

FILED FEB 18 1971

Committee 2/18/71, Pass 3/8
House " 3/23, Pass 3/25

SENATE FILE **249**

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

Passed Senate, Date 3-12-71 Passed House, Date 3-29-71

Vote: Ayes 59 Nays 0 Vote: Ayes 23 Nays 0

Approved April 15, 1971

A BILL FOR

1 An Act relating to federal share insurance for credit unions.

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

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1 Section 1. Section five hundred thirty-three point four
2 (533.4), Code 1971, is amended by adding the following new
3 subsection:

4 "Apply to the administrator of the national credit union
5 administration for credit union share insurance under Title
6 II of the federal Credit Union Act as amended by Public Law
7 91-468 and take all actions necessary to maintain an insured
8 status thereunder."

9 Sec. 2. Section five hundred thirty-three point six (533.6),
10 subsection two (2), unnumbered paragraph one (1), Code 1971,
11 is amended as follows:

12 The superintendent of banking shall examine, or cause
13 to be examined, each credit union annually. Each credit union
14 and all of its officers and agents shall give to the repre-
15 sentatives of said superintendent free access to all books,
16 papers, securities, records and other sources of information
17 under their control; and for the purposes of such examination
18 said representatives shall have the power to subpoena witnesses,
19 administer oaths, compel the giving of testimony, and require
20 the submission of documents. A report of such examination
21 shall be forwarded to the president of each credit union with-
22 in thirty days after the completion of the examination. With-
23 in thirty days of the receipt of such report, a meeting of
24 the directors shall be called to consider matters contained in
25 the report and the action taken shall be set forth in the
26 minutes of the board. The superintendent may furnish to the
27 administrator or any other official of the national credit
28 union administration any information or report relating to
29 examinations and reports of the status of any state credit
30 union insured by the national credit union administration.

31 Sec. 3. Section five hundred thirty-three point six (533.6),
32 subsection two (2), unnumbered paragraph four (4), Code 1971,
33 is amended as follows:

34 If it shall appear that any credit union is insolvent or
35 that it has violated any of the provisions of this chapter,

1 the superintendent of banking may, after hearing or giving
2 opportunity for a hearing, order such credit union to
3 correct such condition and shall grant it not less than sixty
4 days within which to comply and failure so to do shall afford
5 the said superintendent grounds to revoke the certificate of
6 approval and to apply to the district court of the district
7 in which such credit union is located for the appointment of
8 a receiver to close up the affairs of such credit union for
9 the credit union. The district court shall appoint the
10 superintendent as receiver unless the superintendent has
11 tendered the appointment to the administrator of the national
12 credit union administration. The administrator as receiver
13 shall possess the rights, powers, and privileges granted by
14 state law to a receiver of a state credit union. Neither the
15 superintendent nor the administrator shall be required to
16 furnish bond as receiver of a state credit union.

17 Sec. 4. Chapter five hundred thirty-three (533), Code 1971,
18 is amended by adding the following new section:

19 "1. The superintendent may tender to the administrator of
20 the national credit union administration the appointment as
21 receiver for an insured credit union. If the administrator
22 accepts the appointment as receiver, the rights of the members
23 and other creditors of the insured credit union shall be
24 determined in accordance with the laws of this state.

25 2. The administrator of the national credit union administra-
26 tion as receiver shall possess the powers, rights, and privileges
27 given to the superintendent as provided by law.

28 3. If the administrator of the national credit union
29 administration pays or makes available for payment the insured
30 liabilities of a state credit union, he shall be subrogated by
31 operation of law to all rights of the members against the
32 insured credit union in the same manner and to the same extent
33 as the subrogation of the administrator of the national credit
34 union administration is provided for in applicable laws of the
35 United States in the case of a closed federal credit union."

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EXPLANATION

This bill will allow state chartered credit unions to comply with federal requirements to obtain federal share insurance on member savings. The bill also provides the necessary administrative procedures for implementing the federal share insurance in this state.