

# Senate File 2299 - Enrolled

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SENATE FILE 2299

AN ACT

RELATING TO CREDIT UNIONS AND OTHER FINANCIAL ORGANIZATIONS BY PROVIDING FOR PUBLIC FUNDS REQUIREMENTS, MEMBERSHIP QUALIFICATIONS, AND PRESERVATION OF RECORDS.

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

Section 1. Section 12C.16, subsection 1, paragraph b, subparagraph (4), Code 2005, is amended to read as follows:

(4) To the extent of the guarantee, loans, obligations, or nontransferable letters of credit upon which the payment of principal and interest is fully secured or guaranteed by the United States of America or an agency or instrumentality of the United States of America or the U.S. central credit union, a corporate central credit union organized under section 533.38, or a corporate credit union organized under 12 C.F.R. } 704, and the rating of ~~the U.S. central~~ any one of such credit union unions remains within the two highest classifications of prime established by at least one of the standard rating services approved by the superintendent of banking by rule pursuant to chapter 17A. The treasurer of state shall adopt rules pursuant to chapter 17A to implement this section.

Sec. 2. Section 12C.17, subsection 1, paragraph c, Code 2005, is amended to read as follows:

c. The securities shall be deposited with the federal reserve bank, the federal home loan bank of Des Moines, Iowa, or the U.S. central credit union, a corporate central credit union organized under section 533.38, or a corporate credit union organized under 12 C.F.R. } 704 pursuant to a bailment agreement or a pledge custody agreement.

Sec. 3. Section 12C.17, subsection 4, Code 2005, is amended to read as follows:

4. Upon written request from the appropriate public officer but not less than monthly, the federal home loan bank of Des Moines, Iowa, ~~or the U.S. central credit union, a~~ corporate central credit union organized under section 533.38, or a corporate credit union organized under 12 C.F.R. } 704 shall report a description, the par value and the market value of any pledged collateral by a credit union.

Sec. 4. Section 533.5, Code 2005, is amended to read as follows:

533.5 MEMBERSHIP.

The membership of a credit union consists of those persons in the common bond, duly admitted, who have paid any required one-time or periodic membership fee, or both, have subscribed to one or more shares, and have complied with the other requirements specified by the articles of incorporation and bylaws. ~~To continue membership, a member must comply with any changes in the par value of the share.~~ Credit union organization shall be available to groups of individuals who have a common bond of association such as, but not limited to, occupation, common employer, or residence within specified geographic boundaries. Changes in the common bond may be made by the board of directors. If adopted as a policy by the board of directors of a credit union, members who cease to meet qualifications of membership may retain their credit union membership and all membership privileges. Organizations, incorporated or otherwise, may be members.

Sec. 5. Section 533.26, Code 2005, is amended to read as follows:

533.26 PRESERVATION OF RECORDS.

1. The superintendent shall prescribe by rule the period of preservation of records or files for credit unions. A state credit union is not required to preserve its records for a period longer than eleven years after the first day of January of the year following the time of the making or filing of such records. However, account records showing unpaid balances due to depositors shall not be destroyed.

2. A copy of an original may be kept in lieu of any original records.

3 4 a. For purposes of this section, a copy includes any  
3 5 duplicate, rerecording or reproduction of an original record  
3 6 from any photograph, photostat, microfilm, microcard,  
3 7 miniature or microphotograph, computer printout,  
3 8 electronically stored data or image, or other process which  
3 9 accurately reproduces or forms a durable medium for accurately  
3 10 and legibly reproducing an unaltered image or reproduction of  
3 11 the original record.

3 12 b. A copy is deemed to be an original and shall be treated  
3 13 as an original record in a judicial or administrative  
3 14 proceeding for purposes of admissibility in evidence. A  
3 15 facsimile, exemplification, or certified copy of any such copy  
3 16 reproduced from a film record is deemed to be a facsimile,  
3 17 exemplification, or certified copy of the original.

3 18 Sec. 6. Section 533.27, unnumbered paragraph 1, Code 2005,  
3 19 is amended to read as follows:

3 20 ~~No~~ With the exception of certain account records which  
3 21 shall not be destroyed pursuant to section 533.26, liability  
3 22 shall not accrue against any credit union destroying any such  
3 23 records after the expiration of the time provided in ~~sections~~  
3 24 section 533.26 to, this section, and section 533.29 and in,  
3 25 In any cause or proceedings in which any such records or files  
3 26 may be called ~~in~~ into question or be demanded of the credit  
3 27 union or of any officer or employee ~~thereof of the credit~~  
3 28 union, a showing that such records or files have been  
3 29 destroyed in accordance with the terms of ~~said such~~ sections  
3 30 shall be a sufficient excuse for the failure to produce them.  
3 31 Nothing herein shall require credit unions to retain any class  
3 32 of records or files for the period of limitations of actions  
3 33 provided herein; but any records, files, or class of records  
3 34 not deemed necessary for the conduct of the current business  
3 35 of credit unions, or future examinations thereof, or for  
4 1 defense in the event of litigation, may be destroyed within  
4 2 such period.

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JEFFREY M. LAMBERTI  
President of the Senate

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CHRISTOPHER C. RANTS  
Speaker of the House

4 14 I hereby certify that this bill originated in the Senate and  
4 15 is known as Senate File 2299, Eighty-first General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

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4 21 Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor