)]	Oregon	[§723.602(4)]
Montana	[§14-659(4)]		

ACT SIMILAR TO FEDERAL ACT:

Oklahoma	[§2006(8)(c)]
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A CREDIT UNION MAY INVEST in shares and special investments in other credit unions in the state:

Arizona	[§0-520(4)]	Utah	[§7-9-16(4)]
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A CREDIT UNION MAY MAKE LOANS to other credit unions:

Alabama	[§5-17-4(a)(4)]	Puerto Rico	[§20]
Colorado	[§11-30-104(1)(c)]	Vermont	[§2079(4)]
Maryland	[§161]		

A CREDIT UNION MAY INVEST in loans to other credit unions in an amount not to exceed 25% of the shares, deposits, and surplus of the lending credit union, or any trust or trust established for lending directly or collectively to credit unions:

Hawaii	[§110-22(4)]	Texas	[§8.01(5)]
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OTHER ACTS:

ARKANSAS—A credit union may invest in loans to other credit unions in an amount not to exceed 33% of the shares and unimpaired surplus of the lending credit union. [§67-925(6)]

CALIFORNIA—A credit union may invest in shares or certificates for funds received or any form of evidence of interest or indebtedness issued by any credit union in the state organized under the state or federal act. [§1510(d)]

CONNECTICUT—A credit union may make loans to any other credit union in the state, not exceeding 20% of the lending credit unions paid-in and unimpaired capital and surplus. May also invest in the notes or share accounts of any credit union in the state, provided the investment in any one credit union does not exceed the greater of \$40,000 or 5% of the investing credit union's assets. [§36-196(g)(5),(j)]

FLORIDA—A credit union may invest in loans to other credit unions in the state provided that no such loan may exceed 25% of the unimpaired capital of the lending credit union nor be made for more than one year. May also invest in shares of another credit union provided the investment does not exceed \$15,000, or 1% of the assets of the credit union, whichever is greater, and the aggregate of all such investments does not exceed 25% of the unimpaired capital of the investing credit union. May invest in certificates of deposit or time deposits of other credit unions. [§657.161(1)(4)(9)]

GEORGIA—A credit union may invest in loans to other credit unions, but loans to any one credit union shall not exceed 10% of the shares, deposits, and surplus of the investing credit union. A credit union may also invest in deposits in credit unions and may purchase such certificates of deposit and saving certificates as those credit unions are authorized to issue. [§41-3101(d)(3),(4)]

IDAHO—A credit union may make loans to other credit unions who are its members with a maximum maturity of one year and in an amount that shall not in total exceed 10% of the shares and certificates of deposit of the credit union. Deposits may also be made in state or federal credit unions in Idaho. [§§26-2108(k),26-2120]

ILLINOIS—A credit union may invest in loans to other credit unions with a maximum maturity of five years and in an amount that shall not in total exceed 25% of the unimpaired capital and surplus of the credit union making such loans. However, loans in excess of the 25% limitation may be made by any credit union whose membership includes one or more directors of at least 25 state or federal credit unions. [§196.23(3)]

IOWA—A credit union may invest in shares of and deposits in other credit unions, and also may purchase the notes of liquidating credit unions with the approval of the administrator. [§533.4(5)(e),(f)]

KANSAS—A credit union may lend to any other credit union operating under the provisions of the Kansas credit union act, but only with the approval of the administrator and only up to 25% of the shares, undivided earnings and reserves of the lending credit union. [§17-2214]

KENTUCKY—Not more than 10% of the capital stock and reserve funds of a credit union may be invested in the stock of other credit unions, including federal credit unions operating in Kentucky. Loans to other credit unions shall not exceed 25% of the capital and surplus of the lending credit union. A credit union may also make investments in the form of deposits in state credit unions as well as federal credit unions operating in Kentucky. [§290.220(1),(2),(3)(g)]

LOUISIANA—A credit union may invest in the shares of other credit unions to a total amount which shall not exceed 10% of the capital stock paid-in and reserve fund of the investing credit unions. When duly authorized by its board of directors, a credit union may lend to any other credit unions at such rates, as shall be fixed and determined by the board of directors, not exceeding 25% of the paid-in and unimpaired capital and surplus of the lending credit union. [§6:644(3)(c), (4)(a)]

MAINE—A credit union may deposit with or invest in shares of other credit unions authorized to do business in this state and insured by the National Credit Union Administration. Subject to the

approval of its board a credit union may make loans to other credit unions located in this state, provided that loans outstanding at any one time to any one credit union shall not exceed 10% of the share capital and surplus of the lending credit union. A credit union may also invest up to 5% of its share capital and surplus in the purchase of notes from liquidating credit unions. [§§856,861(2),862(1),(3)]

MICHIGAN—A credit union may deposit with or invest in shares of, or loans to federally insured credit unions and credit unions chartered in this state, except that a credit union shall not deposit with or invest in any credit union whose application for federal share insurance shall have been denied and which has not received an extension of time from the commissioner. Such investments, together with investments in savings and loan associations, shall not exceed 50% of the capital of the investing credit union. A credit union may also purchase the notes receivable of credit unions which are in liquidation or receivership in Michigan. [§490.4(d),(l)]

MINNESOTA—A credit union may invest in shares or deposits in any other credit union chartered by this or any other state or operating under the provisions of the Federal Credit Union Act, in amounts not exceeding in the aggregate 25% of its unimpaired assets. Payments on shares of and deposits with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration. [§52.04(8)]

MISSOURI—A credit union may invest in shares of other credit unions incorporated under the laws of this state or of the United States, with commissioner's prior approval. No such investment may exceed 25% of the capital, surplus and reserve fund of the investing credit union. [§370.075(5),(6)]

NEBRASKA—A credit union may invest in shares of or in loans to other credit unions organized in this state, either under state or federal law. It may not invest in the shares of other credit unions more than 15% of the sum of its share balances. No such credit union shall have an aggregate of loans from any source and shares issued to other credit unions in an amount in excess of 40% of its paid-in and outstanding shares. [§21-1773(8)(d)]

NEVADA—A credit union may invest in loans to or shares or deposits of other credit unions as permitted by the bylaws. [§678.760(4)]

NEW HAMPSHIRE—A credit union may invest in loans to other credit unions chartered under the laws of this state or under the Federal Credit Union Act, provided that the lending credit union has assets of \$100,000 or more. [§394:17(III)]

NEW JERSEY—A credit union may make loans to any other credit union operating under the provisions of this act or of the Federal Credit Union Act. The aggregate of all loans to other credit unions shall not exceed 25% of its share liability, and no credit union shall loan to any other credit union more than 25% of the share liability of such other credit union. [§17:13-27]

NEW MEXICO—A credit union may invest in shares of other New Mexico credit unions up to 25% of the surplus of the investing credit union, and may lend up to 10% of its assets to another credit union. [§48-19-4(A)(4), 48-19-16]

NEW YORK—A credit union may invest in shares of other federally insured credit unions and loans to other credit unions, including credit unions chartered by the federal government. The maximum amount of such investments may not exceed 15% of either the investing credit union or the credit union being invested in. [§§453(13), 454(13)]

NORTH CAROLINA—A credit union may invest in deposits in

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other credit unions, or loans to other credit unions in an amount not to exceed 25% of the shares and unimpaired surplus of the lending credit union. [§54-109.82(5), (8)]

OHIO—Upon the approval of the board, a credit union may make loans to other credit unions. The total of all such loans, including the aggregate of all money paid into any trust established by one or more credit unions for the purpose of making loans to other credit unions, shall not exceed 25% of the unimpaired capital and surplus of the lender. [§1733.25(B)]

PENNSYLVANIA—A credit union may make loans to credit unions organized under the laws of Pennsylvania or under the laws of any other state or the United States. The aggregate amount outstanding on all such loans shall not exceed 25% of the unimpaired capital of the lending credit union. [§12305(B)(5)]

RHODE ISLAND—A credit union may invest up to one-third of its total capital, deposits and surplus in the shares of other credit unions incorporated under the laws of this state or incorporated under federal law and located in this state. [§19-21-27(b)(2)]

SOUTH CAROLINA—A credit union may invest in deposits in other credit unions. [§8-668]

TENNESSEE—A credit union may invest in state or federal credit unions in an amount not to exceed 10% of the shares, members' special accounts and reserve funds of the investing credit union or of the credit union in which the investment is made, whichever amount is the smaller. [§45-1806(3)(c)]

VIRGINIA—A credit union may invest in loans to other credit unions doing business in Virginia to the extent permitted in the by-laws; and up to 10% of outstanding shares and reserve fund in shares of credit unions doing business in Virginia. [§6.1-216(2)(4)]

WASHINGTON—A credit union may invest in the shares, share certificates or share deposits of other credit unions organized or authorized to do business under the laws of this state or the United States, or in the notes of such credit unions in the process of liquidation. [§31.12.260(e)]

WISCONSIN—A credit union may make investments in credit unions with the approval of the commissioner. [§186.11(1)]

ACT IS SILENT:

Indiana North Dakota West Virginia
Massachusetts

Investments in Cooperative Societies

CUNA MODEL ACT: Funds not used in loans to members may be invested . . . in shares of a cooperative society organized under the laws of this state or of the laws of the United States in the total amount not exceeding ten (10%) percent of the shares, deposits, and surplus of the credit union. [§9.10(6)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

Arkansas [§67-925(4)] Rhode Island [§19-21-27(7)]
Montana [§14-659(6)] Vermont [§2079(6)]
Nevada [§678.760(6)]

ACT SIMILAR TO MODEL ACT, but the total amount of such investments shall not exceed the specified limitation:

Oregon—1% of the shares, deposits, and surplus of the credit union. [§723.602(6)]

A CREDIT UNION MAY MAKE LOANS to a cooperative society or other organizations having membership in the credit union:

Alabama	[§5-17-4(a)(5)]	New Mexico	[§48-19-4(A)(3)]
Florida	[§657.04(3)]	North Dakota	[§6-06-06(3)]
Iowa	[§533.4(3)]	Pennsylvania	[§12305(B)(3)]
Minnesota	[§52.04(3)]	West Virginia	[§31-10-4(c)]

OTHER ACTS:

MICHIGAN—A credit union may make loans to a cooperative society or other organizations having membership in the credit union. It may also invest up to 5% of its unimpaired share capital in programs that will assist in providing cooperative housing and related facilities to its members. Credit union is not authorized to invest in the stock of a housing cooperative. [§§490.4(c), 490.4a(2)(a)]

PUERTO RICO—A credit union may invest in loans to cooperative associations and other nonprofit organizations. If they are not members of the credit union, the operation must be approved by the Inspector of Cooperatives. [§7(c)]

WISCONSIN—A credit union may invest an amount not to exceed 10% of its regular reserve in agreements with other corporations or its members to provide cooperative housing and facilities for its members. [§186.11(3)]

ACT IS SILENT:

30 states.

Investments in Service Corporations

CUNA MODEL ACT: Funds not used in loans to members may be invested . . . in the capital shares, obligations, or preferred stock issues of any agency or association organized either as a stock company, mutual association or membership corporation, provided the membership or stockholdings, as the case may be, of such agency or association are primarily confined or restricted to credit unions, or organizations of credit unions, and provided the purposes for which such agency or association is organized are designed primarily to service or otherwise assist credit union operations. [§9.10(5)]

FEDERAL CREDIT UNION ACT: A federal credit union may invest its funds in the shares, stocks, or obligations of any other organization, providing services which are associated with the routine operations of credit unions, up to 1% of the total paid-in and unimpaired capital and surplus of the credit union with the approval of the Board: *Provided, however,* That such authority does not include the power to acquire control directly or indirectly, of another financial institution, nor invest in shares, stocks or obligations of an insurance company, trade association, liquidity facility or any other similar organization, corporation, or association, except as otherwise expressly provided by this Act. [§107(7)(1)]

ACT SIMILAR TO MODEL ACT:

Kentucky	[§290.220(3)(f)]	Rhode Island	[§19-21-27(b)(6)]
Montana	[§14-659(5)]	Vermont	[§2079(5)]
Nevada	[§678.760(5)]		

SIMILAR TO MODEL ACT, provided that such investments shall not exceed the specified limitation:

Arizona—5% of the credit union's paid-in and unimpaired capital. [§6-520(7)]

Michigan—5% of the credit union's capital. The commissioner's approval is also required. [§490 4(r)]

Oregon—1% of assets. [§723.602(5)]

Tennessee—25% of the allocations to the reserve fund of the investing credit union, such investment not legal if such company or association is authorized or empowered to make loans to any person or corporation who is not a member of the credit union organization. [§45-1806(3)(d)]

Utah—5% of the credit union's paid-in and unimpaired capital. [§7-9-16(8)]

SIMILAR TO MODEL ACT, and may also invest in an aggregate amount not to exceed the specified limitations in any such agency or association which is designed to assist in maintaining liquidity, solvency, and security in credit union operations:

Arkansas—25% of the allocations to reserve fund. [§67-925(1)(7)]

Hawaii—2½% of the credit union's total assets or the amount of its reserve fund, whichever is less. [§410-22(1),(5)]

Iowa—25% of the allocations to the reserve fund; the aggregate amount so invested shall not exceed 20% of the unimpaired legal reserve account of the credit union. [§533.4(5)(g)]

North Carolina—25% of the allocations to the reserve fund. [§54-109.82(2)(7)]

Texas—5% of the credit union's total assets or the amount of its reserve fund; whichever is less. [§8.01(1)]

A CREDIT UNION MAY INVEST up to the specified limitations in a corporation organized to perform only business administration services for two or more credit unions at least one of which is subject to supervision by the department:

Florida—3% of unimpaired capital and surplus. [§657.161(10)]

Kansas—2% of shares and unimpaired capital. [§17-2204(a)]

OTHER ACTS:

CALIFORNIA—A credit union may invest in the shares of stock of a corporation organized solely for the purposes of providing services to credit unions providing such corporation is formed by an organization of credit unions, or in any corporation which provides services to credit unions provided such investment is approved by the commissioner. Such investment shall not exceed in aggregate, 5% of its paid-in and unimpaired capital and surplus. [§14804.2]

CONNECTICUT—A credit union may invest in stocks, bonds, debentures or other investments in 1 or more corporations which provide a service necessary to or in the conduct of the business of the credit union. No credit union may invest more than the amount necessary to procure the amount of services needed by the credit union. The investment shall be subject to the approval of the commissioner. [§36-198(g)(4)]

IDAHO—A credit union may invest in shares of stock in a credit union service corporation, such investment not to exceed 10% of the paid-in shares and deposits of members. [§26-2127(d); 26-2146]

LOUISIANA—A credit union may invest in the ICU Services Corporation. [§6:644(6)]

MAINE—A credit union may purchase the capital stock or obligations or otherwise invest or participate in or utilize the service of any organization performing necessary clearing, bookkeeping, statistical and related services for the credit union or other credit unions or related organizations. No credit union shall invest more than 10% of its share capital and surplus for such purpose without the superintendent's approval. [§664]

MISSOURI—With the consent first obtained from the commissioner of finance, a credit union may invest up to 5% of its capital, surplus, and reserve funds in capital stocks of corporations solely and exclusively established to assist credit union operation in bookkeeping and accounting, consumer counseling for members, and the insuring of members' accounts. [§370.075(6)]

NEW MEXICO—A credit union may invest an amount approved by the commissioner in the stock of a corporation engaged in providing record keeping services, using electronic or other similar machines. [§48-19-4(C)]

NEW YORK—Subject to regulations and restrictions of the banking board, a credit union may participate with other credit unions in the establishment or maintenance of an accounting service center, limited to providing data processing services only for participating credit unions. Capital stock ownership (which may not exceed 2% of the value of the credit union's members' shareholdings) and operating expenses are proportionate to each credit union's use of the facilities and services. [§453(26)] Credit unions may also invest funds in and make loans to credit union organizations (any organization established primarily to serve the needs of its member credit unions and whose business relates to the daily operations of the credit unions it serves) upon approval by the board of directors, up to 1% of shares and deposits or 10% of surplus, whichever is less. The total amount of all such loans may not exceed 2% of shares and deposits or 20% of its surplus account, whichever is less. [§453(14a)]

PENNSYLVANIA—Subject to prior approval by the Secretary of Banking, a credit union may invest up to 1% of its assets in capital stock, obligations or other securities of any service corporation organized under the laws of Pennsylvania, or under the laws of any other state and duly qualified to do business in Pennsylvania, if the entire capital stock of such corporation is available for purchase only by credit unions, organized and existing under the laws of Pennsylvania and by federal credit unions or association of credit unions. [§12305(7)(e)]

ACT IS SILENT:

20 states and Puerto Rico.

Investments In Corporate Securities

CUNA MODEL ACT: Funds not used in loans to members may be invested in stocks and bonds of corporations organized in any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the several territories organized by Congress to a maximum of five (5%) percent of members' shares, provided that such investment shall be limited to income stocks or bonds which appear on a list approved by the Director and published quarterly or annually, such list to include not less than thirty (30) corporations. [§9.10(7)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

California [§15101(c)] *Nevada [§678.760(7)]

*No reference made to corporations of the District of Columbia, Puerto Rico or the territories.

OTHER ACTS:

ARIZONA—A credit union may invest in commercial bonds, rated Triple A. [§6-520(6)]

COLORADO—A credit union may invest to an extent which shall not exceed 10% of its paid-in capital, in shares of mutual funds or investment companies, stocks, bonds, or other securities of any corporation as may be approved by the state bank commissioner. [§11-30-104(1)(e)]

FLORIDA—With the approval of the state comptroller credit unions may invest in corporation bonds with a fixed maturity of any corporation within the United States, if such bonds are rated by at least two nationally recognized rating services in any one of the three highest classifications approved by the comptroller of the currency for the investment of the funds of national banks. Not more than 10% of the total assets of the credit union shall be so invested; and not more than \$15,000 or 1% of the total assets of the credit union, whichever is greater, shall be invested in any one corporation's bonds. A credit union may also invest in first mortgage bonds of railroad and public service corporations; total investment in any such corporation shall not exceed the greater of \$15,000 or 1% of the credit union's assets. Such securities shall not be eligible for investment if they have been in default either as to principal or interest within five years prior to date of purchase. [§657.101(3)(7)]

IOWA—With approval of the administrator, credit unions may acquire and hold shares in corporations engaged in providing and operating electronic transmission or recording facilities. [§533.4(17)]

MAINE—Nothing contained in this section shall be construed as authorizing a credit union to purchase or invest in the stock of any corporation. [§862]

MASSACHUSETTS—A credit union may invest in any bonds, notes, certificates of deposit, bankers' acceptances, bank stocks or bank holding company stocks or insurance stocks, or preferred stocks of public utility companies which are at the time of their purchase legal investments for savings banks in the Commonwealth. Not more than 10% of the assets of a credit union shall be invested in bank stocks or in bank holding company stocks or insurance stocks or preferred stocks of public utility companies, or in all 4 of such types of stock. Not more than \$15,000 or 2% of the assets of a credit union, whichever is greater, shall be invested in the stock of any one bank, bank holding company, insurance company or preferred stocks of public utility companies. The amount invested by a credit union in such stocks shall not exceed that permitted to savings banks. [Ch. 171, §21(u)]

MICHIGAN—A credit union may invest in the common or preferred stock of any state or national bank doing business in the state. The investment in any one bank stock shall not exceed 5% of the capital of the credit union. No individual credit union may hold more than 15% of the capital stock of any one state or national banking corporation or association. The aggregate investment in bank stocks shall not exceed 25% of the capital of the credit union. [§490.4(e)]

MISSOURI—A credit union may invest in shares of corporations to aid the liquidity of credit unions. [§370.071(4)]

NEW MEXICO—A credit union may acquire the common stock of banks or building and loan associations and may purchase obligations of a corporation chartered by the United States or a state thereof, doing business in the United States, which are approved by the commissioner for investment. [§48-19-4(A)(9), (B)(3)]

NORTH DAKOTA—A credit union may invest in first lien, public utility, industrial, corporation or association bonds, notes, or other evidences of debt issued by corporations located in the U.S. to the extent authorized by the state credit union board. [§6-06-06(5)(f)]

RHODE ISLAND—A credit union may invest in common or preferred stocks to the extent of not over 5% of shares and deposits for credit unions with assets less than \$10,000,000 and to the extent of not over 10% of the shares and deposits for credit unions with assets of \$10,000,000 or more. Any such securities, excepting mutual funds, shall be listed on the New York Stock Exchange or its successor; dividends shall have been paid by the corporation issuing such security and any predecessor corporation or corporations for a period of not less than nine of the next prior ten years; the issuing corporation shall have, as shown by its last audited statements, total assets (less allowances for depreciation and amortization) of at least \$100,000,000 and a stockholders' equity of not less than 40% of the amount of its total assets. Such security shall also have been approved for investment by the director of business regulation, who shall be required to maintain a list of at least 30 approved securities at all times. The director shall have absolute discretion in approving individual securities, provided they meet the requirements set forth above. No credit union shall invest in securities under this provision unless it has at least \$500,000 in total assets as shown by its last annual report. No credit union shall invest more than 1% of its shares and deposits in any one security. [§19-21-27(b)(5)]

UTAH—A credit union may invest in commercial bonds. [§7-9-16(6)]

VERMONT—A credit union may make any investment legal for Vermont savings banks or trust companies, but in no event may it invest in common stock. [§2079(7)]

VIRGINIA—A credit union may invest in such stock, securities and other obligations as may be approved from time to time by the Commission. [§6.1-216(7)]

ACT IS SILENT:

30 states and Puerto Rico

Other Authorized Investments

CUNA MODEL ACT: Funds not used in loans to members may be invested . . . in loans to any credit union association or corporation, national or state, of which the credit union is a member, except that such investment shall be limited to 2% of the assets of the credit union. [§9.10(8)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT, but such investments are subject to the following limitations:

Montana—2% of assets. [§14-659(7)]

Nevada—1% of shares, deposits and unimpaired surplus. [§678.760(8)]

Oregon—2% of assets. [§723.602(7)]

Vermont—2% of assets. May also make any investment legal for savings banks or trust companies, but in no event common stock. [§2079(7)(8)]

A CREDIT UNION MAY INVEST in any investment legal for savings banks or for trust funds in the state:

Alabama [§5-17-4(a)(7)] Oklahoma [§2000(8)(d)]
Minnesota [§52.04(5)]

A CREDIT UNION MAY INVEST in any investments legal for the indicated institutions:

Arkansas—Fiduciaries, savings banks, or trust companies in the state. [§67-925(5)]

Michigan—State banks, subject to the same limitations based on capital as applicable to state banks. Such investments may be made individually or in participation with other credit unions. [§490.4(e)]

New Mexico—Federal credit union. [§48-19-4(B)(5)]

Puerto Rico—Trust funds in Puerto Rico. [§7(e)]

South Carolina—Banks in the state. [§8-668]

Tennessee—Federal credit unions. [§45-1806(3)(g)]

West Virginia—Savings banks. [§31-10-4(e)]

A CREDIT UNION MAY INVEST in any other types of investments approved by the official or agency indicated:

Georgia—Department of Banking and Finance provided such investments shall not in the aggregate, exceed 10% of the shares, deposits and surplus of the investing credit union. [§41A-3101(d)(5)]

Maryland—Commissioner of Banks. [§151]

Mississippi—State Banking Department. [§81-13-11(c)(i)]

Ohio—Supervisor of Credit Unions. [§1733.30(a)]

Virginia—State Corporation Commission. [§6.1-216(7)]

Wisconsin—Commissioner of Credit Unions. [§186.11(1)]

OTHER ACTS:

CALIFORNIA—Credit unions may purchase from the vendor of any personal property, conditional sale agreements covering the sale of such property to its members. The credit union may hold and retain any such conditional sale contract as an investment. [§15102]

COLORADO—A credit union may invest up to 10% of its paid-in capital in securities of religious or educational organizations approved as prudent and sound by bank commissioner. [§11-30-10(1)(e)]

CONNECTICUT—A credit union may invest in bonds legal as investments for savings banks in this state, and may also invest (with the approval of the commissioner) up to 2% of its assets in social purpose investments. [§36-198(g)(1), L.1972, P.A.81]

ILLINOIS—A credit union may invest in obligations of the State of Israel, or obligations fully guaranteed by the State of Israel as to payment of principal and interest. [§496.23(1)(E)]

INDIANA—A credit union may invest in the capital stock of not more than one discount credit corporation which is organized under Indiana law and operated for the use and benefit of credit unions and/or other nonprofit organizations or their members. Not more than 5% of the credit union's capital and reserve fund may be invested in such a corporation without approval from the department of financial institutions. [§28-7-1-9(c)(2)]

LOUISIANA—A credit union may invest in homestead stock, or in the ICU Services Corporation. [§6:64(3)(b),(6)]

MAINE—A credit union may invest in any bonds or bankers' acceptances which are legal investments for savings banks in this state. [§862(2)]

MASSACHUSETTS—A credit union may invest in bonds of governments of countries friendly to the United States, as defined by the U. S. Department of State; or, to the extent authorized by section 3 of chapter 216 of the acts of 1932, in the shares of the Central Credit Union Fund, Inc. [Ch. 171, §21(h),(m)]

NEBRASKA—A credit union may invest in any types of securities approved by the Department of Banking, as well as in bonds of the State of Israel. [§21-1773(8)(b), L.1974, L.B.845]

NEW JERSEY—A credit union may invest in any investments legal for state savings banks. Also, may invest in development bonds of foreign governments or obligations of international development banks as approved by the Comptroller of the Currency and the Commissioner of Banking. Such investments may not exceed 5% of the credit union's capital deposits, surplus and reserves. [§17:13-27(d)]

NEW YORK—A credit union may invest in the securities authorized as investments for savings banks, Section 235, subdivisions 1, 2, 3, 4, 15, and 28a, and where the assets of a credit union are in excess of \$3 million in securities enumerated in subdivision 13 and 14 of that section. [§§453(14),456(2)]

NORTH CAROLINA—A credit union may invest in the North Carolina Savings Guaranty Corporation; in debentures which are issued by an agency of the U.S. government; or in the College Foundation in an amount not to exceed 10% of the credit union's shares and unimpaired surplus. [§54-109.82(8)(10)(11)]

RHODE ISLAND—A credit union may invest up to one-third of its aggregate capital, deposits and surplus in securities which are legal for the investment of funds of savings banks of this state, subject to the same limitations and restrictions by which savings banks are governed. Credit unions with assets of less than \$10 million or credit unions whose shares and deposits are not insured shall not invest in securities described in section 19-9-12, ("prudent man investments"). Also may invest in any corporation incorporated by CUNA International, Inc., or its successor, or any associated or subsidiary corporation, for the purpose of providing investment opportunity for credit unions, or any investment or interlending program managed or sponsored by any such corporation. Any such deposit or investment shall be subject to approval by the director of business regulation. [§19-21-27(b)(1)(3)]

UTAH—A credit union may invest in securities as would be legal investments for funds of decedents' estates or trusts. [§7-9-16(7)]

WASHINGTON—A credit union may invest in such other investments authorized in accordance with rules and regulations prescribed by the supervisor consistent with chapter 31.12 RCW as now or hereafter amended: Provided that any such securities shall not be eligible for investment if they have been in default either as to principal or interest within five years prior to date of purchase. [§31.12.260(g)]

ACT IS SILENT:

Arizona	Iowa	New Hampshire
Florida	Kansas	North Dakota
Hawaii	Kentucky	Pennsylvania
Idaho	Missouri	Texas

Sale or Purchase of Assets

CUNA MODEL ACT: A credit union may . . . sell all or substantially all of its assets or purchase all or substantially all of the assets of another credit union, subject to the approval of the Director. [§3.10(11)]

FEDERAL CREDIT UNION ACT: In accordance with the rules and regulations of the Board, a federal credit union may sell all or part of its assets to another credit union or purchase all or part of the assets of another credit union. A federal credit union may also purchase notes from a liquidating credit union, so long as the aggregate unpaid balance of such notes does not exceed 5 percent of the unimpaired capital and surplus of the credit union. [§107(14), 107(13)]

ACT SIMILAR TO MODEL ACT:

Kansas	[§17-2229]	Nevada	[§678-470(3)]
Montana	[§14-613(10)]	Oregon	[§723.152(11)]

A CREDIT UNION MAY PURCHASE from a liquidating credit union the notes of members at such prices and terms as agreed upon by the board or liquidating agent of the liquidating credit union and the board of the purchasing credit union, subject to the rules and regulations of the Commissioner where applicable:

California [§15102.2]

Hawaii—Provided that the aggregate unpaid balance of such notes does not exceed 5% of the unimpaired capital and surplus of the credit union. [§410-12(f)(13)]

Louisiana [§6:644(5)]

Texas—Such prices may be agreed to by the commissioner or by the boards of the credit unions. [§8.01(6)]

OTHER ACTS:

CONNECTICUT—A credit union may sell any or all of its outstanding loans to any other lending institution and purchase one or more outstanding loans from any other state or federal credit union located in the state, with or without recourse. Any loan servicing arrangement shall be subject to prior approval of the commissioner. [§36-198(r)]

FLORIDA—A credit union may invest in the assets of liquidating credit unions within the state. [§657.161(11)]

ILLINOIS—A credit union may purchase notes held by any liquidating credit union. [Ch. 32, §196.9(15)]

IOWA—A credit union may invest in notes of liquidating credit unions with the approval of the superintendent of banking. [§533.4(5)(e)]

MAINE—A credit union may acquire all or substantially all of the assets of, or assume the liabilities of, any other credit union authorized to do business in the State, subject to the provisions of sections 355, 357, and 358; and may purchase notes from a liquidating credit union, provided that such purchase shall not exceed 5% of the purchasing credit union's share capital and surplus. [§876, 862(3)]

MICHIGAN—A credit union may purchase the notes receivable of credit unions which are in liquidation or receivership in the state. [§490.4(l)]

NEBRASKA—A credit union may sell and assign loans to the central credit union or other financial institutions without recourse. [§21-1773(12)]

NORTH CAROLINA—A credit union may sell all or substantially all of its assets or purchase all or substantially all of the assets of

another financial institution, subject to the approval of the Administrator. [§54-109.21(10)]

ACT IS SILENT:

30 states and Puerto Rico

Discounting Notes

CUNA MODEL ACT: A credit union may discount and sell any eligible obligations, subject to rules and regulations prescribed by the Director. [§3.10(10)]

FEDERAL CREDIT UNION ACT: Any federal credit union may discount with or sell to any federal intermediate credit bank any eligible obligations up to the amount of its paid in and unimpaired capital . . . A federal credit union shall have power to purchase, sell, pledge or discount or otherwise receive or dispose of, in whole or in part, any eligible obligations (as defined by the Board) of its members. [§107(9)(13)]

ACT SIMILAR TO MODEL ACT:

Montana	[§14-613(9)]	North Carolina	[§54-109.21(9)]
Nevada	[§678.470(2)]	Oregon	[§723.152(10)]

OTHER ACTS:

HAWAII—The credit union may discount with or sell to another credit union or any financial institution obligations up to the amount of its paid in and unimpaired capital. [§410-12(f)(9)]

IOWA—A credit union may discount and sell obligations of its members without recourse; it also may purchase the obligations of Iowa credit union members, provided such obligations meet the requirements of the act. [§533.4(16)]

KANSAS—A credit union may discount and sell to the central credit union any real estate loan made by the credit union and held for at least one year. [§17-2204(9)]

MICHIGAN—A credit union may sell, discount or otherwise dispose of, in whole or in part, any eligible obligations, as defined by the commissioner, of its members in accordance with rules set by the commissioner. [§490.4(u)]

PUERTO RICO—A credit union may discount any transferable or negotiable commercial instruments. [§7(g)]

ACT IS SILENT:

37 states

Third Party Payments

(Provision for money orders or other payment services)

CUNA MODEL ACT: A credit union may collect, receive and disburse monies in connection with the sale of negotiable checks, money orders and other money-type instruments, and for such other purposes as may provide benefit or convenience to its members, and charge a reasonable fee for such service(s). [§310(17)]

FEDERAL CREDIT UNION ACT: A credit union may sell to members negotiable checks (including travelers checks) and money orders and may cash checks and money orders for members, for a fee which does not exceed the direct and indirect costs incident to providing such a service. [§107(12)]

ACT SIMILAR TO MODEL ACT, but with no mention of a fee:

Idaho	[§26-2108(q)]	Louisiana	[§6:644(7)]
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ACT SIMILAR TO MODEL ACT:

Arizona [§6-509(17)] New Mexico [§48-19-4(A)(8)]
Connecticut [§36-201] Oregon [§723.152(17)]
*Montana [§14-613(16)] Texas [§4.01(18)(19)]
Nevada [§678.480(2)]

***but not including checking account services**

ACT SIMILAR TO FEDERAL ACT:

Hawaii [§410-12(f)(12)] New Jersey [§17:13-27(i)]
Indiana [§28-7-1-9(m)] Vermont [§2054(b)]
Maryland [§6-307(4), (5)]

OTHER ACTS:

ARKANSAS—Third party payments are specifically forbidden. [§67-906(1)]

ILLINOIS—A credit union may cash checks or money orders for its members from cash on hand in the normal course of doing business. No special cash fund may be established for this purpose and no fee may be charged for such services. It may also sell money orders, travelers checks and other such instruments to members. [§496.9]

KANSAS—A credit union may enter into agreements with banks for the extension of credit card service and check credit plans to their members. [§14-2204(4)]

MAINE—A credit union may engage directly in the business of selling, issuing or registering checks or money orders to its members. [§823(1)]

MASSACHUSETTS—A credit union may sell negotiable checks drawn by it and payable by or through a trust company or national bank, and sell register checks, travelers checks, and American Express money orders, subject to regulations. It may also cash any check or money order and charge for it. [Ch. 171, §6]

MICHIGAN—A credit union may disburse from the share or deposit account such funds as the member may direct in writing for the following purposes only: Insurance premiums, mortgage, land contract and rent payments, utility bills, debt management disbursements, and support and alimony payments and payments made pursuant to an order or judgment of a court. [§490.4(m)]

MINNESOTA—Upon written authorization from a member, a credit union may make payments to third parties by withdrawals from the members share or deposit accounts or through proceeds of loans made to such members, or by permitting the credit union to make such payments prior to deposit. [§52.04(11)]

MISSOURI—With prior approval of the commissioner, the board of directors may provide such fiscal and financial services, which may include the sale of money orders, for a fee that doesn't exceed the direct and indirect costs incident to such services, to its members and, on a temporary basis, to the members of other credit unions. [§370.070(10)]

NEW HAMPSHIRE—The commissioner may authorize a credit union, under regulations made by him to sell negotiable checks and drafts issued by it or drawn by or on it payable by or through a trust company or a national bank. [§394:5]

NEW YORK—A credit union may sell money orders and travelers checks as agent for any corporation, association, or joint stock company empowered to sell such instruments through agents within New York. [§453(17)]

NORTH CAROLINA—A credit union may sell travelers checks and money orders and charge a reasonable fee for such services, provided the instruments are payable at institutions other than a credit union. [§54-109.21(16)]

PUERTO RICO—A credit union may draw, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, certificates of deposit and other transferable or negotiable commercial instruments. [§7(g)]

RHODE ISLAND—A credit union may sell to its members negotiable checks drawn by or on it and payable by or through a trust company or national banking association. [§19-21-9]

WISCONSIN—A credit union may issue third party checks upon request of a member, and may collect, receive and disburse monies in connection with the sale of travelers checks, money orders, and credit cards. Funds for issuing own credit union money orders must be segregated. [§186.113(5)(9), 186.33]

ACT IS SILENT:

Alabama	Mississippi	South Carolina
California	Nebraska	Tennessee
Colorado	North Dakota	Utah
Florida	Ohio	Virginia
Georgia	Oklahoma	Washington
Iowa	Pennsylvania	West Virginia
Kentucky		

Transaction Accounts

(Authorization for share drafts and/or checking accounts)

CUNA MODEL ACT: A credit union may receive from its members or from another credit union deposits payable on demand, and honor requests for withdrawals of such deposits in any form, provided that the credit union maintains such reserves as are required by the Director. [§3.10(7)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT AUTHORIZES DEMAND DEPOSITS:

Nevada [§678.470(1)]
Rhode Island—Only insured credit unions with shares and deposits of \$1,000,000 or more, subject to the specified conditions. [§19-21-9.1]

ACT AUTHORIZES SHARE DRAFTS AND/OR NOW ACCOUNTS:

Idaho—A credit union may provide for its members, share and deposit accounts from which the member may withdraw funds by the use of a negotiable instrument. [§26-2108(t)]

Maine—"Personal demand deposits" are payable on demand and subject to withdrawal by negotiable or transferable instruments. [§131(31)] "NOW Account" means a deposit or account from which withdrawals may be made by negotiable or transferable instruments for the purpose of making transfers to third parties, and on which interest or dividends are paid. [§131(29)]

Massachusetts—With the prior written approval of the commissioner and under such conditions as he may prescribe, a credit union may authorize negotiable withdrawal order accounts that allow withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties. [Ch. 167, §16A]

Tennessee—A credit union may permit its members to withdraw either shares or funds in members' special accounts through a remote withdrawal system utilizing drafts drawn against the member's credit union and payable through a bank, and may engage in any and all other share or fund withdrawal activities authorized for federally chartered credit unions. [§45-1806(6)]

continued

Vermont—A credit union may honor requests for withdrawal of shares in any manner approved by the credit union board of directors and by the commissioner who will establish regulations consistent with prudent banking practices. [§2054(6)]

ACT PROHIBITS DEMAND DEPOSITS AND/OR CHECKING ACCOUNTS:

Arkansas	[§67-906(1)]	Montana	[§14-613(16)]
Georgia	[§41A-3101(a)]	Washington	[§31.12.260(g)]

OTHER ACTS:

CALIFORNIA—Although the Act does not specifically authorize transaction accounts, such authorization is implied by mention of share accounts in the provision dealing with charges for special overdraft services. [§14901]

CONNECTICUT—Under regulations of commissioner, any credit union may sell to members negotiable checks or drafts drawn by or on it and payable through any bank accepting commercial deposits. [§36-201]

HAWAII—A credit union may issue third-party checks upon request of the member. [§410-39(5)]

IOWA—Each credit union which had share draft accounts in operation as of June 28, 1978 may continue to provide that service until terminated by order of the Superintendent of Banking or the Credit Union Administrator. All such programs which are not terminated by order shall end on April 15, 1979. Credit unions providing such services must comply with the reserve requirements established by this provision. [L.1978, H.F.2467]

MINNESOTA—Upon written authorization from a member, a credit union may make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such members, or by permitting the credit union to make such payments prior to deposit. A credit union may permit draft withdrawals from member accounts, but may not establish demand deposits (checking accounts). [§52.04(11)]

NEW HAMPSHIRE—The commissioner may authorize a credit union, under regulations made by him to sell negotiable checks and drafts issued by it or drawn by or on it payable by or through a trust company or a national bank. [§394:51]

OREGON—A credit union may receive from its members or from another credit union deposit accounts or shares payable on non-negotiable request. [§723.152(7)]

ACT IS SILENT: 28 states and Puerto Rico

Group Life Insurance

(Authority to provide life savings and credit life to members)

CUNA MODEL ACT: A credit union may purchase or make available insurance for its members in amounts relative to their respective ages, shares, deposits or loan balances or to any combination of them. [§8.10.1]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

Montana	[§14-613(20); 14-656]	Oregon	[§723.572(1)]
No. Carolina	[§54-109.75(a)]		

CREDIT UNION MAY PROVIDE INSURANCE on the lives of its members in amount equal to their respective share and loan balances or any or all of them:

Arkansas	[§67-905(h)]	Nevada	[§678.750(1)]
Idaho	[§26-2108(h)]		

CREDIT UNION MAY PURCHASE or provide life insurance for the benefit of its members:

Illinois	[§496.9(10)]	Texas	[§4.01(9)]
Louisiana	[§6.644(9)]		

THE LIVES OF A GROUP MAY BE INSURED under a policy issued to a credit union to insure eligible members for the benefit of persons other than the credit union or its officials, subject to the following requirements:

(1) All members of the credit union shall be eligible for the insurance (except those for whom evidence of individual insurability is not satisfactory) or all of any class or classes of members determined by conditions relating to age or membership in the credit union or both.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the credit union's funds, or partly from the funds and partly from funds contributed by the insured members, specifically for their insurance. No policy shall be issued for which the entire premium is to be derived from funds contributed by the insured member specifically for their insurance.

(3) The policy must cover at least 25 members when issued.

(4) The amount of insurance under the policy shall be based on the amount of the total shares and deposits of the member in or with the credit union up to \$2,000 of total shares and deposits:

Utah—[§31-23-4.5]

West Virginia—Except amount of insurance shall be based on same plan which precludes individual selection either by the members or by the credit union, the credit unions, or trustees. [§33-14-5a]

OTHER ACTS:

ARIZONA—A credit union may provide insurance on the lives of its members in an amount equal to their respective share, special investment account, loan balance or any or all of them. The policy, which must be paid for by the policyholder and which cannot be for the benefit of the credit union or its officials, must cover at least 25 members at date of issue. [§§6-509(8),20-1251.01]

CONNECTICUT—A credit union may contract for loan protection insurance on the lives of its borrowing members and for life savings insurance on its members' shares. [§36-198(e)]

INDIANA—A credit union may purchase life savings and loan protection insurance for the benefit of the credit union and its members, provided that such coverage be placed with an insurance company licensed in Indiana. [§28-7-1-9(L)]

IOWA—Credit unions may purchase insurance or make the purchase of insurance available for members. [§533.4]

MASSACHUSETTS—A credit union may provide group life insurance for its employees, officers, and directors. The commissioner may establish regulations therewith. [Ch. 167, §57]

MICHIGAN—A credit union may purchase at the discretion of the directors life savings and loan protection insurance for member shareholders, member depositors, and member borrowers. [§490.4(j)]

MINNESOTA—A credit union may contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor. [§52.04(9)]

MISSOURI—A credit union may purchase insurance for the benefit of the credit union and its members. Credit unions may also contract for group insurance plans, approved by the state, on behalf of members who wish to participate. [§§370.070(6),370.071(2)]

NEBRASKA—A credit union may purchase insurance for its members, which insurance shall in no event exceed neither the share balance nor savings account balance of such member, nor \$2,500. [§21-17,116]

NEW YORK—In the event that the credit union insures a borrower under a group life insurance policy, group accident insurance policy, or group health and accident insurance policy or requires insurance on personal property securing a loan, the credit union may charge an amount not in excess of the premiums chargeable in accordance with rate schedules then in effect and on file with the superintendent of insurance. [§453(5)(a)]

OHIO—A credit union may purchase group savings life insurance and group credit life insurance. [§1733.04(A)(5)]

PENNSYLVANIA—A credit union may purchase group insurance at reasonable rates on the lives of its members in an amount not to exceed the share balances of such members. [§12305(11)]

TENNESSEE—A credit union may provide life and disability insurance as collateral at the expense of its borrower, and at the option of such borrower, provided that such insurance shall not exceed the original face amount of the note nor the term of the loan. [§45-1806(5)]

VERMONT—A credit union may purchase insurance on the lives of its members in an amount equal to their respective share, deposit, and loan balance or any or all of them. [§205-4(8)]

ACT IS SILENT:

Alabama	Maine	Oklahoma
California	Maryland	Puerto Rico
Colorado	Mississippi	Rhode Island
Florida	New Hampshire	South Carolina
Georgia	New Jersey	Virginia
Hawaii	New Mexico	Washington
Kansas	North Dakota	Wisconsin
Kentucky		

Electronic Funds Transfer Activities

(Authority for credit unions to engage in EFT activities)

MODEL CREDIT UNION ACT: Act is silent.

FEDERAL CREDIT UNION ACT: Act is silent.

NCUA regulation permits credit unions, associations of credit unions and other interested parties to submit pilot programs relating to electronic funds transfer through remote service units, loan programs, and other operational systems to the NCUA for evaluation and approval. [12 CFR §721.3]

OTHER ACTS:

ALABAMA—The Superintendent of Banks is authorized to expand the powers of state banks, credit unions and savings and loan associations to assure their ability to be responsive to the needs and conveniences demanded by consumers and businesses through on-premise, as well as off-premise operations. Financial institutions seeking to exercise such expanded power must have prior authorization from the Superintendent. [§5-17-4.5]

COLORADO—State and federal credit unions and savings and loan associations may participate in electronic funds transfer systems and may be members of automated clearing houses. Sharing of communications facilities by like institutions is mandatory; permissive for dissimilar ones. [§11-48-102; 11-48-107]

CONNECTICUT—A credit union having assets of \$2 million or more, or a federal credit union having its main office in the state and having assets of \$2 million or more may use or share satellite devices and point of sale terminals. Credit unions chartered by other states are excluded from using such systems in the state. [§36-193(a),(f)]

FLORIDA—Any state bank, national bank, savings and loan association, or credit union having its principal office in Florida may use or participate in remote financial service units, including point-of-sale terminals and remote service terminals. Sharing of such facilities is permissive. [§659.062]

***IDAHO**—A credit union may participate in systems which allow the transfer of credit union funds or the shares or deposits of members by electronic means and hold membership in automated clearing house associations or corporations. [§26-2108(u)]

IOWA—A credit union may, upon approval of the administrator, utilize, establish, or operate alone or with other credit unions, banks, savings and loan associations, or third parties, electronic funds transfer facilities. Sharing of facilities is mandatory for like institutions. [§533.4(18)]

***MAINE**—A credit union, with prior written approval of the superintendent, may issue to its members cards or other devices permitting such members to gain access to or participate in an established electronic funds transfer system. [§824]

MASSACHUSETTS—A credit union may, by vote of its board of directors or trustees, and subject to approval by and regulations of the commissioner of banks, purchase, install, operate, lease, use or share with any other bank, credit union, national banking association or federal savings and loan association, remote, automated, unmanned facilities for the disbursement of funds by electronic processing. [Ch. 167, §65]

MICHIGAN—State and federal credit unions may establish electronic funds transfer terminals anywhere in the state. Unless they are located at the credit union's main office or an approved branch, such terminals must be shared with other financial institutions upon request and payment of reasonable fees. [L.1978, H.B.4553]

MINNESOTA—State credit unions need the commissioner's approval to set up electronic funds transfer systems. Federal credit unions do not need such permission. Numerous specific requirements and limitations are established by the statute. Sharing of facilities is mandatory for like institutions. [§52.04(2.10)]

MONTANA—With prior approval of the supervisor, a credit union may participate in a system which allows for the debiting of a customer's account in a financial institution and the crediting of a merchant's account for goods or services. Sharing of facilities is mandatory for all institutions. [Ch. 503, Laws of 1977]

***NEBRASKA**—A credit union may establish, operate, maintain, or participate by agreement in the establishment, operation and maintenance of electronic transmission terminals and systems for transmitting credit union transactions authorized by law for its members and terminating within Nebraska. Loans may not be initiated by electronic transmission transactions without specific prior approval of the credit unions involved. Sharing of facilities is permissive. [§21-1773(13)]

NEW MEXICO—State and federal banks, savings and loan associations, and credit unions may establish point-of-sale terminals and automated teller machines in a county in which the financial institution has its main office or a branch. Sharing is mandatory for like institutions within the same county with respect to point-of-sale terminals. [Ch. 359, Laws 1977]

continued

RHODE ISLAND—Every financial institution may establish customer bank communication terminals to the same extent and only during such periods of time that competing financial institutions, chartered and regulated by the federal government and domiciled within this state are legally permitted to provide. Sharing of terminals permitted, but not required. [§19-29-1]

SOUTH CAROLINA—Banks, savings banks, savings and loan associations, and state and federal credit unions may establish unmanned automatic teller and point-of-sale electronic funds transfer terminals anywhere in the state upon approval by the appropriate regulatory authority. [No. 375, Laws of 1975]

***WISCONSIN**—Credit unions are authorized to transact business electronically by means of remote terminals. Such terminals shall be available to other credit unions and financial institutions in the state on a non-discriminatory basis. [§186.113(16)]

**Authorization for EFT activities is part of the credit union act*

ELECTRONIC FUNDS TRANSFER ACTIVITIES AUTHORIZED for other financial institutions, but not credit unions:

Arkansas	New Hampshire	Oregon
Georgia	New Jersey	South Dakota
Illinois	New York	Tennessee
Kansas	North Carolina	Virginia
Louisiana	North Dakota	Washington
Maryland	Oklahoma	

MASSACHUSETTS—Massachusetts CUNA Association and the Credit Union League of Massachusetts and such of their employees as may be provided by bylaw shall be eligible for membership in the Credit Union Employee Retirement Association. [Ch. 171, §31]

MICHIGAN—Provision in act defines a league as a trade association of credit unions. [§490.1a(c)]

MISSOURI—Act provides for investments in shares of credit union associations or a credit union financial agency. [§370.075(5)]

PUERTO RICO—Five or more credit unions organized in Puerto Rico under the commonwealth or federal act may establish the Puerto Rico Federation of Credit Unions for the purpose of rendering services in common to the credit unions belonging. The federation shall have towards the federated credit unions the same purposes and duties that the credit unions have towards their members and it may also engage in any activity necessary to encourage the credit union movement in Puerto Rico and make loans to members of federated credit unions. [§36]

ACT IS SILENT:

Connecticut	Kentucky	Oklahoma
Georgia	Louisiana	Pennsylvania
Hawaii	Maine	Tennessee
Illinois	Minnesota	West Virginia
Indiana		

League or Association Membership

CUNA MODEL ACT: A credit union may hold membership in other credit unions organized under this act or other acts, and in associations and organizations composed of credit unions. [§3.10(15)]

FEDERAL CREDIT UNION ACT: Act is silent.

ACT SIMILAR TO MODEL ACT:

Arizona	[§6-509(13)]	Montana	[§14-613(14)]
Arkansas	[§67-905(1)]	Nevada	[§678.490(1)]
Colorado	[§11-30-104(1)(g)]	Oregon	[§723.152(15)]
Idaho	[§26-2108(1)]	Texas	[§4.01(14)]

PROVISION IN ACT STATES credit union associations are authorized to use the words "credit union" in their names:

Maryland	[§6-328(b)]	Ohio	[§1733.44]
Nebraska	[§21-1771]	Oregon	[§7]
New Hampshire	[§394.2]	Utah	[§7-9-5]
New Mexico	[§48-19-3]	Virginia	[§6.1-22.4]
North Carolina	[§54-109.5]	Wisconsin	[§186.03]

REFERENCE IN ACT TO specific State Credit Union League:

Alabama	[§5-17-25]	Rhode Island	[§19-21-53]
Iowa	[§533.3]	South Carolina	[§8-652]
Mississippi	[§81-13-13]	Vermont	[§2053]
New York	[§450(2)]		

PROVISION IN ACT ALLOWING credit unions to pay dues to leagues:

California	[§14805.5]	New Jersey	[§17:13-48]
Florida	[§657.04]	North Dakota	[§6-06-16]

OTHER ACTS:

KANSAS—The council, its administrator, and all employees may give information secured from or about credit unions to the Kansas Credit Union League and its affiliates. [§17-2227]

Payroll Deductions

(Allotments for Public Employees' Credit Unions)

MODEL CREDIT UNION ACT: Act is silent.

FEDERAL CREDIT UNION ACT: Act is silent.

R.S. §3620, however, mandates that the head of a federal agency shall, upon the written request of an employee to whom a payment for wages or salary is to be made, authorize a disbursing officer to make such payment in the form of one, two, or three checks to be sent to a credit union designated by the employee for credit either to his checking account or to his savings account or for the purchase of shares.

AT THE DIRECTION OF AN EMPLOYEE, a public employer shall make designated payroll deductions for the purpose of payments to credit unions composed of public employees:

Iowa	[§533.32]	*Missouri	[§33.103]
*Massachusetts	[Ch. 149, §178B]	*Rhode Island	[§36-6-16]

AT THE DIRECTION OF AN EMPLOYEE and with the approval of the proper government agency, a public employer shall make designated payroll deductions for the purpose of payments to credit unions composed of public employees:

*Delaware	[Title 29, §5106]	*South Dakota	[§3-10-8]
*Georgia	[§89-924]		

AT THE DIRECTION OF AN EMPLOYEE, a public employer shall make designated payroll deductions for the purpose of payments to credit unions:

*Arizona	[§23-351]	*Ohio	[§9.43]
*Louisiana	[R.S.42:456]	*Pennsylvania	[Title 7, §§6121,6122]
*Nebraska	[§48-224]		

AT THE DIRECTION OF AN EMPLOYEE, any employer may make designated payroll deductions for the purpose of payments to credit unions:

*California	[Labor Code, Utah	[§34-28-3]
	§213(d)]	
Colorado	[§8-4-102]	

OTHER ACTS AND STATUTES:

*CONNECTICUT—When, in the opinion of the comptroller, a sufficient number of state employees who are members of a credit union organization of state employees desires to have payroll deductions for credit union savings, the comptroller may deduct and remit the amounts so deducted to the treasurer of such organizations. (Sec. 5-261)

ILLINOIS—Any system of record keeping may provide for accumulating payroll deductions received for a member's account during the month for posting and crediting once monthly as having been received at that time. (Ch. 32, Sec. 496.31) A state employee or annuitant may authorize the withholding of a portion of his salary, wages or annuity for deposit in any credit union, the majority of the membership of which is composed of state employees. (Ch. 127, Sec. 354) Any local government employer may make payroll deductions from the compensation of employees. (Ch. 85, Sec. 502)

INDIANA—A borrower may repay the credit union by payroll deduction, subject to the consent of the employer of the borrower, and upon written request therefor from the employee to such employer. State, county, township and municipal governmental agencies may provide a payroll deduction when requested by an employee. Any employee may request that any part of or full amount of net pay due him in lieu of being paid by check drawn to his order, be paid to him regularly by check drawn in favor of a credit union for credit to his account. (Sec. 28-7-1-23)

*MARYLAND—If any loan made to a credit union member is to be repaid by means of payroll deductions authorized by the member from the member's wages or earnings, or if the guarantor or co-maker of a member's loan is to repay the loan by means of payroll deductions from the comaker's or guarantor's wages or earnings, the payroll deductions shall remain in full force and effect and shall not be cancelled, voided or terminated by the member until the loan balance has been repaid in full, provided the amount of the payroll deduction does not exceed the amount of any attachment permitted under Sec. 31 of Article 9.

*MINNESOTA—The heads of various departments of the government of the state of Minnesota are authorized by and with the written consent of any employee such sum or sums as may be agreed to by such employee for the payment of any moneys to any state employees' credit union, or to any organization contemplated by the provisions of Sec. 179.65, of which the employee is a member; provided that where an employee is a member of more than one such credit union or more than one such organization, only one credit union and one organization may be paid money by payroll deduction from the employee's salary; and provided further, that no deduction shall be made from the salary of any state employee for payment to any credit union or organization unless there are at least 100 state employees who have deductions made from their salaries for payment to such credit union or organization. (Minn. Statutes, 1969, Sec. 10.39)

*NORTH CAROLINA—The State Board of Education may authorize any county or city board of education, the trustee of any community college or technical institute, or other governing authority within the state, to establish a voluntary payroll deduction plan for amounts authorized by employees to be deposited with

certain credit unions, and loans made to teachers by credit unions. (Sec. 115-153.2)

*OREGON—An employer and employee may agree to authorize an employer to deposit without discount wages due the employee in the employee's account in a bank, national bank, mutual savings bank, or credit union or savings and loan association in this state. (Sec. 652.110)

1) Upon receipt by him of the request in writing of a state officer or employee to do so, the state officer authorized to disburse funds in payment of the salary or wages of such officer or employee each month shall deduct from the salary or wages of such officer or employee the amount of money indicated in such request, for payment thereof to a state or federally chartered credit union for public employees designated by such officer or employee to receive it.

2) Such state official each month shall pay such amount so deducted to a single central depository designated by participating credit unions to receive payments on their behalf. Such central depository shall be a state or federally chartered credit union for public employees which has agreed to accept payments in behalf of similar credit unions.

3) Upon receipt by him of the request in writing of such officer or employee to do so, such state official shall cease making such deductions and payments. (Sec. 292.067)

*WISCONSIN—Any state officer or employee may request in writing through the state agency in which he is employed that a specified part of his salary be deducted and paid by the state to a payee designated in such request for any of the following purposes:

4. Other group or charitable purposes approved by the Governor and the Department of Administration under the rules of the Department of Administration. (Sec.20.921(1)(a))

*Statute other than credit union act.

Lien on Member Accounts

CUNA MODEL ACT: The credit union shall have a lien on the shares, deposits and accumulated dividends or interest of a member in his individual, joint or trust account, for any sum past due the credit union from said member or for any loan endorsed by him. [§6.40]

FEDERAL CREDIT UNION ACT: A federal credit union has the power to impress and enforce a lien upon the shares and dividends of any member, to the extent of any loan made to him and any dues or charges payable by him. [§107(11)]

ACT SIMILAR TO MODEL ACT:

*Alabama	[§5-17-14]	*Minnesota	[§52.12]
*Colorado	[§11-30-112]	*New Mexico	[§48-19-12]
*Florida	[§657.12]	North Carolina	[§54-109.59]
Georgia	[§11A-316.5]	*North Dakota	[§6-06-16]
*Iowa	[§533.12]	Oregon	[§723.436]
*Michigan	[§190.12]	Puerto Rico	[§17]

*Omits reference to dividends or interest.

ACT SIMILAR TO FEDERAL ACT:

*Arizona	[§6-509(15)]	*Nevada	[§678.530(2)]
Arkansas	[§67-905(n)]	*New York	[§453(11)]
California	[§14803(a)(3)]	*Oklahoma	[§2006(12)]
Hawaii	[§410-12(1)(11)]	Texas	[§1.01(16), 6.02(b)]
*Idaho	[§26-2108(a)]	*Vermont	[§2054(14)]
Indiana	[§28-7-1-19]		

*Also includes deposits and accumulated dividends.

continued

A CREDIT UNION SHALL HAVE A LIEN on the shares and dividends of a member to the extent of any loans made to him or sums payable by him:

*Connecticut	[§36-200(i)]	Missouri	[§370.250]
*Illinois	[§496.18]	Montana	[§14-645]
Kansas	[§17-2212]	*Pennsylvania	[§12315]
Kentucky	[§290.160]	Tennessee	[§45-1822]
Louisiana	[§6:652]	Virginia	[§6.1-206]
Maryland	[§6-308(d)]	West Virginia	[§31-10-12]
Mississippi	[§81-13-35]		

*Omits reference to dividends.

OTHER ACTS:

MASSACHUSETTS—A credit union may transfer the funds of a depositor or shareholder in order to offset a debt to the credit union; provided that written notice of such transfer is sent by certified mail. [Ch. 167, §67]

WISCONSIN—A credit union may deduct any amount due from the shares of an expelled or withdrawn member. [§186.14]

ACT IS SILENT:

Maine	New Jersey	South Carolina
Nebraska	Ohio	Utah
New Hampshire	Rhode Island	Washington

Prohibited Activities

CUNA MODEL ACT: Act is silent.

FEDERAL CREDIT UNION ACT: Act is silent.

NO CREDIT UNION SHALL PAY ANY commission or compensation for securing members or for the sale of its shares:

Arkansas	[§67-900(2)]	Louisiana	[§6:652]
California	[§14851]	Maryland	[§6-308(g)]
Connecticut	[§36-199]	Mississippi	[§81-13-35]
Indiana	[§28-7-1-4(a)]	Nebraska	[§21-179-4]

OTHER ACTS:

ARIZONA—Except as otherwise provided in this chapter, credit unions are prohibited from purchasing, holding, owning or acquiring real property. [§6-510]

ILLINOIS—A credit union is prohibited from engaging in the banking business, the business of a trust company, currency exchange, building and loan association, and from making loans upon the security of any interest or equity in real estate, except a credit union with assets over \$1,000,000 may make such loans. [E496.10]

IOWA—No credit union may accept moneys for deposit or may have any business transaction with the administrator or any employee of the credit union department. [L.1978,S.F.137,Sec.13(4)]

NEW YORK—No credit union shall pay any commission or compensation for securing members or for the sale of shares. No credit union shall retain physical possession of a passbook or other evidence of membership. [§454(1)(10)]

OHIO—No credit union may pay any commission or compensation for securing members or for the sale of its shares. Credit unions may neither establish branches nor acquire property except under certain conditions. [§1733.04(B)(2,3,4)]

TENNESSEE—Credit union shares shall in no event be sold at a premium by any credit union to its members. [§45-1817]

WASHINGTON—No credit union shall carry on a banking business or carry any demand, commercial or checking accounts, nor issue any time or demand certificates of deposit. [§31.12.260(g)]

ACT IS SILENT:

31 states and Puerto Rico

Formation of Central Credit Unions (Includes Corporate Centrals or Other Liquidity Facilities)

CUNA MODEL ACT: Any central credit union may be organized and operated under this Act and subject to all such provisions not inconsistent with this article. Such credit union shall use the term "central" in its official name. [§12.10]

FEDERAL CREDIT UNION ACT: Act authorizes the creation of the National Credit Union Central Liquidity Facility whose purpose is to meet the liquidity needs of member credit unions. Membership in the Facility is open to credit unions primarily serving natural persons and, upon the Administrator's approval, to a credit union or a group of credit unions primarily serving other credit unions. [§§303,304]

ACT SIMILAR TO MODEL ACT:

Arkansas	[§67-902(4)]	Montana	[§14-668]
Florida	[§657.245]		

A CENTRAL CREDIT UNION may be organized under the credit union act:

Colorado	[§11-30-103(1)]	New Mexico	[§48-19-5(A)]
Connecticut	[§36-193(1)(b)]	Oklahoma	[§2007]
Hawaii	[§410-37]	Vermont	[§2036(a)]
Missouri	[§370.365(2)]	Washington	[§31.13.020]

ACT IMPLIES AUTHORITY to form a central credit union by including a definition of a central credit union:

California [§14008]

ACT IMPLIES AUTHORITY to form a central credit union by authorizing membership in a central credit union:

Louisiana	[§6:645(B)(D)]	Nebraska	[§21-17.117]
Mississippi	[§81-13-13]	New York	[§451(2)]

ACT IMPLIES AUTHORITY to form a central credit union by authorizing investment in a central credit union:

Michigan	[§490.4(d)]	North Dakota	[§6-06-06(4)]
Minnesota	[§52.04(8)]	Pennsylvania	[§12305(B)(13)]

ACT AUTHORIZES FORMATION of a corporate central credit union:

Idaho—Idaho Corporate Credit Union [§26-2171]

Iowa—And other central credit unions for specific purposes. [L.1978, S.F.137, §17] [§533.38]

Oregon—And other central credit unions. [§723.730, 723.702]

Puerto Rico—Federation of Savings and Credit Unions [§36]

Rhode Island—Rhode Island Credit Union League Corporate Credit Union [§19-21-53]

Utah—[§7-9-31]

ACT AUTHORIZES FORMATION of a central credit union, with functions essentially of a corporate central credit union:

Kansas	[§17-2204(7)]	North Carolina	[§54-110]
Massachusetts	[Ch.216,§1]	South Carolina	[§34-27-50]
Nevada	[§678.850(1)]		

OTHER ACTS:

ILLINOIS—A central credit union may be incorporated under the act primarily to make loans to other credit unions and to officials and employees of other credit unions. [§496.3(4)]

INDIANA—A credit union may invest in a state discount credit corporation operated for the use and benefit of credit unions and/ or other nonprofit organizations. [§28-7-1-9(c)(2)]

KENTUCKY—The officers, directors and committee members of state and federal credit unions in Kentucky may form a central credit union. [§290.080(3)]

NEW JERSEY—100 or more state or federal credit unions operating in this state may organize a single central credit union. [§17:13-73]

OHIO—Credit unions qualified to do business in the state and their officers, directors, committee members, and employees have a common bond of association for the purpose of forming a central credit union. [§1733.05(e)]

TENNESSEE—15 or more credit unions may organize and operate as a central credit union upon approval by the commissioner. A proposed central credit union must meet certain other criteria. [§45-1802(c),(d)]

TEXAS—A credit union may operate as a central credit union, with the approval of the commissioner. [§4.01(21)]

WISCONSIN—Act provides for the formation of a central credit union and for the formation of the Credit Union Finance Corporation. [§186.32(1), 186.22]

ACT IS SILENT:

Alabama	Maine	Virginia
Arizona	Maryland	West Virginia
Georgia	New Hampshire	

Membership in Central Credit Unions

(Refer also to "Small Employee Groups")

CUNA MODEL ACT: Membership in such central credit union may include, but not be limited to:

- (1) Credit unions organized and operating under this Act or under any other credit union act.
- (2) Officers, directors, committee members and employees of such credit unions; officials and employees of any association of credit unions; and employees of federal or state government agencies responsible for the supervision of credit unions in this state.
- (3) Organizations and associations of those persons or organizations enumerated in subsections (1) or (2).
- (4) Employees of an employer with insufficient numbers to form or conduct the affairs of a separate credit union.
- (5) Persons in the field of membership of liquidated credit unions or of credit unions which have entered into or are about to enter into voluntary or involuntary liquidation proceedings.
- (6) Members of the immediate families of all members qualified above. [§12.20]

FEDERAL CREDIT UNION ACT: A federal credit union may invest in share or deposits of any central credit union in which such investments are specifically authorized by the board of directors of the federal credit union making the investment. [§107(8)(G)] Mem-

bership in the National Credit Union Central Liquidity Facility is open to credit unions which serve primarily natural persons upon their purchase of capital stock of the Facility in an amount equal to not less than one-half of one per cent of the subscribing credit union's paid-in and unimpaired capital and surplus. With the approval of the Administrator and upon compliance with the special requirements of this Section, a credit union or group of credit unions which primarily serves other credit unions may become a member of the Facility. [§304]

ACT SIMILAR TO MODEL ACT:

Montana	[§14-669]	Tennessee	[§45-1802(d)]
Oregon	[§723.708]		

ANY CREDIT UNION AUTHORIZED TO OPERATE in the state is eligible for membership in the central credit union; and such others as indicated:

Colorado—Also officers and committee men of such credit unions, and actual or potential members of credit unions within the state involved in liquidation proceedings. [§11-30-103(1)]

Kansas—[§17-2204(7)]

Massachusetts—Also the Massachusetts Credit Union Share Insurance Corporation, other Massachusetts credit union organizations as provided in the bylaws and entities which serve as investment vehicles or provide liquidity for credit unions. [Ch. 216, §3]

New Mexico—Also officers and committeemen of such credit unions. [§48-19-5(A)]

Ohio—Also officers, directors, committeemen and employees of such credit unions. [§1733.01(B)]

Wisconsin—Also credit unions located in other states. [§186.32(1)]

CREDIT UNIONS ORGANIZED UNDER THE STATE'S LAW or the federal credit union act and operating in the state are eligible for membership in a central credit union; and such others as indicated:

Idaho—Also credit union subscribers to the articles of incorporation and organizations or associations of credit unions who have met requirements specified in the articles of incorporation or bylaws. [§26-2174]

Kentucky—Also officers, directors and committeemen of such credit unions. [§290.080(3)]

Nebraska—Also officials of such credit unions and organizations to further credit union activities and their employees. [§21-17.117]

New Jersey—Also employees of the central credit union and of the New Jersey Credit Union League; members of credit unions in the state which have or are about to enter into dissolution or liquidation; children of members of state credit unions for educational loan purposes; credit union service corporations; and central credit unions. [§17:13-73]

Utah—Also credit union leagues and affiliates. [§7-9-31]

Vermont—Also officers, directors, committeemen and employees of such credit unions; the members of liquidating credit unions; and the Vermont Credit Union League and its employees. [§2056]

OTHER ACTS:

ARIZONA—Membership in a central credit union is restricted to credit unions, organizations owned by or composed of credit unions and corporations or associations which primarily serve credit unions. [§6-501(2)]

continued

ARKANSAS—Membership of a central credit union shall be limited to state and federal credit unions, employees of the credit union or the state league, current members of the credit union if it is converting to a central credit union, and a member of a credit union who has reached the share, loan, or life savings insurance limits at his credit union. The central may also accept members of a liquidating credit union or small employee groups, and the Supervisor may waive the common bond requirements with respect to such groups. [§67-907(4)]

CALIFORNIA—A central credit union's membership may include, but not be limited to, other credit unions, members of credit unions, credit union employees, employees of organizations serving credit unions and the families of such members. [§14008]

CONNECTICUT—The business of the central credit union shall be divided into two operating divisions. Membership in the "member credit union division" shall be limited to credit unions having their principal place of business in the state, central credit unions organized under any other law, and organizations and associations of the foregoing. Membership in the "individual member division" shall be limited to officers, directors, and committeemen of such credit unions; employees and consultants of Connecticut Credit Union League; federal and Connecticut examiners of credit unions; employees of the central; organizations and associations of the above; members or persons within the field of membership of credit unions which have entered into liquidation or merged into the central; and members of the immediate family of persons listed above. [§36-196-(1)(b)]

FLORIDA—A central credit union shall be chartered primarily to serve elected officials and employees of credit unions, associations and organizations serving credit unions, individuals within the common bond of a liquidating credit union within this state and select groups with a common bond of employment of not more than 250 employees and not less than 7 employees, provided they are approved by the board of the central credit union and reviewed by the department. Common bond groups that exceed 250 employees shall not be taken into the field of membership of a central credit union unless they are approved by both the department and the board of the central credit union. [§657.245]

GEORGIA—A central credit union may be organized to serve a field of membership consisting primarily of other credit unions operating under this act or the Federal Credit Union Act. In addition, the field of membership may include members of credit unions which are members of the central; officials and employees of any organization or association of credit unions and of the central; employees of the Department of Banking, or of the National Credit Union Administration; organizations and associations of persons or credit unions included in the foregoing; members of a credit union that has entered into voluntary or involuntary dissolution or are indebted to such a credit union or a non-member depositor of such a credit union. [§41A-3120]

HAWAII—Membership of central credit union consists primarily of other credit unions organized under Hawaii or federal law; officials, committeemen or employees of such credit unions. Any resident of Hawaii not eligible for membership in any credit union in the state also is eligible for membership in the central. [§410-2.37]

ILLINOIS—Membership of a central credit union consists primarily of directors, officers, committee members and employees of other credit unions. Credit unions investing in shares of a central are eligible for membership. Also persons who were members of liquidated credit unions. [§496.3(4), .6, .23(4)]

IOWA—All credit unions, the credit union leagues, and its affiliates in the state are eligible for membership in the corporate central credit union. [§533.38] Membership in other central credit unions is open to members of dissolved credit unions, officers and employees of credit unions, and certain employee groups and such other persons as the administrator may approve. [L.1978, S.F.137, Sec.17]

LOUISIANA—Members of a federal or state chartered credit union in liquidation in Louisiana, who are residents, are eligible for membership in a central-type credit union. [§6:645(D)]

MINNESOTA—Credit unions chartered under laws of any state or any federal credit union may become member of a Minnesota credit union. [§52.05]

MISSISSIPPI—One central credit union sponsored by the Mississippi Credit Union League may accept as members those credit unions that belong to the league, members of those credit unions, their immediate families, employees of Mississippi Credit Union League and their immediate families, organizations or associations of such persons, and other persons living in Mississippi who do not have services of a credit union available to them. [§81-13-13]

MISSOURI—Membership is limited to credit unions, associations of credit unions and other persons expressly identified in the by-laws. [§370.365(2)]

NEVADA—The membership of a central credit union may consist of credit unions, the Nevada Credit Union League and organizations affiliated with the League. [§678.860]

NEW YORK—Membership in a central credit union shall be limited to credit unions authorized to operate in New York, the New York State Credit Union League and its employees and members of their immediate families; any member of a credit union which has entered into liquidation. [§451(2-a)]

NORTH CAROLINA—The membership of a central credit union shall be institutional and only local credit unions can become members unless the bylaws otherwise prescribe. [§54-110(b)]

OKLAHOMA—Members of existing credit unions operating under Oklahoma or federal law may belong to a central credit union, as may such credit unions. [§2007]

PENNSYLVANIA—Credit unions may invest their funds in shares and become members of any insured central-type credit union organized either under the laws of Pennsylvania or the United States. [§12305(B)(13)]

PUERTO RICO—Credit unions organized under Puerto Rico or federal law may establish the Puerto Rico Federation of Credit Unions which shall have the same purposes and duties that the credit unions have toward their members. [§36]

RHODE ISLAND—The corporate central credit union consists of the members of the executive committee of the Rhode Island Credit Union League. [§19-21-53]

SOUTH CAROLINA—Credit unions, their officers, and other members affiliated with the South Carolina Credit Union League and organizations under South Carolina law may associate together in the one authorized statewide credit union. [§34-27-50]

WASHINGTON—Central credit union defined as corporation organized under Washington or federal law to serve credit unions within the state and their directors and committeemen. [§31.12.010,31.13.010]

ACT IS SILENT:

Alabama	Michigan	Texas
Indiana	New Hampshire	Virginia
Maine	North Dakota	West Virginia
Maryland		

Powers of Central Credit Unions

(Includes Central Liquidity Facility)

CUNA MODEL ACT: (1) A central credit union shall have all of the rights and powers of any other credit union organized under this Act and the additional rights and powers specified in this section, notwithstanding any limitations or restrictions found elsewhere in this Act.

(2) A central credit union may make loans to other credit unions; purchase shares of and make deposits in other credit unions; and obtain or acquire the assets and liabilities of any credit union operating in this state which enters into liquidation.

(3) A central credit union may invest in and grant loans to associations of credit unions, central funds of credit unions or organizations chartered to provide service to credit unions.

(4) A central credit union may borrow money and accept demand deposits from any source, and issue notes or debentures. [§12.30]

FEDERAL CREDIT UNION ACT: Pursuant to its primary function of seeing to the liquidity needs of its members, the National Credit Union Administration Central Liquidity Facility has, through its Administrator, the power to: (1) borrow funds from specified sources in specified amounts; (2) guarantee performance of member financial obligations; (3) purchase assets from members; (4) invest in obligations of the U.S. or its agencies; (5) make deposits in federally insured financial institutions and make investments in shares or deposits of credit unions; (6) sue and be sued; (7) acquire and dispose of property; (8) enter into contracts; (9) lend funds to certain non-member entities; (10) do other acts specifically enumerated in this section. [§307]

ACT SIMILAR TO MODEL ACT, with no reference to demand deposits:

Montana	[§14-671]	Oregon	[§723.716]
Nevada	[§678.850(2)]		

OTHER ACTS:

CONNECTICUT—A central credit union may purchase shares of and make deposits in other credit unions, may borrow funds in an amount not exceeding 50% of its paid-in and unimpaired capital and surplus, and may invest surplus funds in any central credit union organized under any other law.

[§33-196(1)(b), 30-198(g)(5)]

FLORIDA—A central credit union shall have all the rights and powers of any credit union chartered within the state, and such incidental powers and rights as deemed necessary or requisite to enable it to carry out effectively the business for which it is incorporated, pursuant to rules promulgated by the department.

[§657.246]

HAWAII—A central credit union may pay dividends to the accounts of member credit unions at rate determined by the board of directors. [§410-37]

IDAHO—The Idaho Corporate Credit Union shall have the general rights and powers of any other credit union organized under this act, and in addition may deposit in federally insured state and national banks and deposit with or invest in shares of or loans to the U.S. Central Credit Union; receive investments from members in the form of shares or corporate deposits; pay and return on shares, share certificates and deposits; borrow from any source except individuals; make loans and participate with the U.S. Central Credit Union in making loans to members of the corporate credit union; make deposits in any member credit union in the state and the U.S. Central Credit Union; purchase the fixed assets of a member credit union; develop and enter into agreement for the purpose of participation in any governmental agency liquidity or interlending system among credit unions and for the purpose of aiding credit unions in establishing concentrated lines of credit with other financial institutions, and act as a depositor and transmitter of funds to carry out this power; accept deposits from the U.S. Central Credit Union. [§26-2173]

ILLINOIS—A central credit union may make loans to members and to other credit unions, and may invest in shares and deposits of other central credit unions. [§496.3(4), 496.23(4)]

IOWA—A corporate central credit union shall have all the powers, rights, restrictions, and obligations of credit unions established under the act, except: (1) It shall not be required to transfer to the legal reserve of the corporation more than 5% of the corporations net income for the year. (2) It may buy or sell investment securities and corporate bonds which are evidences of indebtedness, with certain specified limitations. [§533.38]

KANSAS—A central credit union may buy and sell investment securities which are evidence of indebtedness; purchase student loans from credit unions; purchase real estate loans from credit unions; purchase any obligation of the United States government or any federal agency; receive deposits from credit unions; the power of the central credit union to borrow is increased by the amount of investments of such credit union in government securities, and the administrator may authorize borrowing in excess thereof. [§17-2204(3)(7)(8)(9)(10), 17-2215(a)]

MASSACHUSETTS—The Central Credit Union Fund may make loans to other credit unions, borrow money and accept deposits from any source. It may invest in securities which are legal investments for savings banks and trust companies as well as in common trust unit plans described in Ch.172 §21, in state or federally regulated entities serving as investment vehicles or providing liquidity for credit unions and in deposits in national banks located in the state. The Fund may make and adopt such by-laws as it may consider necessary to carry out this Act. [Ch. 216, §1,3,4,5]

MICHIGAN—A credit union whose capital consists mainly of funds from other credit unions can borrow up to 75% of its paid-in and unimpaired capital. Commissioner must approve sums in excess of 75%. [§490.15]

MISSOURI—A central credit union may invest in the shares of other credit unions including other central credit unions; purchase loans from credit unions; borrow up to 5 times its capital, surplus and reserve fund; lend to each member no more than 25% of its assets; be required to insure its deposits when so ordered. [§370.365(2)]

NEBRASKA—A central credit union may purchase the assets, assume the liabilities and accept the membership of a credit union or cooperative credit association. Members may borrow from and in-

continued

vest in the central credit union. The central may purchase all or part of loans originated by member credit unions.

[§21-1773(8)(d),(12)] [L. 1973 L.B. 166, §22, 23]

NEW JERSEY—A central credit union shall have all of the rights and powers of any other credit union organized under the act; obtain or acquire the assets and liabilities of any credit union operating in the state which enters into liquidation; invest in and grant loans to associations of credit unions or central credit unions; issue notes or debentures; invest in stock issues of agencies, associations or corporations organized to service or assist credit unions. [§17:13-73(c),(d),(e),(f)]

NEW YORK—A central credit union is not restricted to loan limits set forth for other state-chartered credit unions; no loan shall be made to member credit unions in excess of 20% of holdings of central credit unions. [§454(2),(12)(b),(13)]

NORTH CAROLINA—A central credit union shall have all of the rights and powers of any other credit union organized under this Act; make loans to other credit unions; borrow money and accept deposits from any source; issue notes or debentures. [§54-110(a),(b),(d),(g),(i)]

OHIO—A central credit union shall be required to establish reserves only on loans to individual members and on net earnings derived from individual members' resources. Reserves on corporate member loans shall be established by the superintendent but shall not exceed 3% of gross income from corporate member resources. [§1733.04(C)(1)]

PUERTO RICO—Act provides for formation of the Puerto Rico Federation of Credit Unions, which shall have the same purposes and duties that member credit unions have toward their members. It may make loans to members of member credit unions and borrow money without limitation as to corporate debt or liability. [§36]

RHODE ISLAND—The corporate central credit union shall have all powers, rights, restrictions and obligations of other credit unions, except that it shall not be required to transfer to the legal reserve of the corporation more than 5% of its net income for the year, and it shall have the status of a reserve agent as defined in §19-7-6. [§19-21-53]

SOUTH CAROLINA—A central credit union shall have all of the rights and powers of any other credit union organized under this Act; make loans to other credit unions; purchase shares of and make deposits in other credit unions. [§8-654.1]

TENNESSEE—A central credit union shall have all rights and powers granted credit unions by this chapter. In addition, central credit unions shall have the power to invest in such obligations as are permitted for state banks. [§45-1806(i)] The aggregate total of all loans made by a central credit union to any one credit union shall not exceed 25% of the central credit unions assets. [§45-1821] A central credit union may borrow from any source and is not subject to certain limitations imposed on credit unions. [§45-1823(b)] Central credit unions are not subject to the same limitations regarding dividends as apply to regular credit unions. [§45-1826(f)]

UTAH—The corporate central credit union has all the powers and rights granted credit unions established under this chapter; provided, the maximum loan by a corporate central credit union shall be established by the credit union bylaws. [§7-9-31]

VERMONT—A central credit union may receive the savings of its members in shares or on deposits; may lend its funds to members or borrow money from any source. It may undertake such other activities consistent with the business of the central credit union as its bylaws may authorize. [§2056(a)]

WASHINGTON—A central credit union shall have all the rights and powers of any other credit union organized under the act, and in addition may: offer variable rate certificates to members; borrow money to make loans to members and for payment of debts or withdrawals; lend to member credit unions; establish deposit accounts for member credit unions; enter into agreements with member credit unions to buy or sell any real estate loan made by member credit unions, obligation of the U.S. government owned by member credit unions and student loans made by member credit unions. A central credit union may also exercise any powers conferred on federally chartered credit unions doing business in Washington, if the supervisor finds that exercise of such power serves the interest of credit unions and the public. [§§31.13.030,31.13.040]

WISCONSIN—A central credit union shall have all of the rights and powers of any other credit union organized under this Act and the additional rights and powers specified in this section. Central credit union may issue dividends to accounts of member credit unions with rates and terms guaranteed in advance by the board. [§186.32(1)]

ACT IS SILENT:

Alabama	Kentucky	New Mexico
Arizona	Louisiana	North Dakota
Arkansas	Maine	Oklahoma
California	Maryland	Pennsylvania
Colorado	Minnesota	Texas
Georgia	Mississippi	Virginia
Indiana	New Hampshire	West Virginia

Investment in Central Credit Unions
(Includes Central Liquidity Facility)

CUNA MODEL ACT: A credit union may make deposits in other central-type credit union organizations. [§3.10(13)]

FEDERAL CREDIT UNION ACT: A federal credit union may invest in shares or deposits of any central credit union in which such investments are specifically authorized by the board of directors of the federal credit union making the investment. [§107(7)(C)] The National Credit Union Administration Central Liquidity Facility is authorized to accept investments from credit unions which primarily serve natural persons as well as from credit unions which primarily serve other credit unions. [§304]

ACT SIMILAR TO MODEL ACT:

Montana	[§14-613(12)]	Oregon	[§723.152(13)]
No. Carolina	[§54-109.21(12)]		

OTHER ACTS:

COLORADO—A credit union may invest in the shares and deposits of the central credit union. [§11-30-104(1)(d)]

CONNECTICUT—Investments in the central credit union by members of the member credit union division shall not be deemed to be shares or a part of the share capital of the central credit union. [§36-196(1)(b)]

FLORIDA—A credit union may invest in shares and other savings accounts of the United States Central Credit Union and the Southeast Corporate Federal Credit Union. [§657.161(12)]

IDAHO—A credit union may make deposits in the Idaho Corporate Credit Union; and invest in shares or deposits of the Idaho Corpo-

rate Credit Union in an amount not to exceed 10% of the Idaho Corporate Credit Union's total outstanding shares, provided that the director may approve an investment in excess of 10%. [§26-2108(k); 26-2127(e)]

ILLINOIS—A credit union may invest in loans to or shares and deposits in credit unions incorporated to make loans (i.e. central credit unions) to credit unions and officers, committee members, and employees of other credit unions. Such investment shall not exceed 25% of the unimpaired capital and surplus of the investing credit union unless approved by the Director. [§496.23(4)]

KANSAS—A credit union may invest in a central credit union located in the state. [§17-2204(3)]

MASSACHUSETTS—No member of the Central Credit Union Fund may invest more than 25% of its total assets (exclusive of accumulated interest) in Fund shares. [Ch.216,§3]

MICHIGAN—A credit union has power to deposit with or invest in shares of or loans to credit unions whose assets consist primarily of funds from other credit unions. [§490.4(d)]

MINNESOTA—Restrictions on a credit union's power to make payments on shares of and deposits with other credit unions shall not apply to share accounts of Minnesota Central Credit Union in U.S. Central Credit Union. [§52.04(8)]

MISSOURI—A credit union may invest in shares of credit union associations incorporated under the laws of this state, or of the U.S., including shares of a credit union financial agency organized under the laws of this state, or of the U.S., with the prior approval of the commissioner. [§370.075(5)]

NEBRASKA—Member credit unions may invest up to an amount specified by the board of the central credit union, but not more than 10% of the total assets of the member credit union or \$500, whichever is greater. [L. 1973, L.B. 166, §23]

NEW HAMPSHIRE—A credit union may invest up to the insured amount in any corporate central credit union insured by the National Credit Union Administration. [§394:17(II)]

NEW JERSEY—A credit union may deposit in central funds of credit unions or in central credit unions organized under the federal or New Jersey law. [§17:13-27]

NEW YORK—A credit union may invest up to 20% of its total capital in shares of the central credit union. [§454(11)(a)]

NORTH DAKOTA—A credit union may deposit in central credit unions authorized to receive deposits. [§6-06-06(4)]

OHIO—A credit union may invest in the shares of a central credit union, subject to the regulations of such central credit union. [§1733.30(A)]

PENNSYLVANIA—A credit union may deposit its funds in insured central-type credit union organizations. [§230-5(B)(6)] A credit union may also invest its funds in shares of any central credit union organized under the laws of either Pennsylvania or the U.S. to the extent the value of such shares is insured by the N.C.U.A. [§12305(B)(13)]

PUERTO RICO—A credit union may make deposits in the Puerto Rico Federation of Credit Unions. [§7(d)]

TENNESSEE—A credit union may invest in any central credit union (state or federal), approved for such investments by the commissioner of banking, in an amount not to exceed 25% of the shares, members' special accounts and reserve funds of the investing credit union or of the credit union in which the investment is made, whichever is smaller. [§45-1806(c)]

TEXAS—A credit union may make deposits in central-type credit union organizations, and may invest in loans to any credit union association or corporation, national or state, of which the credit union is a member; provided the investment in any one such association or corporation may not exceed an aggregate amount of 5% of the credit union's total assets or the amount of its reserve fund, whichever is less. [§4.01(13), 8.01(1)]

VERMONT—A credit union may make deposits in credit union organizations; and invest in shares and deposits of a central credit union. [§2054(11), 2079(4)]

WASHINGTON—A central credit union empowered to establish deposit accounts for its member credit unions, under conditions set by board. [§31.13.040(4)]

WISCONSIN—A credit union may invest in central credit unions. [§186.11(1)]

ACT IS SILENT:

Alabama	Iowa	New Mexico
Arizona	Kentucky	Oklahoma
Arkansas	Louisiana	Rhode Island
California	Maine	South Carolina
Georgia	Maryland	Utah
Hawaii	Mississippi	Virginia
Indiana	Nevada	West Virginia

Credit Union Laws Enacted in 1978

As of December 1, 1978

FEDERAL CREDIT UNIONS

"The Financial Institutions Regulatory and Interest Rate Control Act of 1978" (HR 14275) passed Congress on October 15, 1978, was approved by President Carter on November 10, as Public Law 95-630. The Act contains 21 titles and is primarily designed to reform and restructure the nation's financial regulatory machinery for commercial banks, savings and loan associations, mutual savings banks, and credit unions. Title V restructures the National Credit Union Administration and Title XVIII creates a central liquidity facility for credit unions. Several other titles affect credit union regulation also.

NCUA Restructure—Creates the three-member National Credit Union Administration board, appointed by the President with the advice and consent of the Senate. Board members serve for six-year terms on a staggered basis, and may not succeed themselves. A chairman of the board is to be designated by the President, and will determine each board member's area of responsibility, and act as primary spokesman for the agency. Provides for a single fee schedule payable by federal credit unions to support the agency. In determining the fee schedule, the board is directed to take into consideration the operating expenses of the NCUA and the ability of credit unions to pay.

Central Liquidity Facility—Creates a Central Liquidity Facility for credit unions to meet the short term, temporary and emergency liquidity needs of a credit union. Membership in the facility is voluntary, and an individual credit union may become a regular member of the facility by subscribing to capital stock in an amount not less than 1/2 of 1 percent of the credit union's paid-in capital and surplus.

Credit unions that interact with member corporate centrals may automatically become members and will be assessed accordingly. Credit will be extended or refused to a member credit union within five

working days after giving due consideration to the creditworthiness of the institution. The borrowing authority of the CLF shall not exceed twelve times the subscribed capital stock. In the event that the facility does not have the funds to meet the liquidity needs of credit unions, the Administrator is authorized to borrow up to \$500,000,000 from the Treasury.

Regulatory Controls—Federal regulatory agencies, including the National Credit Union Administration, given additional powers over the institutions they regulate. May assess severe money penalties against institutions or individuals for violation of law or regulation. May issue cease and desist orders against individuals or institutions who either violate law or regulations or engage in unsafe or unsound business practices. Agencies empowered to remove officers or directors when the individual has evidenced personal dishonesty or demonstrated wilful disregard for the safety and soundness of the institution.

Management Interlocks—Prohibits interlocking directors among banks, savings and loan associations, mutual savings banks, and credit unions, which are located within the same Standard Metropolitan Statistical Area or in the same city, town or village. Grants an exemption to a credit union being served by an official of another credit union, but a credit union director may not serve on the board of a commercial bank, savings and loan association, or a savings bank.

Examination Council—Creates the Federal Financial Institutions Examination Council, composed of the Comptroller of the Currency, chairman of the Federal Deposit Insurance Corp., a governor from the Federal Reserve, chairman of the Federal Home Loan Bank Board, and chairman of the National Credit Union Administration Board. The purpose of the council is to establish standards in examination and reporting and to

develop innovative procedures.

Insurance Limits—Increases the federal share and deposit insurance limits for individual retirement accounts and Keogh accounts in federally insured institutions, including credit unions, to \$100,000.

Electronic Fund Transfers—Provides new rules governing the issuance of EFT cards, disclosure of terms and conditions of transfers, content and frequency of required periodic statements, error resolution procedures, documentation of transfers, liability of consumer and financial institutions for unauthorized uses of EFT. Also grants Federal Reserve Board regulatory authority and NCUA enforcement authority.

ALABAMA

Mandatory Share Insurance—Requires credit unions to be insured by the NCUA within 1 1/2 years of effective date. Supervisor may extend time and permit other acceptable insurance coverage. Credit unions must maintain same reserves as federally insured credit unions. Supervisor may also require special reserves.

Expands authority of Credit Union Board and requires its concurrence in proposed credit union regulations. Board to be appointed by the governor with consent of senate. One member from each state congressional district. List of nominees to be submitted by state credit unions. State to solicit credit union comments on proposed rules. Public hearing required on request.

Sets further procedures for suspension and revocation of credit union's certificate of authority for violation of law or insolvency. Provides for electing a president who is not a director, and electing a chairman of the board. Repeals restriction on method of determining dividend credit on shares purchased during the dividend period. Revises definition of credit union, deleting reference to "provident purposes" in making loans. (S. 181; Approved 4/20)

ARIZONA

Examination Fees—Increases credit union examination fees. (*H. 2048; approved 6/1*)

Corporate Central—Defines corporate central credit union as one in which membership is restricted to credit unions, organizations owned by or composed of credit unions and corporations or associations primarily serving credit unions.

Repeals five-year maturity limit on unsecured loans. Repeals provision that borrower may repay loan at any time the credit union office is open for business, so as to accommodate use of automated terminal machines. Authorizes any financial institution to accept direct deposits of net pay for state, county, municipalities or school districts. Requires only one appraisal on real estate loans (was two). (*H. 2254; approved 5/18*)

CALIFORNIA

Disbursing Agents—Permits a county to designate state and federal credit unions as disbursing agents for persons whose salaries are paid from the county treasury. (*S. 1919; approved 6/21*)

Disciplinary Actions—Authorizes commissioner to censure, suspend, or bar any officer, director, or employee of a credit union for willful or caused violations of the law or regulations. Credit union may waive hearing in an action by the commissioner to take possession where credit union is unsound (*A. 3187; approved 9/15*).

Incidental Charges—A charge for special services applied to shares in connection with an overdraft on a share draft account is not a charge incidental to making a loan. Also revises surety bond requirements for any credit union treasurer or assistant treasurer. (*A. 3360; approved 9/13*).

CONNECTICUT

Electronic Fund Transfers—Includes credit unions with assets of \$2 million or more in the definition of "banking institutions" for the purpose of authorizing banking institutions to use or share

a satellite device or a point-of-sale terminal. Credit unions chartered by other states and out-of-state federals are excluded from using such a device in the state. (*S. 227; approved 4/27*)

Broker Exemption—Excludes various institutions, including credit unions, from definition of agent and broker-dealer under the Uniform Securities Act. (*Substitute H. 5121; approved 3/22*)

Voluntary Liquidation—Requires notice to the Bank Commissioner within 3 days on a voluntary dissolution resolution by board of directors. Commissioner may appoint share insurance body as liquidating agent. (*H. 5516; approved 4/11*)

FLORIDA

Guaranty Corporation—Revises the enabling law of the Florida Credit Union Guaranty Corporation. (*S. 1222; approved 5/31*)

GEORGIA

Crimes of Officers—Any director, officer, agent or employee who wilfully engages in the business of a credit union before receiving a permit to do so is guilty of a felony. (*H. 1511; approved 4/3*)

ILLINOIS

Reverse Mortgages—Authorizes credit unions to make "reverse mortgage" loans to persons 65 years of age or older to pay real estate taxes on homestead property. (*PA 80-1290; approved 8/1*)

IOWA

Independent Agency—Creates an independent credit union department within the state government, consisting of an administrator, a seven-member review board and additional officers and employees as needed. The administrator is appointed by the governor with consent of the senate, and must have at least five years of credit union experience.

The credit union review board also appointed by the governor, with the approval of senate. Board may adopt, amend, and repeal

rules and must also approve any rules adopted by administrator. The board and the administrator may advise the Iowa Credit Union League of distressed credit unions.

Credit unions to pay an annual filing fee based upon the actual operating cost of department. Also to pay actual costs of examination.

After December 31, 1980, every credit union required to acquire and maintain share and deposit insurance from either the NCUA or other approved insurer. Credit unions authorized to establish one or more service offices with approval of administrator. Also authorized to make second mortgage loans and to sell, participate in, or discount obligations of members without recourse.

Field of membership expanded to include persons related to a member of the first or second degree, including foster children and adopted children. With approval of the administrator, credit union may serve an employee group having insufficient number of members to form its own credit union. No requirement for existence of a common bond relationship between the small employee group and the credit union extending the service.

Maturity limit on home mortgage loans extended to 30 years, and the aggregate amount of such loans by any one credit union may now be established by the administrator. Credit union empowered to purchase insurance or make purchase available to members. (*SF 137; approved 6/26*)

Share Drafts—Allows credit unions to continue processing share drafts until April 15, 1979. Establishes special reserves for them. Also creates interim study committee to consider need for permanent share draft legislation. (*HF 2467; approved 8/3*)

KANSAS

Dividends—Repeals prohibition against paying dividend on shares more frequently than quarterly. (*H. 2857; approved 5/4*)

Tax Exemption—Exempts intangible personal property of feder-

al credit unions from property and ad valorem taxes. Also codifies existing exemption from state income tax. (S. 954; approved 4/18)

KENTUCKY

Absentee Ballot—Permits members to vote by absentee ballot if credit union bylaws so provide. Each credit union is to establish its own fiscal year (was December 31). A majority vote of the entire membership is required to overrule action of board. Board to set the membership fee.

Credit union may charge a fee of up to \$5 on "temporary" loans and impose additional charges on delinquent borrowers, as provided in the bylaws, but not to exceed \$5 on any one installment. Provides greater flexibility in declaring dividends and interest refunds. A credit union may merge with any other state or federal credit union, with approval of commissioner. (H. 36; approved 3/29)

Blanket Bonds—Requires notice to the banking department whenever any licensed company writing blanket bonds intends to cancel, terminate or not renew the bond of a bank or credit union. (H. 4; approved 2/24)

LOUISIANA

Dual Chartering—Encouragement of credit union development under the dual chartering system is declared a public policy of the state of Louisiana. The Office of Financial Institutions is authorized and requested to use its resources in the promotion and development of credit unions chartered under the state law.

Also increases the unsecured loan limit to \$5,000; boosts the maturity limit on secured loans to 12 years and authorizes government-guaranteed loans under the terms and conditions of the guaranty agency. The new federal credit union two-tiered reserve formula is also adopted. (S. 347; approved 7/10)

MARYLAND

Federal Powers—With authorization of bank commissioner and

Maryland Credit Union Insurance Corporation, a state credit union may engage in any additional activity or related services under the same conditions or limitations as are applicable or permitted for federal credit unions. Establishes the new two-tiered reserve formula of federal credit unions and adopts the federal definition of risk assets. (S. 499; approved 5/2)

Unsecured Loan Limit—Increases the unsecured loan limit to \$3,500 (was \$400). Limits the total of all loans any one member may have directly or indirectly from the credit union to 10% of the credit union's paid-in and unimpaired capital and surplus. Makes certain types of loan security subject to the approval of the Commissioner. (S. 121; approved 5/2)

State Employees—Permits employees of the State Banking Department to make loans from credit unions up to the amount of their share balance. (S. 597; approved 5/2)

MASSACHUSETTS

Recreational Vehicles—Increasing the amount and time limit for making loans on recreational vehicles by a credit union. (H. 5287; approved 4/7)

Real Estate Loans—Increasing the amount a credit union may lend on real estate mortgages, not exceeding ninety percent of the value of the real estate. (H. 254; approved 4/7)

Liquidity—Qualifying certain investments as meeting a credit union's liquidity requirements of five percent of total assets. (H. 5260; approved 4/10)

Meeting Notices—Requiring credit unions to post notices of annual meetings of shareholders and depositors in the lobby of the credit union. (H. 256; approved 4/7)

Securities—Increases the amount which a credit union may loan on certain securities. (H. 261; approved 4/7)

Personal Loans—Increases the maximum amount of personal loans made by a credit union. (H. 5286; approved 4/7)

Participation Loans—Increases the amount a credit union may make in participation loans on real estate. (H. 262; approved 4/7)

Federally Insured Loans—Increases the percentage of total assets that may be invested by banks and credit unions in loans insured by federal housing agencies. (H. 263; approved 4/7)

Pledge of Security—Increases the amount and time limit of loans evidenced by a pledge or security interest in satisfactory collateral which may be made by credit unions. (H. 265; approved 4/7)

Profit-Sharing Plan—Authorizing a credit union to act as a trustee or custodian under a qualified profit-sharing plan of a person or corporation. (H. 266; approved 4/18)

Central Credit Union Fund—Membership in the Massachusetts Central Credit Union Fund is broadened to include a state or federally-regulated entity serving as an investment vehicle or providing liquidity for state or federal credit unions. Maximum investment of a member increased to 25% of members' total assets (was 15%). (H. 5545; approved 5/23)

Fund also authorized to invest in common trust unit plans and in state or federally regulated entities serving as investment vehicles or providing liquidity for state or federal credit unions. Also permitted to make deposits in national banks located in the state. (H. 5344; approved 5/23)

Repeals requirement that written approval of Commissioner of Banks be obtained for bylaws, regulations, or amendments thereto. (H. 5348; approved 5/23)

Joint Accounts—Relating to the payment of joint accounts by credit unions. (H. 5772; approved 7/3)

Reserve Formula—The reserve formula for delinquent loans is revised to exclude certain loans in the computation of the amount to be set aside. (H. 270; approved 6/1)

CPA Audit—Requiring that examination or audit of a credit union with assets over \$5 million shall be

made by a certified public accountant or public accountant not connected with the credit union. Requirement previously applied to all credit unions. (S. 1534; approved 6/9)

MICHIGAN

State Funds Referendum—Provides for a referendum for the purpose of amending the state constitution to permit investment of state and local public funds in credit unions and savings and loan associations. (HJR GG; passed House and Senate in May)

Central Credit Union—Increases the borrowing power of a central credit union to 75% of paid-in and unimpaired capital (was 50%). Borrowing beyond the 75% limit permitted if approved by the supervisor.

Allows credit unions to lease automobiles or other tangible personal property to members; expands the power of loan officers, permitting them to approve line-of-credit loans and extension agreements on non-delinquent loans. Authorizes credit unions to purchase, sell, pledge, or discount eligible obligations of members and to receive funds from a public employee retirement system or plan as shares or deposits.

Credit union may impose fines on delinquent loan installments if permitted in bylaws. Reduces from two years to one year the waiting period for credit unions to escheat to the state small accounts of \$5 or less. (H. 6148; approved 6/29)

Escheat Law—Companion bill to H. 6148, reducing from two years to one year and waiting period for escheating small accounts. (H. 6147; approved 6/29)

Retirement Systems—Authorizes public employee retirement systems or plans to invest funds of federally insured state or federal credit unions. (H. 6146; approved 6/29)

Electronic Funds—Permits banks, savings and loan associations, and credit unions to establish automated teller machines at remote sites, such as shopping centers, on a state-wide basis. Sharing of such terminals is mandated where a competing institution asks

for access and agrees to pay reasonable fees. The law also prescribes standards for reliability of services, protection of privacy and antitrust safeguards. (H. 4553; approved 7/7)

MINNESOTA

Lines of Credit—Authorizes credit union to approve lines of credit and make advances up to the limit with no additional applications. (H. 2147; approved 3/28)

Regular Reserve—Establishes two-tiered reserve formula of federal credit unions for state credit unions. (H. 1998; approved 3/28)

Removal of Officers—Establishes procedure for issuance of orders for removal of officers of financial institutions, including credit unions. (H. 842; approved 3/23)

Electronic Funds—Authorizes and regulates use of electronic funds transfer system by financial institutions, including credit unions. (H. 1180; approved 3/2)

Public Funds—Authorizes credit unions to accept and maintain U.S. Treasury tax and loan accounts and to pledge collateral to secure such accounts, in accordance with Treasury regulations. (H. 1227; approved 4/5)

NEBRASKA

Federal Powers—Updates existing provision allowing state credit unions to exercise powers and privileges of a federal credit union as of effective date of new act (was September 2, 1977). (L.D. 772; approved 3/21)

NEW YORK

Investment in CU Organizations—Authorizes credit unions to invest funds in and make loans to credit union organizations, approved by the board of directors, up to 1% of shares and deposits, or 10% of surplus, whichever is less. Aggregate of all such loans and investments may not exceed 2% of shares and deposits, or 20% of surplus, whichever is less. "Credit union organization" is defined as any organization established primarily to serve the needs of its

member state and federal credit unions, and whose business relates to the daily operation of credit unions. (H. 10602; approved 5/23)

Appointment of Committees—If bylaws permit, the credit committee and the supervisory committee may be appointed by the board of directors. Where such committees are so appointed, any subsequent vacancies are to be filled by the board. (S. 8174; approved 6/19)

Tear Gas—Permits financial institutions, including credit unions, to use tear gas as a security device. (S. 7649; approved 6/19)

Share Certificates—Credit union may issue share certificates to members with varying dividend rates and maturities, subject to any regulations promulgated by the NCUA on such certificates and limitations on shareholdings and withdrawals in the New York Credit Union Act. (A. 10636; approved 6/19)

OHIO

Credit Union Division—Creates a division of credit unions within the Commerce Department, headed by a superintendent of credit unions. All monies collected from credit unions to be consigned to a special rotary fund for use by division.

Increases loan limit for corporate members to 10% of unimpaired capital and surplus or total value of pledged shares, whichever is greater. Also removes some limits on shareholdings by such members.

Repeals prohibition on Ohio Credit Union Guaranty Corp. guaranteeing shares or deposits owned by another credit union. Requires state to give corporation 30 days advance notice of suspension of a member credit union.

Also authorizes the Superintendent to issue regulations granting state credit unions any right, power, or privilege possessed by a federal credit union located in state. Such a rule expires within 30 months if legislature fails to enact it into law. (H. 356; approved 6/9)

OKLAHOMA

Executive Officers—Board of directors to elect an executive

continued

officer who may be designated chairman of the board or president, and a vice-chairman of the board or vice president. The board may also employ an officer in charge of operations who may be titled either president or general manager, or in lieu thereof, may designate the treasurer or assistant treasurer to act as general manager. (S. 543; approved 3/15)

PENNSYLVANIA

Central System—Authorizes: loans to other credit unions anywhere in the United States; deposits in legally chartered financial institutions, including centrals; and membership in central-type credit union organizations, state or federal.

Also revises credit union internal operations by allowing: 1) appointment of an executive committee to act on behalf of the board; 2) changing titles of officials; and 3) prohibiting directors and treasurer or assistant treasurer from serving on supervisory committee.

Repeals \$750 limit on approval authority of loan officers, and authorizes them to approve share withdrawals, releases and substitutions of security within limits specified by credit committee. Requires only an annual examination of affairs of the credit union by supervisory committee. Liberalizes officer borrowing privileges.

Allows credit union to act as issuing agent for Treasury savings bonds. Gives credit union right to refuse withdrawals pending a determination of the rights of all

parties involved. Provides penalties for anyone representing themselves unlawfully as a credit union. (H. 1659; approved 6/23)

Mandatory Share Insurance—Requires all credit unions to obtain share insurance through the National Credit Union Administration or some other approved insurance fund within two years. (S. 1457; approved 10/5)

RHODE ISLAND

Corporate Central—Excludes the RICUL Corporate Credit Union from the state tax on deposits and also from the mandatory share insurance provision. (S. 2157; approved 5/4)

SOUTH CAROLINA

Statewide Credit Union—Allows the name of the Statewide Credit Union to be changed with the approval of the State Board of Financial Institutions. (H. 3976; approved 6/9)

Share Certificates—Authorizes credit unions to issue share certificates subject to the same withdrawal penalty, maximum dividend rates and minimum dollar requirements as NCUA sets for federal credit unions. Also establishes federal regular reserve formula for state credit unions. (H. 3881; effective 7/25)

TENNESSEE

Conversion—In conversion of state credit union to a federal credit union, approval by the majority of

the entire membership of the state credit union is required in person or in writing. (S. 1971; approved 3/17)

Share Insurance Corporation—Removes prohibition against State Credit Union Share Insurance Corporation operating in states where the insurance regulatory laws apply to it. Gives SCUS-IC authority to adjust level of membership fees. (S. 1973; approved 3/6)

Central Credit Unions—Defines powers, organization, examination, loan and dividends of central credit unions. Authorizes state credit unions to accept deposits of U.S. Treasury Tax and Loan accounts. (S. 1975; approved 3/6)

VERMONT

Mandatory Share Insurance—Requires credit unions not insured by NCUA to apply for insurance coverage within one year of act's effective date. Bases regular reserve formula on gross income instead of net, and clarifies procedures for merger of credit unions. (H. 477; approved 4/5)

WISCONSIN

Dormant Accounts—Authorizes credit unions to make an annual maintenance charge, not to exceed 50¢ a month, against accounts of less than \$25 in which there has been no activity for 36 months, and mailings to the account holders are returned to the credit union marked "address unknown." (S. 322; approved 5/5)

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RESEARCH BASED ON CREDIT UNION GUIDE

The research in the *Comparative Digest of Credit Union Acts* is based on the texts of 46 state credit union laws and the Puerto Rico and Federal Credit Union Acts found in the *Credit Union Guide*, a law service published by Prentice-Hall, Inc. Those laws reflect amendments through December 1, 1978.

Except for the Model and Federal Credit Union Acts, all statutory provisions in the *Comparative Digest* are in summary form or are quoted in substance only. The statutes cited on this page should be consulted for the full law text.

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The only course . . .

"The credit union is consistent with the evolutionary development of economic democracy, and while we may have a battle here and there and a setback occasionally, we are a part of a better tomorrow and will go forward as inevitably as the human race goes forward. The only course of action for us to take is to persistently seek the laws, regulations and rulings we need . . ."

ROY F. BERGENGREN

(1879-1955)



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STATE OF ALASKA THE LEGISLATURE

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LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 4, 1979

SUBJECT: Changes Incorporated in the Draft Commerce Committee Substitute for SB 225

TO: The Honorable Brad Bradley

FROM: Ken Humphreys, Senior Policy Analyst *J.K.H.*

As you requested, the following section-by-section analysis will address changes to SB 225 contained in the attached draft Commerce Committee Substitute. The draft which is analyzed here incorporates the changes suggested in letter of April 23, 1979, to Senator Bradley from David Chatfield.

This analysis is indexed by section numbers in the draft committee substitute; however, when a page and line is referenced without any qualification, it refers to SB 225 as originally introduced. If the only changes in a given section are clearly of a technical nature or only affect drafting style or organization, the section is not mentioned.

Sec. 06.45.010 FORMATION OF CREDIT UNION. The reference to "common bond" (p. 1, line 13) has been deleted and the incorporators now must simply "...meet the requirements of AS 06.45.060 and the requirements of this section..." All membership requirements are now found under AS 06.45.060.

In subsection (b) (p. 1, line 24), the commissioner was required to determine that the "incorporators are fit and of good general character" before he approved the application. The fitness requirement has been removed.

Subparagraph (d) permits credit unions to share office space and to contract for the provision of personnel and facilities. In the original bill, this power was found on p.34, lines 11-13).

Sec. 06.45.020. ARTICLES OF INCORPORATION. Instead of requiring that the "proposed field of membership be specified in detail (p. 2, lines 16-17), the requirements of AS 06.45.060 are referenced (CS, p. 2, lines 27-28) and "specified in detail" is deleted.

Sec. 06.45.030. BYLAWS. Again, conditions relating to the field of membership as set out in the bylaws have been removed and AS 06.45.-060 which now contains all membership requirements is referenced.

Paragraph (6) requires that "the manner in which bylaws may be adopted, amended or repealed" be prescribed in the bylaws. Originally, it was simply stated that "The members of the credit union may alter, amend or repeal the bylaws or adopt new bylaws." (p. 2, lines 23-24)

It is no longer required that "the method of receipting for money paid on accounts" (p. 3, line 18) be specified in the bylaws.

Sec. 06.45.040. NAME. Prohibits adopting the same name as that of another "credit union doing business in the state" rather than "of any other existing credit union."

Sec. 06.45.070 POWERS. In paragraph (4), property transactions are limited to those "necessary to its operation"; previously it was only "...in part, necessary" (p.4, line 25).

In paragraph (6), the forms in which savings may be received are: share accounts, deposit accounts, share certificate accounts, or special purpose thrift accounts. Formerly it was: shares, deposits, time certificates or special purpose thrift accounts. The new language is consistent and the terms are defined in sec. 06.45.090. There is no clear substantive difference.

In paragraph (8), borrowing is permitted "...to meet operational needs..." rather than just for "share withdrawals" (p.5, line 5).

Paragraph (9) permits the discounting and sale of eligible obligations; formerly this power was found in sec. 06.40.070(8).

Paragraph (11) permits membership in any central credit union, not just one "...organized under this chapter..." (p.5, line 17).

Paragraphs (16) and (17) which permit acting as a servicing agent for credit union loans and as fiscal agent for any corporation, trust, or similar entity, are new.

Sales and purchases of assets under paragraph (19) are no longer "subject to the approval of the commissioner" (p.6, line 4).

In paragraph (20) "deposits" has been changed to "savings" and the types of accounts are as "authorized by this chapter" rather than as "approved by the administrator of the National Credit Union Administration for federally chartered credit unions...." (p.6, lines 6-8).

Paragraph (22) has been reworked by inserting language from sec. 06.40.-440 of the original bill to provide for facilitating the "voluntary" purchase of goods and services "...in the interest of improving economic and social conditions of the members" rather than "...which promotes the purposes of the credit union" (p.6, lines 16-17). Sec. 440, Group Purchasing, was apparently superfluous and was deleted.

Sec. 06.45.080. MEMBERS' MEETINGS. Members are no longer allowed to vote by proxy and a majority is no longer required to conduct the annual meeting. Formerly at least a simple majority had to be present or represented by proxies, although proxies would be divided equally among those present (p.6, lines 24-27).

Sec. 06.45.120. SUPERVISORY COMMITTEE. In subsection (a), the supervisory committee is required to make an annual, rather than semi-annual, audit. The committee is no longer required to verify passbooks, only accounts.

Sec. 06.45.140. SUPERVISION AND FEES. Generally, this section has been changed to more closely approximate the requirements for banks set out in AS 06.01.010. Under subsections (d) and (e), actual expenses of investigations and examinations are charged in accordance with AS 06.01.010. Formerly, investigation expenses charge for the issuance of a certificate of approval were limited to \$100 (p.11, line 23). Supervision fees were to be charged on the basis of assets rather than expenses and a credit union was not liable for a supervision fee for the first year in which it operated if the charter was issued after June 30 (p.11, line 19; p.12, line 15).

Sec. 06.45.150. EXAMINATIONS. Subsection (a) no longer requires that the board of directors make a copy of the annual examination report available to all members (p.13, lines 1 & 2). This change probably reflects the fact that confidential material relating to the character and personal finances of members may be contained in the report.

Sec. 06.45.180. CENTRAL CREDIT UNION. In subsection (a), membership in the central credit union is limited to credit unions chartered in this state, another state or under the federal credit union act. In the original version, membership was also open to a broad category of individuals associated with credit unions as well as "employees of a common employer with insufficient numbers to form or conduct the affairs of a separate credit union..." (p.15, lines 5-6).

Sec. 06.45.190. SHARES. Subsection (a) no longer contains a prohibition against issuing a certificate to denote the ownership of shares (p.16, lines 3-4). This is apparently consistent with the definition of "share certificate account" in sec. 06.45.490(5).

In (c), a credit union whose total assets amount to less than 90 percent of the amount due shareholders is required to immediately notify the department. In the original version, if assets fell below 100 percent of the amount due shareholders, the credit union was required to immediately advise the department, but, in addition, this condition constituted grounds for proportionately reducing the value of shares to cover the loss (p.16, lines 13-19).

Sec. 06.45.200. MULTIPLE PARTY ACCOUNTS. Subsections (a) and (b) are similar to those in sec. 06.40.200 of the original bill; however, subsections (c)-(f) and the next three sections, sec. 06.40.210-230, from the original bill have been deleted. These were procedural provisions relating to multiple party accounts. These were protective provisions designed to free the credit union from having to examine the factual relationship between the multiple parties.

Sec. 06.45.240. LOANS. In subsection (a) loan maturities of up to 15 years, instead of 10 (p.21, line 11), are permitted when the loan is secured by something other than improved real estate. Permits loans to "other credit unions and credit union organizations," not just to members.

In (b), financial information about the guarantor of every loan is required; in the original, this applied only to loans in amounts over \$2000 (p.21, line 16).

In (d), the "disclosure of terms" is expressly required.

There are several changes in subsection (e) on real estate loans. In the original bill, real estate loans were, generally, "...under rules and regulations that apply to federally chartered credit unions..." with certain additional provisions. In (e)(1), a residential loan is no longer required to be for the "principal" (p.22, line 24) residence of a member. In (e)(1)(B), loans are permitted for up to 80 percent of the appraised value instead of up to "150 percent of the median sales price of residential real property situated in the geographical area..." (p.22, lines 26-27). Subparagraph (B) allows the 80 percent limit to be relaxed if the loan is insured.

In (e)(2), the limit placed on the total dollar amount of real estate loans outstanding is 25 percent of the assets of the credit union. In the original bill, the limit was "...50 per cent of the paid-in capital of the credit union" (p.23, lines 12-13).

Paragraph (e)(3) is new and requires that a credit union with assets of less than \$3,000,000 secure the prior written consent of the commissioner to make real estate loans.

Subsection (f) applies the maximum interest rate under AS 45.45.010(b) (the general usury statute) to all loans, not just when "...applicable for real estate loans..." (p.21, lines 3-4); the rate in other cases was "...one per cent per month on the unpaid balance..." (p.21, line 1).

In (h), loans to directors or committee members which exceed \$5,000 plus pledged shares must be approved by the board of directors; the limit was formerly \$2,500 (p.22, lines 8-9).

Subsection (i) added trusts and political subdivisions to the list of those who may participate with a credit union in making loans to its members.

Sec. 06.45.280. INSURANCE. In subsection (b), the commissioner no longer establishes the amounts of loss to be protected or guaranteed (p.24, lines 26-28).

Sec. 06.45.290. INVESTMENTS. In (4), the limit on the total amount of loans to or shares or deposits of other credit unions is increased from 10 to 25 per cent of the paid-in capital (p.25, lines 20-21).

In (6), deposits in the National Credit Union Central Liquidity Facility have been added. The U. S. Central Credit Union is correct, not United States Central Credit Union (p.25, line 26).

Sec. 06.45.300. RESERVE ALLOCATIONS. In (a)(1), the less stringent reserve schedule formerly applicable to all credit unions with assets of more than \$500,000 would now be applied to those larger credit unions only with the written approval of the commissioner.

Subsection (c) is new. In the original there was no provision to allow the commissioner to decrease a reserve requirement.

In (d)(9), the commissioner's approval of an investment as a non-risk investment is required in order for the accrued interest on that investment to be considered a nonrisk asset.

Sec. 06.45.320. MERGER. In subsection (a), the fees required for a merger are "in accordance with AS 06.01.010," rather than as established by regulation (p.28, lines 4-5). This change is consistent with others which align the supervision of credit unions with that of banks.

Sec. 06.45.340. SUSPENSION. When the commissioner issues an order to take possession of an insolvent credit union, the provisions in AS 06.01.030(a) are referenced: further alignment with the banking code.

Sec. 06.45.350. DISSOLUTION AND LIQUIDATION. In subsection (a), a member not present at a meeting held to consider dissolution is granted 90 days, rather than 20 (p.30, line 9), to vote by signing a form.

Subsection (c) gives the order in which obligations are to be discharged by a liquidating credit union. "Corporate liabilities" have been substituted for "any liability due nonmembers" (p.31, line 2) in third place. In (4), "share certificate accounts as provided in this chapter" has been substituted for "deposits and savings club accounts as provided in this chapter."

***Sec. 06.40.375. SLANDER AND LIBEL OF CREDIT UNION. This section, from the original bill (p.32, line 21 - p.33, line 1), has been deleted.

Sec. 06.45.450. BRANCH OFFICE FACILITIES. Consistent with other changes, subsection (a) refers to AS 06.01.010 for the payment of costs of investigation associated with an application to establish a branch office.

Sec. 06.85.490. DEFINITIONS. Paragraphs (3) - (6) define the types of accounts. In the original, the terminology was somewhat different and definitions were not provided, but there is no clear substantive difference.

KH:jm

STATE OF ARIZONA

WALTER C. MADSEN, Superintendent of Banks, State Banking Department, 1601 West Jefferson, Phoenix, Arizona 85007.

Walter Madsen is currently serving a four-year term as Arizona Superintendent of Banks. Prior to this appointment, Madsen served for three years as senior vice president of Great Western Bank and Trust in Phoenix, where he supervised 14 banking officers with primary emphasis on loan functions, operations and personnel. Prior to 1973, Madsen worked with the FDIC for ten years. He began as a trainee bank examiner in San Francisco and advanced through various positions, spending eight years in the Salt Lake City field office examining banks in Utah, Idaho and Nevada. In 1971, Madsen came to Phoenix with the FDIC as examiner in charge of the Arizona field office. In this position, he supervised examination of all state insured non-member banks in Arizona.

With a staff of 26, Madsen's agency supervises 64 financial institutions, including credit unions, savings and loans, banks, mortgage brokers, and debt management. Total assets have risen from \$145,570,684 in January, 1977, to \$193,527,659 in January, 1978.

Madsen's department was instrumental in the recent passage of mandatory insurance legislation. All new credit unions now have insurance through the National Credit Union Administration. Existing credit unions have one year to secure insurance through the National Credit Union Administration.

STATE OF CALIFORNIA

EDWARD J. DOLAN, Assistant Commissioner, Department of Corporations, 600 South Commonwealth Avenue, Suite 1600, Los Angeles, California 90005.

Edward Dolan has worked for the State of California for 32 years, including 11 years in his present position of Assistant Commissioner in the Department of Corporations. The department has 376 employees, and administers all activities dealing with the following statutes: credit union law, small loan law, check sellers and cashiers law, and other credit union/banking - related laws.

Dolan and his staff of 101 in the Lender-Fiduciary Division supervise 556 credit unions. Under his direction, total assets rose from \$2,332,994,000 in January, 1977, to over \$2,851,000,000 in January, 1978.

STATE OF ARKANSAS

HARVEY L. BELL, Securities Commissioner, Credit Union and Savings and Loan Association Supervisor, Secretary of Cemetery Board, Suite 1428, Donaghey Building, Seventh and Main Streets, Little Rock, Arkansas 72201.

Harvey Bell has been Securities Commissioner and State Credit Union and Savings and Loan Association Supervisor for the State of Arkansas since October, 1974. Prior to his appointment, he was associated with Davidson, Plastiras & Horne, Ltd., of Little Rock, whose law practice dealt predominately in corporate, tax and securities matters.

Bell's office supervises a variety of institutions: credit unions, savings and loan associations, securities, broker-dealers, mortgage loan companies, perpetual care cemeteries, loan brokers, prepaid funeral organizations, sale of checks companies. Bell's 23 employees supervise 61 financial institutions. Under Bell's guidance, total assets rose from \$35,828,138 in January, 1977, to \$39,737,907 in January, 1978.

JAN 9 1979

Alaska League Services, Inc.



Credit Union National Association, Inc.

1617 SHERMAN AVE. • BOX 131 • MADISON, WI 53701 • 608-241-1211

CUNA

January 5, 1979

Mr. David Chatfield
 Managing Director
 Alaska Credit Union League
 2509 Eide Street, Suite 4
 Anchorage, Alaska 99503

Re: Number of State Supervisory Personnel

Dear Dave:

Bill Drohan of the National Association of State Credit Union Supervisors informs me that his organization surveyed each supervisor last September relative to the number of personnel employed on credit union supervision. He also asked about the number of credit unions, their assets, etc. The findings were compiled and distributed at the NASCUS annual meeting in October, and I enclose a photocopy of the pertinent material.

Drohan noted that each agency was asked to list only its personnel working exclusively on credit unions, but a few misunderstood or could not provide such a breakout. So in a few instances you will find that the employment figures reflect personnel who supervise other financial institutions in addition to credit unions.

Nonetheless, I think you will find the information helpful in your efforts to dispel misgivings about the number of employees needed to supervise state credit unions.

Another suggestion you may want to consider; contacting Glen Reese of the Nevada League and the new Commissioner of Credit Unions in Nevada, Norman Okada. As you know, the Nevada Act was enacted only three years ago, and they had to start from scratch. There are now ten credit unions chartered under the Nevada Act. The situation there is not too unlike what might obtain should Alaska pass a credit union law. Okada can be reached at:

Commissioner of Credit Unions
 State of Nevada
 Nye Building
 Carson City, Nevada 89710
 Tel: (702) 885-4251

Dave, I hope this information will be of some help to you in your work on behalf of the credit union bill. I will write you soon on the other matters mentioned in your telephone call on Wednesday.

Sincerely,

Robert W. Davis, Director
 State Governmental Affairs

RWD:hjb
 Attachs

STATE OF ALABAMA

C. W. SAULS, JR., Supervisor, Bureau of Credit Unions,
750 Washington Avenue, Room 305, Montgomery, Alabama 36130.

First employed by the Alabama State Banking Department in 1959 as a Bank Examiner, Mr. Sauls was instrumental in organizing the Bureau of Credit Unions in 1972, and has served as the Bureau's Supervisor since its inception.

→ Mr. Sauls is presently responsible for the supervision of 127 unions ranging in size from under \$100,000 assets to \$60,000,000.

→ Mr. Sauls' office, which is a division of the State Banking Department also regulates finance companies and other lenders for compliance with consumer credit and usury laws. The Credit Union Bureau currently employs five persons, including three examiners.

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JAN 9 1979

Alaska League Services, Inc.

STATE OF COLORADO

MERLE E. ALBRECHT, Chief Deputy State Bank Commissioner, Division of Banking, 325 State Office Building, Denver, Colorado 80203.

Merle Albrecht has been associated with the Division of Banking since July, 1960. He served as Bank Examiner until September, 1973, when he was appointed to his present position as Chief Deputy State Bank Commissioner. Prior to 1960, he worked for eight years with commercial banks.

The Colorado State Bank Commission, a sub-department of the Division of Banking, employs 7 people, including four credit union examiners. Albrecht and his staff supervise 149 credit unions, as well as commercial banks, industrial banks, and trust companies. Total assets rose from \$389,215,463 in January, 1977, to \$438,234,237 in January, 1978.

STATE OF FLORIDA

GERALD A LEWIS, Comptroller of Florida and Head, Department of Banking and Finance, The Capitol, Tallahassee, Florida 32304.

Gerald Lewis led a varied career before entering the banking industry. Moving to Florida in 1960, he was chosen by the citizens of Dade County in 1966 to serve the county in the Florida House of Representatives. He was re-elected in the special reapportionment election of 1967, and again in 1968.

In 1970 Lewis was elected to the Florida Senate. There he served as Vice-Chairman of the Senate Judiciary Committee (Civil), and was a member of the Joint House-Senate Committee that drafted the new Judiciary Article of the 1968 State Constitution.

Lewis has held the position of Comptroller of Florida for three and a half years. During his first year in office, he generated a securities "strike force" to combat the massive land-securities-mortgage fraud, which resulted in criminal prosecution of perpetrators of "White Collar Crime." He also lifted the traditional shroud of secrecy from the bank chartering process and took immediate steps to strengthen the Comptrollers's responsibilities as watchdog of the public treasury.

Lewis and his staff of 14 regulate approximately 288 financial institutions, including credit unions, state chartered banks, savings and loan associations, and trust companies. Assets totaled \$647,733,000 in January, 1977, and \$766,517,000 in January, 1978.

STATE OF GEORGIA

CHARLES W. BURGE, Director, Thrift Institutions Division, Department of Banking and Finance, 148 International Boulevard, N.E., Suite 640, Atlanta, Georgia 30303.

Charles Burge recently assumed the position of Director of the Thrift Institutions Division. Prior to his appointment to this position, he served as Division Director for the Georgia Department of Banking and Finance. As Division Director, he supervised 60 banks and 10 examiners.

With a staff of 7, the Thrift Institutions Division supervises 189 financial institutions, including credit unions, savings and loan associations, and licensed money order companies. Total assets have increased in the past year from \$368,000,000 in January, 1977, to \$448,000,000 in January, 1978.

Burge reports that Georgia now requires that member accounts of all credit unions be insured for \$40,000 by either NCUA or GCUDIC.

STATE OF IDAHO

TOM D. McELDOWNEY, Director of Finance, Department of Finance, Statehouse Mail, Boise, Idaho 83720.

Tom McEldowney has been with the Idaho Department of Finance since 1958, when he joined the agency as chief clerk. He became assistant bank examiner in 1959, bank examiner in 1960, and two years later was appointed deputy commissioner and chief examiner. By 1971, he had assumed the Commissioner-ship temporarily, and this appointment was made permanent in August of that year.

McEldowney and his staff of 26 supervise 96 credit unions. The total assets of these credit unions in January, 1977 was \$76,219, 814. By January, 1978, total assets had risen to \$97,546,219.

McEldowney reports that during the past year Idaho credit unions obtained statutory authorization to allow their members to withdraw funds from share accounts by the use of negotiable instruments. At present, this authority has been used by credit unions to offer money order draft (MOD) accounts to their members.

STATE OF ILLINOIS

CHARLES W. FILSON, Supervisor, Credit Union Division,
Department of Financial Institutions, 160 North La Salle
Street, Chicago, Illinois 60601.

Charles Filson assumed the position of Supervisor of the Credit Union Division in August, 1977. Prior to his appointment, he worked in the International Department of the First National Bank of Chicago for four years. Before his involvement with the banking industry, Filson led interesting careers in the U.S. Navy and as an administrator at Harvard University.

Filson's Credit Union Division is one of four divisions in the Department of Financial Institutions. A staff of 33 oversees 1080 credit unions. Total assets have risen from \$1.5 billion in January, 1977, to \$1.8 billion in January, 1978.

In the past year, Filson's agency has dealt with such issues as legislation, investments, the continual problems of poorly run institutions, and personnel changes.

STATE OF INDIANA

JAMES M. DOYLE, Supervisor, Division of Credit Unions, Department of Financial Institutions, 1024 State Office Building, Indianapolis, Indiana 46204.

James Doyle has been associated with the Department of Financial Institutions of the State of Indiana since September, 1970. During that time, he has held positions as Bank Examiner, Electronic Data Processing Supervisor, and Credit Union Supervisor. In October, 1973, he completed a six-week course in E.D.P. Evaluation Techniques, conducted by the national auditing firm of Peat, Marwick, Mitchell and Company, designed specifically for the Department. In May, 1974, he was requested to serve as a member of the E.D.P. Subcommittee of the Supervisory Procedures Committee of the Conference of State Bank Supervisors (CSBS). He was appointed to his present position four years ago. Prior to employment with the Department, he was employed for two years by the Gibson County Bank, Princeton, Indiana, where he served as general teller and later as loan teller in the installment loan program.

Doyle's Credit Union Division is one of six divisions of the Indiana Department of Financial Institutions. The Department's staff of 90 supervise 791 financial institutions, plus approximately 12,000 U.C.C.C. registrants. Total assets of these institutions rose from \$12,566,114,000 in January, 1977, to \$13,445,742,000 in January, 1978.

STATE OF KANSAS

LOVELLE FRAZIER, Administrator, Kansas Department of Credit Unions, 535 Kansas Avenue, Room 1003, Topeka, Kansas 66603.

Lovelle Frazier was appointed administrator of the Kansas State Department of Credit Unions in September, 1975. His credit union career began as treasurer of the newly organized Super Chief Credit Union in March, 1950. He has also served as a chapter president and vice president/director of the Kansas Credit Union League, and has been active on many of the committees of the League.

The Kansas State Department of Credit Unions was created by the 1968 legislative Session. There are several positions in the department: five financial examiners, one secretary, one clerk typist, and the administrator's position is 1/4 time. The principal duties of this department are to conduct thorough examinations of state chartered credit unions on an annual basis, approve certificated of organization, issue certificated of approval, make semi-annual reports of conditions, survey for each credit, collect fees for examination and other matters relating to the supervision of credit unions.

Frazier supervises 195 credit unions ranging in size from \$14,707 to \$430,060,386.

STATE OF KENTUCKY

JOHN L. WILLIAMS, JR., Commissioner, Kentucky Department of Banking and Securities, 911 Leawood Drive, Frankfort, Kentucky 40601.

John Williams began his banking career as a cashier with Citizens Bank in New Castle, Kentucky in 1946. Nine Years later he captured the office of Vice President of Farmers Bank and Trust Company in Princeton, moving up to President of that company in 1960. He has served in his present position ofr two years.

Williams works closely with the Cabinet for Public Protection and Regulation. Together they have a staff of 66 people. Other institutions supervised by his offic are state-chartered banks, savings and loan associations, industrial and consumer loans and various other institutions.

Williams supervises 126 credit unions. They range in size from \$20,000 assets to \$12,000,000. Total assets as of January, 1976 were listed as \$113,500,000. On June 30, 1978 the total assets were \$147,094,455.62.

STATE OF LOUISIANA

GERALD O. THOMPSON, Supervisor, Credit Union Division,
Office of Financial Institutions, P.O. Box 44095, Capitol
Station, Baton Rouge, Louisiana 70804.

Prior to assuming his current position as Supervisor of
the Credit Union Division, Gerald Thompson worked for seven
and a half years as a bank examiner and six years as a
commercial banker.

The Credit Union Division's staff of four supervise 102
credit unions. Under Thompson's guidance, total assets
have risen in the past year from \$91,931,022 in January,
1977, to \$103,770,958 in January, 1978.

STATE OF MAINE

JOHN A. DURHAM, Superintendent, Bureau of Banking, State Office Building, Augusta, Maine 04333.

John A. Durham was the first official to be confirmed by the Maine Legislature after the demise of the Executive Council in that state. He was sworn to office just this past March. Not long before taking his present position, Durham had been with the U. S. Marine Corps. His Last Assignment was with the First Marine Division was as Chief Finance Officer.

The Bureau of Banking is part of the Department of Business Regulation which also includes nine other bureaus. Durham's division supervises 29 credit unions in addition to 26 trust companies, 30 savings banks and 16 savings and loan associations supervision range in size from \$25,000 to \$15,000,000 in assets.

PROVINCE OF MANITOBA

ARTHUR BEARDMORE, Supervisor, 28 Farwell Bay, Winnipeg, Manitoba, Canada R3T057.

Arthur Beardmore formerly led a career as a peace officer. He turned accountant and joined the banking industry. He gained his present position through the Canadian Civil Service and has retained his post for the past 13 years.

Beardmore's present staff is 52 but only one is engaged in the inspection of credit unions. Most prominent is the Cooperative Section which employs four Northern Development Officers, three Southern Development Officers, three Housing Officers and one Day Care Officer. Additional Personnel are all administrative staff.

Beardmore supervises 180 credit unions ranging in size from \$80,000 to \$52,000,000.

STATE OF MISSISSIPPI

JAMES H. MEANS, State Comptroller, Department of Bank Supervision, 1206 Woolfolk State Office Building, P.O. Box 731, Jackson, Mississippi 39205.

James Means was appointed State Comptroller by Governor Waller of Mississippi, taking his oath of office on January 2, 1973. He began his banking career 30 years ago at the First National Bank of Jackson, Mississippi, and at the time of his present appointment was Vice President of that institution.

Means and his 34 staff members are responsible for the regulation and supervision of 72 credit unions in addition to 148 state chartered banks, 610 finance companies, and various other financial institutions. Total assets of these financial institutions was \$4,802,328,000 as of December 31, 1976, and \$4,940,624,100 as of December 31, 1977.

STATE OF MISSOURI

JOHN S. LEWIS, Director, Division of Credit Unions, P.O. Box 1235, Jefferson City, Missouri 65102.

John Lewis was a postal employee when he first became involved with credit unions. From 1953 until 1960 he was treasurer of the St. Joseph Postal Employees Credit Union. In 1960 he accepted the full-time position of manager of the Missouri Central Credit Union in Kansas City. He was appointed Director of the Credit Union Division for the State of Missouri in May, 1977.

The Credit Union Division's staff of thirteen, includes the Director and Deputy Director. Examiners work out of three different Missouri cities. Lewis supervises 375 credit unions. Total assets rose last year from \$600,000,000 in January, 1977, to \$700,000,000 in January, 1978.

Lewis reports that in the past year his agency has expanded credit union membership base by allowing credit unions to extend services to outside employee groups. He has also reduced reserve requirements for some credit unions to the Federal schedule as a minimum.

STATE OF MONTANA

L. W. ALKE, Administrator, Financial Division, 805 N. Main Street, Helena, Montana 59601.

Alke started his career in banking in 1936 with the Union Bank and Trust Co. of Helena, where he was employed until 1947, with time out for 3 1/2 years Army services. From until he accepted employment with the office of Superintendent of Banks. He became Chief Examiner in 1956, a position held until the reorganization of Montana's governmental agencies. When the Banking Department became the Financial Division of the Department of Business Regulation in November, 1971, he was appointed Administrator of that division, a position he still holds. In 1975 he qualified with the National Society of Financial Examiners as a certified Financial Examiner.

The Financial Division is one of four under the Department of Business Regulation and it charters and supervises banks, savings and loan associations, consumer loan licenses and sales finance companies in addition to credit unions. Alke's staff consists of four officer personnel plus 16 field examiners.

Alke and his staff supervise 25 credit unions ranging in size from \$20,000 to \$37,000,000.

STATE OF NEW HAMPSHIRE

ARLAN S. MacKNIGHT, Deputy Bank Commissioner, New Hampshire Banking Department, 97 North Main Street, Concord, New Hampshire 03301.

Arlan MacKnight has served as New Hampshire's Deputy Bank Commissioner since 1969. Prior to his appointment, he served as Assistant Bank Commissioner. In his earlier career, MacKnight served as bank examiner in both New Hampshire and Massachusetts. He is a graduate of Bentley College.

MacKnight's department is independent of any other state agency, and supervises 39 credit unions in addition to savings and loan and commercial banks, savings banks, and other financial institutions. He has a staff of 25, including 14 examiners. As of January, 1977, the credit unions under his supervision had assets of \$73,691,000. In January, 1978, their assets were \$84,486,000.

STATE OF NEW JERSEY

JOHN J. MINTON, Assistant Chief, Consumer Credit Bureau,
Department of Banking, 36 West State Street, Trenton, New
Jersey 08625.

John J. Minton joined the New Jersey Department of Banking
in 1941 and has been with it ever since except for a stint
in the Army from 1942 to 1946. He was appointed examiner
in December, 1955, and promoted to his current position of
Assistant Chief in October, 1963.

Minton has a variety of departments under his jurisdiction,
including the Consumer Credit Bureau. The Consumer Credit
Bureau has a staff of 13, including 7 field examiners.
The Consumer Credit Bureau supervises 58 credit unions, as
well as 575 other financial institutions. Total assets of
the credit unions rose from \$65,532,741 in January, 1977,
to \$79,682,876 in January, 1978.

STATE OF NEW MEXICO

SNIDER CAMPBELL, Savings and Loan Supervisor, Financial Institutions Division, Commerce and Industry Department, Santa Fe, New Mexico 87503.

Snider Campbell joined the state banking department in 1959, after working in private business for 10 years. During his tenure with the department, he held several supervisory posts until being appointed Savings and Loan Supervisor in 1971. Campbell is a graduate of Texas Tech.

Campbell and his staff of 21 employees supervise 53 credit unions and 25 savings and loans, as well as collection agencies, endowed care cemeteries and money order licensees. Total assets of the credit unions have risen from \$100,662,000 in January, 1977, to \$118,248,000 in January, 1978. Total assets of the savings and loans have risen from \$756,898,000 in January, 1977, to \$987,990,000 in January, 1978.

STATE OF NEW YORK

BERNARD GASSMAN, Deputy Superintendent of Banks, Thrift Institutions Division, New York State Banking Department, Two World Trade Center, New York, New York 10047.

Bernard Gassman's association with the banking industry has been a long one. Employment with a finance company and a commercial bank preceded almost four years as a bank examiner for the Federal Deposit Insurance Corporation. In 1956 Mr. Gassman left the FDIC to accept appointment as an examiner of the New York State Banking Department. He was promoted to Senior Bank Examiner in 1961, Principal Bank Examiner in 1965, Supervising Bank Examiner in 1967, and Deputy Superintendent in 1968, as a result of competitive civil service examinations. Mr. Gassman is a certified financial examiner. In 1977 he was put in charge of the Thrift Institutions Division.

Gassman has a staff of 547, including approximately 300 bank examiners, to help in the supervision of 493 financial institutions, including credit unions, savings banks, savings and loan associations, commercial banks, sale finance companies, and even several foreign banks. Five bank examiners are assigned to supervise credit unions, of which there are approximately 97. Total assets of these credit unions have risen from \$414,000,000 in January, 1977, to \$457,000,000 in January, 1978.

Gassman reports that in the past year legislation has been enacted in New York authorizing share certificates; loans to credit union organizations; and, if bylaws so provide, appointment of credit and supervisory committees by directors

STATE OF NORTH CAROLINA

ROY D. HIGH, Administrator, Credit Union Division, Dobbs Building, P.O. Box 25249, Raleigh, North Carolina 27611.

Roy High assumed his duties as administrator of the Credit Union Division in October, 1977. He has been employed with the State of North Carolina for over eighteen years, serving in a variety of positions and departments: Department of Administration, Personnel Analyst and Personnel Supervisor; Department of Agriculture, Accountant; and the Department of Revenue.

High's department is one of 17 divisions within the Department of Commerce. It consists primarily of regulatory agencies and has a staff of twelve. By North Carolina law, the Administrator has broad authority and responsibility for supervising and regulating the management, organization, business practices and operations of credit unions.

High supervises 215 credit unions. Total assets of these amounted to \$472,175,796 in December, 1976, and \$575,817,580 in December, 1977. By June, 1978, total assets had risen to \$630,775,000.

High reports that by the end of 1977, all credit unions had obtained mandatory insurance to cover members' shares and deposits. In addition, new rules and accounting procedures were adopted to strengthen the supervisory and examination process. High also reports that North Carolina has developed, tested, and implemented a modified automated examination system (AES) which will aid in the examination of credit unions with EDP systems.

STATE OF NORTH DAKOTA

LEROY GILBERTSON, Commissioner, 1301 State Capitol, Bismarck, North Dakota 58505.

Leroy Gilbertson would appear to some to be young for the position he holds. However, his experience shows him to be exceptionally qualified for the post. From 1964 to 1968 he worked for Idwest Federal Savings and Loan, where he held two positions as Assistant Appraiser and Assistant Accountant. From 1968 to 1969 he worked for the State of Wisconsin as Supervisor of Assessors. From 1969 through late 1975, he worked at the Bank of North Dakota, where he held a number of offices. From Loan Officer, he was promoted to Assistant Vice President and later to Vice President in charge of the Loan and Correspondent Departments. From late 1975 through June 1977, Gilbertson took a break from the banking industry and served as Finance Specialist for the Basin Electric Power Cooperative in Bismarck. In July, 1977 Gilbertson was appointed to his present position of Commissioner.

Gilbertson and his staff of 22 execute all laws relating to credit unions, state banks, trust companies, building and loan associations, and other financial corporations doing business under the laws of North Dakota. They supervise 75 credit unions, whose total assets rose from \$106,869,761 in December, 1976, to \$136,498,501 in December, 1977.

Gilbertson reports that during the past year, in order to meet code requirements, a majority of the credit unions in North Dakota have obtained NCUA insurance.