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SENATE FILE 210

By VAN DRIE, GAUDINEER, RABEDEAUX,  
MESSERLY, and DODERER

Passed Senate, Date 3-12-71 Passed House, Date 4-19-71  
Vote: Ayes 34 Nays 0 Vote: Ayes 90 Nays 0  
Approved 4-26-71

## A BILL FOR

1 An Act relating to the conversion of credit union charters.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Chapter five hundred thirty-three (533), Code  
2 1971, is amended by adding the following new sections:

3 1. "CONVERSION OF STATE CREDIT UNION INTO FEDERAL CREDIT  
4 UNION.

5 1. A state credit union may convert into a federal credit  
6 union upon the affirmative vote of a majority of its members  
7 eligible to vote, at a special meeting called for that purpose  
8 in the manner prescribed by the bylaws and with the approval  
9 of the administrator of the national credit union  
10 administration. Any member eligible to vote and not present  
11 at the meeting may, within twenty days after the date on which  
12 the meeting was held, vote in favor of conversion by signing  
13 a statement in a form satisfactory to the superintendent of  
14 banking and the vote shall have the same force and effect  
15 as if cast at the meeting.

16 2. The board of directors of the state credit union shall  
17 notify the superintendent of banking of any proposed conversion  
18 and of any abandonment or disapproval of the conversion by  
19 the members or the administrator of the national credit union  
20 administration. The board of directors of the state credit  
21 union shall file with the superintendent appropriate evidence  
22 of approval of the conversion by the administrator of the  
23 national credit union administration and notify the superin-  
24 tendent of the date on which the conversion is to be effective.

25 3. Upon receipt of satisfactory proof that the state  
26 credit union has complied with all applicable laws of this  
27 state and the United States, the superintendent shall issue  
28 a certificate of conversion which shall be filed and recorded  
29 in the county in which the state credit union has its principal  
30 place of business and in the county in which its original  
31 articles of incorporation were filed and recorded."

32 2. "CONVERSION OF FEDERAL CREDIT UNION INTO STATE CREDIT  
33 UNION.

34 1. A federal credit union may convert into a state credit  
35 union upon compliance with the laws of the United States and

1 approval by the superintendent of banking. Application for  
2 approval of conversion to a state credit union shall be sub-  
3 mitted to the superintendent in the form prescribed by the  
4 superintendent, together with articles of incorporation and  
5 bylaws as required by section five hundred thirty-three point  
6 one (533.1) of the Code. The superintendent of banking may  
7 cause an examination to be made of any converting federal  
8 credit union and the credit union shall pay to the  
9 superintendent the same examination fee paid for examinations  
10 of state credit unions.

11 2. If the superintendent shall approve the application  
12 of a federal credit union for conversion to a state credit  
13 union, he shall cause the articles of incorporation of the  
14 resulting state credit union to be filed and recorded in the  
15 county in which the credit union has its principal place of  
16 business and shall issue a certificate of authority to the  
17 resulting state credit union to do business under the laws  
18 of this state. The credit union shall then become a state  
19 credit union subject to the laws of this state. The  
20 superintendent shall furnish a copy of the certificate to  
21 the administrator of the national credit union administration.

22 3. The existence of the federal credit union shall continue  
23 and the resulting state credit union shall have all of the  
24 property, rights, powers and duties of the federal credit  
25 union except that the resulting state credit union shall have  
26 only the authority to engage in such business and exercise  
27 such powers and shall be subject to the same prohibitions  
28 and limitations to which it would be subject upon original  
29 organization under this chapter.

30 4. No liability of the federal credit union or of its  
31 members, directors or officers shall be affected, nor shall  
32 any lien on any property of the federal credit union be im-  
33 paired by the conversion. Any claim existing or action pending  
34 by or against the federal credit union may be prosecuted to  
35 judgment as if the conversion had not taken place, or the

1 resulting state credit union may be substituted in its place."

2 EXPLANATION

3 This bill provides for an orderly method of conversion  
4 of state credit union charters to federal credit union charters  
5 and vice versa. The language of this bill is consistent with  
6 the requirements of the National Credit Union Administration  
7 and the Department of Banking.

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