

**533.313 Share drafts.**

1. A state credit union may provide its members with share draft accounts.
  - a. “*Share draft*” means a negotiable draft which is payable upon demand and is used to withdraw funds from a share draft account.
  - b. A share draft is an item for purposes of [chapter 554, article 4](#).
  - c. The term does not include a draft issued by a state credit union for the transfer of funds between the issuing credit union and another credit union, a bank, a savings and loan association chartered under federal law, or another depository financial institution.
2. A share draft account is an account that is a demand account from which a state credit union has agreed that funds may be withdrawn by means of a share draft. A share draft account may bear interest or dividends as determined by the board of directors, provided that the state credit union shall not pay interest or dividends on a share draft account at a rate that exceeds the maximum interest rate which a regulated financial institution is able to pay on comparable instruments as allowed by the depository institutions deregulatory committee.
3. A state credit union may guarantee payment for a share draft if both the following conditions are met:
  - a. A specific guarantee authorization is obtained for the share draft from the state credit union.
  - b. The guarantee authorization is immediately noted on the share draft account to prevent the withdrawal of funds needed to pay the guaranteed share draft.
4. A state credit union may charge fees and penalties on share drafts and apply fees and penalties to the state credit union’s income in relation to share draft services.
5. The superintendent may adopt rules relating to share draft programs as necessary to administer [this chapter](#).  
[2007 Acts, ch 174, §44; 2012 Acts, ch 1017, §130](#)