

FEB 24 1988

Place On Calendar

HOUSE FILE 2320
BY COMMITTEE ON SMALL
BUSINESS AND COMMERCE

(Formerly House Study Bill 725)

Passed House, Date 2/1/88 (p. 582) Passed Senate, Date 2/1/88 (p. 413)

Vote: Ayes 72 Nays 0 Vote: Ayes 47 Nays 0

Approved April 26, 1988

A BILL FOR

1 An Act relating to credit unions by amending the power to sell,
2 participate in, or discount, or purchase the obligations of
3 certain credit union members; by amending the authorization to
4 appoint credit and auditing committees; and by permitting the
5 superintendent to prescribe by rule the period of preservation
6 of records or files for credit unions.

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

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HF 2320

1 Section 1. Section 533.4, subsection 16, Code Supplement
2 1987, is amended to read as follows:

3 16. Sell, participate in, or discount the obligations of
4 its members with or without recourse. Purchase the
5 obligations of ~~few~~ credit union members, provided the
6 obligations meet the requirements of this chapter.

7 Sec. 2. Section 533.9, Code Supplement 1987, is amended to
8 read as follows:

9 533.9 DIRECTORS AND OFFICERS.

10 Within five days following the organization meeting and
11 each annual meeting the directors shall elect from their own
12 number a chairperson of the board, a vice chairperson, a
13 secretary, and a chief financial officer whose title shall be
14 designated by the board of directors~~7~~. The board shall
15 appoint a credit committee of not less than three members, and
16 an auditing committee of not less than three members, and may
17 also ~~elect~~ appoint alternate members of the credit committee.
18 Only a member of the board of directors or a member of the
19 credit union may be appointed to the credit committee or to
20 the auditing committee. The board may appoint an executive
21 committee to act on its behalf when designated for that
22 purpose. The directors have general management of the affairs
23 of the credit union including, but not limited to, the power
24 to fix the amount of the surety bond which shall be required
25 of all officers and employees handling money.

26 Sec. 3. Section 533.26, Code 1987, is amended by striking
27 the section and inserting in lieu thereof the following:

28 533.26 PRESERVATION OF RECORDS.

29 The superintendent shall prescribe by rule the period of
30 preservation of records or files for credit unions.

31 EXPLANATION

32 This bill alters certain powers and duties of credit unions
33 and the superintendent of credit unions.

34 Section 1 amends the powers of credit unions by permitting
35 two changes. First, a credit union is permitted to sell,

1 participate in, or discount the obligations of its members
2 with or without recourse. Currently, the secondary
3 obligations are limited to obligations without recourse.
4 Second, a credit union is empowered to purchase the
5 obligations of both Iowa and out-of-state credit unions.
6 Currently, only Iowa credit union obligations may be
7 purchased.

8 Section 2 requires the appointment of a credit committee
9 and an auditing committee by the board of directors of a
10 credit union. The section specifies eligibility for the
11 credit and auditing committees. The general management powers
12 of the board of directors is amended to expressly include the
13 power to fix the amount of surety bond which shall be required
14 of all officers and employees handling money.

15 Section 3 strikes the current section requiring
16 recordkeeping for eleven years among other recordkeeping
17 requirements and substitutes the discretion of the
18 superintendent to prescribe by rule the period of preservation
19 of records or files for credit unions.

20 SUCCESSOR TO HSB 725 (LSB 8205HC)

21 COMPANION TO LSB 8015H

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NSB 725

SMALL BUSINESS AND COMMERCE

House Study Bill 725

Small Business and Commerce: Parker, Chair; Hummel, Renken, Sherzan and Skow.

flow
5320

BY (PROPOSED COMMITTEE ON SMALL BUSINESS AND COMMERCE BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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13 secretary, and a chief financial officer whose title shall be
14 designated by the board of directors. The board shall
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16 an auditing committee of not less than three members, and may
17 also elect appoint alternate members of the credit committee.
18 Only a member of the board of directors or a member of the
19 credit union may be appointed to the credit committee or to
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21 committee to act on its behalf when designated for that
22 purpose. The directors have general management of the affairs
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20 COMPANION TO LSB 8015H

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HOUSE FILE 2320

AN ACT

RELATING TO CREDIT UNIONS BY AMENDING THE POWER TO SELL, PARTICIPATE IN, OR DISCOUNT, OR PURCHASE THE OBLIGATIONS OF CERTAIN CREDIT UNION MEMBERS; BY AMENDING THE AUTHORIZATION TO APPOINT CREDIT AND AUDITING COMMITTEES; AND BY PERMITTING THE SUPERINTENDENT TO PRESCRIBE BY RULE THE PERIOD OF PRESERVATION OF RECORDS OR FILES FOR CREDIT UNIONS.

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

Section 1. Section 533.4, subsection 16, Code Supplement 1987, is amended to read as follows:

16. Sell, participate in, or discount the obligations of its members with or without recourse. Purchase the obligations of Iowa credit union members, provided the obligations meet the requirements of this chapter.

Sec. 2. Section 533.9, Code Supplement 1987, is amended to read as follows:

533.9 DIRECTORS AND OFFICERS.

Within five days following the organization meeting and each annual meeting the directors shall elect from their own number a chairperson of the board, a vice chairperson, a secretary, and a chief financial officer whose title shall be designated by the board of directors. The board shall appoint a credit committee of not less than three members, and an auditing committee of not less than three members, and may also elect appoint alternate members of the credit committee. Only a member of the board of directors or a member of the credit union may be appointed to the credit committee or to the auditing committee. The board may appoint an executive committee to act on its behalf when designated for that purpose. The directors have general management of the affairs of the credit union including, but not limited to, the power

to fix the amount of the surety bond which shall be required of all officers and employees handling money.

Sec. 3. Section 533.26, Code 1987, is amended by striking the section and inserting in lieu thereof the following:
533.26 PRESERVATION OF RECORDS.

The superintendent shall prescribe by rule the period of preservation of records or files for credit unions.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2320, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 26, 1988

TERRY E. BRANSTAD
Governor

HF 2320