

Reprinted 3/25

FILED MAR 17 1980

SENATE FILE 2352

By COMMITTEE ON STATE GOVERNMENT

(FORMER SSB 2289)

Reprinted 3/13 (p. 1173)

Passed Senate, Date 3-31-80 (p. 1011) Passed House, Date 3-26-80
Vote: Ayes 43 Nays 0 Vote: Ayes 89 Nays 0
Approved 4/14/80

A BILL FOR

1 An Act amending the Iowa credit union law as it relates
2 to the composition of the credit union review board,
3 the annual report of the department, the use of a
4 credit union by the department's employees and the
5 use of the term "credit union".

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2352

SENATE FILE 2352

S-5473

1 Amend Senate File 2352, page 2, line 7, by inserting
2 after the words "public members" the words "; however, at no
3 time shall more than five of the members be directors or
4 employees of a credit union".

S-5473 FILED
MARCH 20, 1980
Adopted 3/21 (p. 1010)

BY JOHN S. MURRAY

1 Section 1. Section five hundred thirty-three point three
2 (533.3), Code 1979, is amended to read as follows:

3 533.3 RESTRICTION.

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

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

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

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

35 1. A credit union review board is created. The board

1 shall consist of seven members, each five of whom shall have
2 been ~~a-member~~ members in good standing for at least the
3 previous five years of either an Iowa state chartered credit
4 union, or a credit union chartered under the federal Credit
5 Union Act and having its principal place of business in Iowa.
6 ~~Two-of-the-members-shall-not-be-credit-union-directors-or~~
7 ~~employees-~~ Two of the members may be public members. Each
8 member shall serve for a term of three years except that the
9 terms of the members first appointed after January 1, 1979
10 shall expire, as designated by the governor at the time of
11 appointment as follows:

12 a. Two members on June 30, 1980.

13 b. Two members on June 30, 1981.

14 c. Three members expiring on June 30, 1982.

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

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

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

26 4. The administrator, deputy or employees of the department
27 shall not ~~be-members-of-or~~ have any business dealings with
28 a an Iowa state chartered credit union, except that any of
29 these persons may hold a membership in a credit union for
30 the purpose of engaging in transactions involving savings
31 of the person which are held or to be held in share accounts,
32 deposit accounts, thrift club accounts or sharedraft accounts.
33 Credit unions shall not accept moneys for deposit and shall
34 not have any business transaction with the administrator,
35 deputy or an employee of the credit union department, except

1 to the extent permitted by the first sentence of this
2 subsection. If-a-person A person who willfully receives-or
3 accepts-a-deposit-or undertakes to establish a business dealing
4 contrary to this section, ~~upon conviction that person shall~~
5 ~~be-guilty-of~~ commits a serious misdemeanor, and shall be
6 permanently disqualified from acting as an officer, director
7 or employee of a state chartered credit union and permanently
8 disqualified from acting as administrator, deputy or employee
9 of the state credit union department.

10 EXPLANATION

11 This bill relates to the regulation of credit unions under
12 chapter 533 of the Code.

13 Section 1 of the bill allows affiliates and subsidiaries
14 of the Iowa credit union league and political action committees
15 formed by the league or by individual credit unions to use
16 the term "credit union" in their titles.

17 Section 2 of the bill relates to the composition of the
18 credit union review board. It would permit two public members
19 to serve on the board, and limits the appointment of federal
20 credit union members to members of federal credit unions
21 having principal places of business in Iowa.

22 Section 3 of the bill changes the closing date for
23 determining credit union assets, liabilities, capital structure
24 and consumer credit outstanding, for purposes of the annual
25 departmental report. The closing date as amended would
26 coincide with the fiscal years of credit unions.

27 Section 4 of the bill amends existing law to enable
28 employees of the credit union department to put their savings
29 in credit unions.

30 The bill is effective July first following its enactment.

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SENATE FILE 2352

By COMMITTEE ON STATE GOVERNMENT

Substituted for H.F. 2499

(AS AMENDED AND PASSED BY THE SENATE MARCH 21, 1980)

Passed Senate, Date 3/21/80 (p.1211) Passed House, Date 3-26-80 (p.1173)

Vote: Ayes 162 Nays 0 Vote: Ayes 89 Nays 0

Approved April 14, 1980

A BILL FOR

1 An Act amending the Iowa credit union law as it relates
2 to the composition of the credit union review board,
3 the annual report of the department, the use of a
4 credit union by the department's employees and the
5 use of the term "credit union".

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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————— = New Language
by the Senate

1 Section 1. Section five hundred thirty-three point three
2 (533.3), Code 1979, is amended to read as follows:

3 533.3 RESTRICTION.

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

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

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

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

35 1. A credit union review board is created. The board

1 shall consist of seven members, each five of whom shall have
2 been ~~a-member~~ members in good standing for at least the
3 previous five years of either an Iowa state chartered credit
4 union, or a credit union chartered under the federal Credit
5 Union Act and having its principal place of business in Iowa.
6 ~~Two-of-the-members-shall-not-be-credit-union-directors-or~~
7 ~~employees-~~ Two of the members may be public members; however,
8 at no time shall more than five of the members be directors
9 or employees of a credit union. Each member shall serve for
10 a term of three years except that the terms of the members
11 first appointed after January 1, 1979 shall expire, as
12 designated by the governor at the time of appointment as
13 follows:

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

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

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

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

28 4. The administrator, deputy or employees of the department
29 shall not ~~be-members-of-nor~~ have any business dealings with
30 a an Iowa state chartered credit union, except that any of
31 these persons may hold a membership in a credit union for
32 the purpose of engaging in transactions involving savings
33 of the person which are held or to be held in share accounts,
34 deposit accounts, thrift club accounts or sharedraft accounts.
35 Credit unions shall not accept moneys for deposit and shall

1 not have any business transaction with the administrator,
2 deputy or an employee of the credit union department, except
3 to the extent permitted by the first sentence of this
4 subsection. ~~If a person~~ A person who willfully ~~receives or~~
5 ~~accepts a deposit or~~ undertakes to establish a business dealing
6 contrary to this section, ~~upon conviction that person shall~~
7 ~~be guilty of~~ commits a serious misdemeanor, and shall be
8 permanently disqualified from acting as an officer, director
9 or employee of a state chartered credit union and permanently
10 disqualified from acting as administrator, deputy or employee
11 of the state credit union department.

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SENATE FILE 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. § 175) 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 violation of subsection one (1) of this section is 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.

TERRY E. BRANSTAD
President of the Senate

WILLIAM H. HARBOR
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2352, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved 4/14, 1980

ROBERT D. RAY
Governor