

CHAPTER 1197
CREDIT UNION'S PAR VALUE

H.F. 2414

AN ACT relating to a credit union's par value of shares, deposits, investments, powers, membership, and reserves.

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

Section 1. Section 533.1, subsection 1, paragraph c, Code 1983, is amended to read as follows:

c. The par value of the shares of the credit union ~~which shall not exceed twenty-five dollars each and~~ shall be established by the board of directors. A credit union may have more than one class of shares.

Sec. 2. Section 533.4, subsection 5, paragraph d, Code 1983, is amended to read as follows:

d. Paid-up ~~shares~~ deposits of savings and loan associations, the ~~shares~~ deposits of which are insured by the federal savings and loan insurance corporation.

Sec. 3. Section 533.4, subsection 5, paragraph g, Code 1983, is amended by striking the paragraph and inserting in lieu thereof the following:

g. Shares, stocks, loans, and other obligations or a combination thereof of an organization, corporation, or association, provided the membership or ownership, as the case may be, of the organization, corporation, or association is primarily confined or restricted to credit unions or organizations of credit unions and provided that the purpose of the organization, corporation, or association is primarily designed to provide services to credit unions, organizations of credit unions, or credit union members. However, the aggregate amount invested pursuant to this subsection shall not exceed five percent of the assets of the credit union.

Sec. 4. Section 533.4, Code 1983, is amended by adding the following new subsections:

NEW SUBSECTION. 22. Charge fees and penalties and apply them to income.

NEW SUBSECTION. 23. Act as a fiscal agent of the state of Iowa or the federal government and receive payments on shares and deposits of a governmental subdivision of the state or the federal government.

Sec. 5. Section 533.5, Code 1983, is amended to read as follows:

533.5 MEMBERSHIP. Credit union membership shall consist of the incorporators and other persons who may be elected to membership and subscribe for at least one share, and who pay the installment thereon and the entrance fee, if any. To continue membership, a member must comply with any changes in the par value of the share. Organizations, incorporated or otherwise, composed for the most part of the same general group as the credit union membership may be members. Credit union organization shall be limited to groups of individuals who have a common bond of occupation or association, or to groups of individuals who reside within a well-defined neighborhood, community, or rural district. However, membership also may be extended to persons related to a member within the common bond by the first or second degree of consanguinity or affinity, including foster children and adopted children, and to such relatives of a deceased member. If adopted as a policy by the board of

directors of a credit union, members who cease to meet the qualifications of membership may retain their credit union membership and all membership privileges.

Sec. 6. Section 533.17, subsection 1, unnumbered paragraph 2, Code 1983, is amended to read as follows:

Whenever the legal reserve ~~fall~~ falls below ten percent or seven and one-half percent of the total of outstanding loans and risk assets, as the case may be, the difference shall be replaced by regular contributions in order to maintain the seven and one-half percent or ten percent reserve. ~~Any entrance fees, charges and transfer fees shall, after payment of organization expenses, be added to the legal reserve. However, the administrator may waive the reserve requirement when in the administrator's opinion a waiver is necessary or desirable. The legal reserve shall belong to the credit union and shall be used to meet losses except those resulting from an excess of expenses over income. The reserve shall not be distributed to members as interest or dividends except on liquidation of the credit union or in accordance with a plan approved by the administrator.~~

Approved May 4, 1984

CHAPTER 1198
PROPERTY TRANSFER FEES
H.F. 4

AN ACT relating to fees charged by county auditors for transfers made in the transfer books.

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

Section 1. Section 331.507, subsection 2, paragraph a, Code 1983, is amended by striking the paragraph and inserting in lieu thereof the following:

a. For a transfer of property made in the transfer records, five dollars for each separate platted lot and five dollars for each separate parcel of contiguous land lying within one unplatted section and described in one instrument of transfer. However, the fee shall not exceed fifty dollars for a transfer of platted or unplatted property which is described in one instrument of transfer and which is contiguous or separated only by a public street or highway.

Approved May 4, 1984