SHORT TITLE: Credit unions; clarifying language; effective date.

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

SENATE BILL NO. 165 By: Wright

AS INTRODUCED

An Act relating to credit unions; amending 6 O.S. 1991, Section 2006, as amended by Section 7, Chapter 90, O.S.L. 1992 (6 O.S. Supp. 1994, Section 2006), which relates to powers of credit union; clarifying language; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 6 O.S. 1991, Section 2006, as amended by Section 7, Chapter 90, O.S.L. 1992 (6 O.S. Supp. 1994, Section 2006), is amended to read as follows:

Section 2006. A credit union shall have succession in its corporate name during its existence and shall have power:

(1) To make contracts~~.~~;

(2) To sue and be sued~~.~~;

(3) To adopt and use a common seal and alter the same at pleasure~~.~~;

(4) To purchase, hold, and dispose of property necessary and incidental to its operation~~.~~;

(5) To make loans to its members for provident or productive purposes as the credit committee may approve. Any director, credit committee member, or supervisory committee member may borrow from the credit union in excess of ~~his~~ their shareholdings as long as the terms of the loan are not more favorable than the terms of the loans to other members, and as long as the conditions of the loan meet the

requirements of the law, the credit union's bylaws, and the official policies established by the credit union's board of directors; and further provided that the aggregate amount of such loans not exceed twenty percent (20%) of the unimpaired capital and surplus of the credit union, and that the loan, if it exceeds the shares and/or deposits of the officer, be approved by both the credit committee and the board of directors, and that the applicant not attend any board or committee meeting while ~~his~~ the application is under consideration. No director, officer or committee member may endorse for borrowers. A borrower may repay ~~his~~ a loan prior to maturity, in whole or in part, on any business day~~.~~;

(6) To receive from its members, and other credit unions, state and federal, doing business in this state, payments on shares and deposits, and to require such notice for withdrawal of shares and deposits as the bylaws may provide~~.~~;

(7) To amend its bylaws in the manner provided by the bylaws~~,~~; but all amendments to the bylaws ~~must~~ shall be submitted to and approved by the State Credit Union Board before they become operative~~.~~;

(8) To invest its funds:

(a) in loans exclusively to its members~~;~~,

(b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby~~;~~,

(c) in accordance with rules and regulations prescribed by the State Credit Union Board, in the shares, deposits or loans to other credit unions in total amount in either case not exceeding twenty-five percent (25%) of its paid-in or unimpaired capital and surplus~~;~~,

(d) in such other investments legal for savings or trust funds in ~~the State of Oklahoma;~~ this state, and

(e) in shares or accounts of banks and savings and loan associations the accounts which are insured by an agency of the federal government~~.~~;

(9) To make deposits in national banks and in state banks, trust companies, savings and loan associations, and credit unions organized under the laws of this state, any other state, or the United States, operating in accordance with the laws of ~~the State of Oklahoma~~ this state, or of the laws of the United States and approved by the State Credit Union Board as depositories~~.~~;

(10) To borrow, from any source, in an aggregate amount not exceeding fifty percent (50%) of its shares, deposits and undivided earnings; such borrowed money may be borrowed either by means of bills payable or through rediscounts of its negotiable instruments, and credit unions may pledge their assets as collateral securities therefor~~.~~;

(11) To fine members, in accordance with the bylaws, for failure to meet their obligations promptly to their credit union~~.~~;

(12) To impress and enforce a lien upon the shares, deposits, dividends, and interest of any member to the extent of any loan made to ~~him~~ or endorsed by ~~him~~ the member and any interest or fines payable by ~~him.~~ the member;

(13) To charge an entrance fee as provided in the bylaws~~.~~;

(14) To hire clerical help~~.~~; and

(15) To exercise such incidental powers as shall be necessary or requisite to enable it to carry ~~on~~ out effectively the business for which it is incorporated.

SECTION 2. This act shall become effective November 1, 1995.

45-1-0248 JY