

## CHAPTER 1164

## CREDIT UNIONS

S. F. 2352

AN ACT amending the Iowa credit union law as it relates to the composition of the credit union review board, the annual report of the department, the use of a credit union by the department's employees and the use of the term "credit union".

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section five hundred thirty-three point three (533.3), Code 1979, is amended to read as follows:

## 533.3 RESTRICTION.

1. No person, firm, corporation, copartnership, or association, except a credit union organized under the provisions of this chapter or under the federal credit union Act (12 U.S.C. s. 1751 et seq.) or except the Iowa credit union league, incorporated, or chapters of said league, shall A person other than one referred to in subsection two (2) of this section shall not use a name or title containing the words "credit union" or any derivation thereof ~~or shall~~, and shall not represent themselves, in their advertising or otherwise, ~~as that the person is~~ conducting business as a credit union.

2. The prohibitions contained in subsection one (1) of this section do not apply to a credit union organized under this chapter or under the Federal Credit Union Act, 12 U.S.C. Sec. 1751 et seq., or to the Iowa credit union league, or a chapter, affiliate or subsidiary of the Iowa credit union league, or to a political action committee formed under Public Law 94-283 or chapter fifty-six (56) of the Code by the Iowa credit union league or by credit unions organized under this chapter or federal law.

3. Any person, firm, corporation, copartnership, or association, upon conviction of the violation of the provisions of this section shall be guilty of a serious misdemeanor, and the violator may be enjoined from such continued the use of said words, advertising or other representation prohibited by subsection one (1) of this section.

Sec. 2. Section five hundred thirty-three point fifty-three (533.53), subsection one (1), Code 1979, is amended to read as follows:

1. A credit union review board is created. The board shall consist of seven members, ~~each five~~ of whom shall have been a ~~member~~ members in good standing for at least the previous five years of either an Iowa state chartered credit union, or a credit union chartered under the federal Credit Union Act and having its principal place of business in Iowa. ~~Two of the members shall not be credit union directors or employees.~~ Two of the members may be public members; however, at no time shall more than five of the members be directors or employees of a credit union. Each member shall serve

for a term of three years except that the terms of the members first appointed after January 1, 1979 shall expire, as designated by the governor at the time of appointment as follows:

- a. Two members on June 30, 1980.
- b. Two members on June 30, 1981.
- c. Three members expiring on June 30, 1982.

Sec. 3. Section five hundred thirty-three point sixty-one (533.61), subsection two (2), paragraph b, Code 1979, is amended to read as follows:

b. A summary of the assets, liabilities and capital structures of all credit unions, and a summary of the volume of consumer installment credit outstanding per credit union, as of ~~June-30~~ December thirty-first of the year for which the report is made.

Sec. 4. Section five hundred thirty-three point sixty-two (533.62), subsection four (4), Code 1979, is amended to read as follows:

4. The administrator, deputy or employees of the department shall not be ~~members-of-or~~ have any business dealings with a an Iowa state chartered credit union, except that any of these persons may hold a membership in a credit union for the purpose of engaging in transactions involving savings of the person which are held or to be held in share accounts, deposit accounts, thrift club accounts or sharedraft accounts. Credit unions shall not accept moneys for deposit and shall not have any business transaction with the administrator, deputy or an employee of the credit union department, except to the extent permitted by the first sentence of this subsection. ~~If--a person~~ A person who willfully receives-or-accepts-a-deposit-or undertakes to establish a business dealing contrary to this section, ~~upon--conviction--that~~ person--shall--be--guilty--of commits a serious misdemeanor, and shall be permanently disqualified from acting as an officer, director or employee of a state chartered credit union and permanently disqualified from acting as administrator, deputy or employee of the state credit union department.

Approved April 14, 1980