

# Senate Study Bill 180

## Conference Committee Text

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1 1 Section 1. Section 533.4, subsections 1, 4, 5, and 19,  
1 2 Code 1995, are amended to read as follows:  
1 3 1. Receive

~~the savings of~~  
~~from its members~~

~~either~~

~~nonmembers as prescribed by rule where the credit union is~~  
~~serving predominantly low-income members, other credit unions,~~  
~~and federal, state, county, and city governments, as~~

~~payment~~

1 7 payments on shares or as deposits,

~~including the right to~~

1 8

~~conduct Christmas clubs, vacation clubs, and other such thrift~~

1 9

~~organizations within the membership~~

~~subject to the terms,~~

1 10 rates, and conditions established by the board of directors,

1 11 subject to the limitations established by rule by the

1 12 superintendent.

1 13 4.

~~Deposit~~

~~Make deposits in state and national banks,~~

1 14 state and federal savings banks or savings and loan

1 15 associations, and state and federal credit unions, the

1 16 accounts of which are insured by the federal deposit insurance

1 17 corporation or the national credit union share insurance fund.

1 18 5. Make investments in:

1 19 a. Time deposits in state and national banks

~~and in state~~

1 20

~~banks~~

~~, state and federal savings banks or savings and loan~~

1 21 associations, and state and federal credit unions, the

1 22 deposits of which are insured by the federal deposit insurance

1 23 corporation or the national credit union share insurance fund.

1 24 b. Obligations, participations, or other instruments of or

1 25 issued by, or fully guaranteed as to principal and interest by

1 26 the United States government or any agency thereof; or any

1 27 trust or trusts established for investing directly or

1 28 collectively in the same.

1 29 c. General obligations of the state of Iowa and any

1 30 subdivision

~~thereof~~  
- ~~of the state.~~  
1 31

~~d. Paid up deposits of savings and loan associations, the~~  
-  
1 32

~~deposits of which are insured by the federal savings and loan~~  
-  
1 33

~~insurance corporation.~~  
-  
1 34

~~e.~~  
- d. Purchase of notes of liquidating credit unions with  
1 35 the approval of the superintendent.  
2 1

~~f.~~  
- e. Shares and deposits in other credit unions.  
2 2

~~g.~~  
- f. Shares, stocks, loans, and other obligations or a  
2 3 combination thereof of an organization, corporation, or  
2 4 association, provided the membership or ownership, as the case  
2 5 may be, of the organization, corporation, or association is  
2 6 primarily confined or restricted to credit unions or  
2 7 organizations of credit unions and provided that the purpose  
2 8 of the organization, corporation, or association is primarily  
2 9 designed to provide services to credit unions, organizations  
2 10 of credit unions, or credit union members. However, the  
2 11 aggregate amount invested pursuant to this subsection shall  
2 12 not exceed five percent of the assets of the credit union.  
2 13

~~h.~~  
- g. Obligations issued by federal land banks, federal  
2 14 intermediate credit banks, banks for cooperatives, or any or  
2 15 all of the federal farm credit banks.  
2 16

~~i.~~  
- h. Commercial paper issued by United States  
2 17 corporations as defined by rule.  
2 18

~~j.~~  
- i. Corporate bonds as defined by and subject to terms  
2 19 and conditions imposed by the administrator, provided that the  
2 20 administrator shall not approve investment in corporate bonds  
2 21 unless the bonds are rated in the two highest grades of  
2 22 corporate bonds by a nationally accepted rating agency,  
2 23 including but not limited to a rating of AAA or AA from  
2 24 Standard and Poors.  
2 25 19. Establish one or more offices other than its main  
2 26 office, subject to the approval and regulation of the  
2 27 superintendent, if such offices

~~shall be~~  
- are reasonably  
2 28 necessary to furnish service to its membership. A credit

2 29 union office may furnish all credit union services ordinarily  
2 30 furnished to the membership at the principal place of business  
2 31 of the credit union which operates the office. All  
2 32 transactions of a credit union office shall be transmitted  
2 33 daily to the principal place of business of the credit union  
2 34 which operates the office, and

~~no~~

- current recordkeeping

2 35 functions shall not be maintained at a credit union office  
3 1 except to the extent the credit union which operates the  
3 2 office deems it desirable to keep at the office duplicates of  
3 3 the records kept at the principal place of business of the  
3 4 credit union. The central executive and official business  
3 5 functions of a credit union shall be exercised only at the  
3 6 principal place of business.

3 7 A credit union office shall not be opened without the prior  
3 8 written approval of the superintendent. Upon application by a  
3 9 credit union in the form prescribed by the superintendent, the  
3 10 superintendent shall determine, after notice and hearing, if  
3 11 the establishment of the credit union office is reasonably  
3 12 necessary for service to, and is in the best interests of, the  
3 13 members of the credit union.

3 14 Notwithstanding the provisions of this section, data  
3 15 processing services and loan documentation recordkeeping  
3 16 functions may be performed or located at an authorized credit  
3 17 union office or at some other location, subject to the  
3 18 approval of the superintendent.

3 19 Sec. 2. Section [533.16](#), subsection 3, Code 1995, is  
3 20 amended to read as follows:

3 21 3. A director of a credit union may borrow from that  
3 22 credit union under the provisions of this chapter, but the  
3 23 rates, terms, and conditions of a loan or line of credit  
3 24 either made to or endorsed or guaranteed by the director shall  
3 25 not be

~~made on terms~~

- more favorable than

~~those extended~~

- the

3 26 rates, terms, or conditions of comparable loans or lines of  
3 27 credit provided to other members.

~~A director of a credit~~

-

3 28

~~union may borrow from that credit union to the extent and in~~

-

3 29

~~the amount of such director's holdings in the credit union in~~

-

3 30

~~shares and deposits. A director desiring to borrow from the~~

-

3 31

~~credit union an amount in excess of the director's holdings in~~

-

3 32

~~shares and deposits shall first submit application for~~

-

3 33

~~approval by the board of directors at a regular or special~~

3 34

~~meeting. The director making application for the loan shall~~

3 35

~~not be in attendance at the time the board of directors~~

4 1

~~considers the application and shall not take part in the~~

4 2

~~consideration. Prior to consideration of such loan, the~~

4 3

~~director must have submitted to the board a detailed current~~

4 4

~~financial statement.~~

- The aggregate amount of all director

4 5 loans and lines of credit shall not exceed

~~twenty~~

- twenty-five

4 6 percent of the assets of the credit union.

4 7 Sec. 3. Section 533.16, subsection 4, paragraph c, Code

4 8 1995, is amended by striking the paragraph and inserting in

4 9 lieu thereof the following:

4 10 c. A credit union which obtains a report or opinion by an

4 11 attorney or from another mortgage lender relating to defects

4 12 in or liens or encumbrances on the title to real property, the

4 13 unmarketability of the title to real property, or the in-

4 14 validity or unenforceability of liens or encumbrances on real

4 15 property, shall provide a copy of the report or opinion to the

4 16 mortgagor and the mortgagor's attorney.

4 17 Sec. 4. Section 533.17, subsection 1, unnumbered paragraph

4 18 1, Code 1995, is amended to read as follows:

4 19

~~Immediately before the payment of a dividend~~

- At the end of

4 20 each dividend period, but no less than quarterly, the gross

4 21 income of the credit union shall

~~determine its gross earnings~~

4 22 be determined. A legal reserve

~~for contingencies~~

- against

4 23 losses on loans and against such other losses as may be

4 24 specified by rule shall be set aside from the gross

~~earnings~~

4 25 income in accordance with the following schedule:

4 26 Sec. 5. Section 533.17, subsection 2, Code 1995, is

4 27 amended to read as follows:

4 28 2. For the purpose of establishing legal reserves, the

4 29 following shall not be considered risk assets:

- 4 30 a. Cash on hand.
- 4 31 b. Deposits and shares in

~~— federal or state~~  
~~— federally~~

- 4 32 insured banks, savings and loan associations, and credit
- 4 33 unions.
- 4 34 c. Assets which are insured by, fully guaranteed as to
- 4 35 principal and interest by, or due from the United States
- 5 1 government, its agencies, and instrumentalities.
- 5 2 d. Loans to other credit unions.
- 5 3 e. Student loans insured under the provisions of Title XX,
- 5 4 United States Code, section 1071 to section 1087 or similar
- 5 5 state programs.
- 5 6 f. Loans insured by the federal housing administration
- 5 7 under Title XII, United States Code, section 1703.
- 5 8 g. Loans fully insured or guaranteed by the federal
- 5 9 government, a state government, or any agency of either.
- 5 10

~~— g.~~

- h. Common trust investments which deal in investments
- 5 11 authorized in section 533.4.
- 5 12

~~— h.~~

- i. Prepaid expenses.
- 5 13

~~— i.~~

- j. Accrued interest on nonrisk investments.
- 5 14

~~— j.~~

- k. Furniture and equipment.
- 5 15

~~— k.~~

- l. Land and buildings.
- 5 16 m. Loans fully secured by a pledge of shares within the
- 5 17 credit union.
- 5 18 n. Deposits in the national credit union share insurance
- 5 19 fund.
- 5 20 o. Real estate loans in transit to the secondary market as
- 5 21 specified by rule.
- 5 22 Sec. 6. Section [533.18](#), Code 1995, is amended to read as
- 5 23 follows:
- 5 24 533.18 DIVIDENDS.
- 5 25

~~— l.~~

- At such intervals and for such periods as the board of
- 5 26 directors may authorize, and after

~~— transfers to the~~  
~~— provision~~

- 5 27 for required reserves pursuant to section 533.17, the board of
- 5 28 directors may declare dividends at such rates and upon such
- 5 29 classes of shares as are determined by the board. Such
- 5 30 dividends shall be paid on all paid-up shares outstanding at
- 5 31 the close of the period for which the dividend is declared.
- 5 32

~~— 2. Shares which become fully paid up during such dividend~~

~~period and are outstanding at the close of period shall be~~

5 34

~~entitled to a proportional share of such dividend.~~

5 35

~~3. Dividend credit for a month may be accrued on shares~~

6 1

~~which are or become fully paid up during the first fifteen~~

6 2

~~days of that month.~~

6 3

Sec. 7. NEW SECTION. 533.49 AUTHORITY TO LEASE SAFE

6 4 DEPOSIT BOXES.

6 5 1. A credit union may lease safe deposit boxes for the  
6 6 storage of property on terms and conditions prescribed by it.  
6 7 Such terms and conditions shall not bind any person to whom  
6 8 the credit union does not give notice of the terms and condi-  
6 9 tions by delivery of a lease and agreement in writing contain-  
6 10 ing the terms and conditions. A credit union may limit its  
6 11 liability provided such limitations are set forth in the lease  
6 12 and agreement in at least the same size and type as the other  
6 13 substantive provisions of the contract.

6 14 2. The lease and agreement of a safe deposit box may  
6 15 provide that evidence tending to prove that property was left  
6 16 in a safe deposit box upon the last entry by the member or the  
6 17 member's authorized agent, and that the property or any part  
6 18 of the property was found missing upon subsequent entry, is  
6 19 not sufficient to raise a presumption that the property was  
6 20 lost by any negligence or wrongdoing for which the credit  
6 21 union is responsible, or put upon the credit union the burden  
6 22 of proof that the alleged loss was not the fault of the credit  
6 23 union.

6 24 3. A credit union may lease a safe deposit box to a minor.  
6 25 A credit union may deal with a minor with respect to a safe  
6 26 deposit lease and agreement without the consent of a parent,  
6 27 guardian, or conservator and with the same effect as though  
6 28 the minor were an adult. Any action of the minor with respect  
6 29 to such safe deposit lease and agreement is binding on the  
6 30 minor with the same effect as though the minor were an adult.

6 31 4. A credit union which has on file a power of attorney of  
6 32 a member covering a safe deposit lease and agreement, which  
6 33 has not been revoked by the member, shall incur no liability  
6 34 as a result of continuing to honor the provisions of the power  
6 35 of attorney in the event of the death or incompetence of the  
7 1 donor of the power of attorney until the credit union receives  
7 2 written notice of the death, or written notice of adjudication  
7 3 by a court of the incompetence of the member and the  
7 4 appointment of a guardian or conservator.

7 5 Sec. 8. NEW SECTION. 533.49A SEARCH PROCEDURE ON DEATH.

7 6 A credit union shall permit the person named in a court  
7 7 order or, if no order has been served upon the credit union,  
7 8 the spouse, a parent, an adult descendant, or a person named  
7 9 as executor in a copy of a purported will produced by the  
7 10 person, to open and examine the contents of a safe deposit box  
7 11 leased by a decedent, or to examine any property delivered by  
7 12 a decedent for safekeeping, in the presence of an officer of  
7 13 the credit union. The credit union, if requested by such  
7 14 person, and upon the credit union's receipt of the request,

7 15 shall deliver:

7 16 1. Any writing purported to be a will of the decedent to  
7 17 the court having jurisdiction of the decedent's estate.

7 18 2. Any writing purported to be a deed to a burial plot, or  
7 19 to give burial instructions, to the person making the request  
7 20 for a search.

7 21 3. Any document purported to be an insurance policy on the  
7 22 life of the decedent to the beneficiary named in the policy.  
7 23 A credit union shall prepare and keep a list of any contents  
7 24 delivered pursuant to this section describing the nature of  
7 25 the property and the individual to whom delivered, and place a  
7 26 copy of the list in the safe deposit box from which the con-  
7 27 tents were removed.

7 28 Sec. 9. NEW SECTION. 533.49B ADVERSE CLAIMS TO PROPERTY  
7 29 IN SAFE DEPOSIT AND SAFEKEEPING.

7 30 1. A credit union shall not be required, in the absence of  
7 31 a court order or indemnity required by this section, to  
7 32 recognize any claim to, or claim of authority to exercise  
7 33 control over, property held in safe deposit or property held  
7 34 for safekeeping pursuant to section 533.49D made by a person  
7 35 or persons other than the following:

8 1 a. The member in whose name the property is held by the  
8 2 credit union.

8 3 b. An individual or group of individuals who are  
8 4 authorized to have access to the safe deposit box, or to the  
8 5 property held for safekeeping, pursuant to a certified  
8 6 corporate resolution or other written arrangement with the  
8 7 member, currently on file with the credit union, which has not  
8 8 been revoked by valid corporate action in the case of a  
8 9 corporation, or by a valid agreement or other valid action  
8 10 appropriate for the form of legal organization of any other  
8 11 member, of which the credit union has received notice and  
8 12 which is not the subject of a dispute known to the credit  
8 13 union as to its original validity. The safe deposit and  
8 14 safekeeping account records of a credit union shall be  
8 15 presumptive evidence as to the identity of the member on whose  
8 16 behalf the property is held.

8 17 2. To require a credit union to recognize an adverse claim  
8 18 to, or adverse claim of authority to control, property held in  
8 19 safe deposit or for safekeeping, whoever makes the claim must  
8 20 do either of the following:

8 21 a. Obtain and serve on the credit union an appropriate  
8 22 court order or judicial process directed to the credit union,  
8 23 restraining any action with respect to the property until  
8 24 further order of the court or instructing the credit union to  
8 25 deliver the property, in whole or in part, as indicated in the  
8 26 order or process.

8 27 b. Deliver to the credit union a bond, in form and amount  
8 28 with sureties satisfactory to the credit union, indemnifying  
8 29 the credit union against any liability, loss, or expense which  
8 30 the credit union might incur because of its refusal to deliver  
8 31 the property to any person described in subsection 1,  
8 32 paragraph "a" or "b".

8 33 Sec. 10. NEW SECTION. 533.49C REMEDIES AND PROCEEDINGS  
8 34 FOR NONPAYMENT OF RENT ON SAFE DEPOSIT BOX.

8 35 1. A credit union has a lien upon the contents of a safe  
9 1 deposit box for past due rentals and any expense incurred in  
9 2 opening the safe deposit box, replacement of the locks on the  
9 3 safe deposit box, and of a sale made pursuant to this section.  
9 4 If the rental of a safe deposit box is not paid within six  
9 5 months from the day the rental is due, at any time after the  
9 6 six months and while the rental remains unpaid, the credit  
9 7 union shall mail a notice by restricted certified mail to the  
9 8 member at the member's last known address as shown upon the  
9 9 records of the credit union, stating that if the amount due  
9 10 for the rental is not paid on or before a specified day, which  
9 11 shall be at least thirty days after the date of mailing such

9 12 notice, the credit union will remove the contents of the safe  
9 13 deposit box and hold the contents for the account of the  
9 14 member.

9 15 2. If the rental for the safe deposit box has not been  
9 16 paid after the expiration of the period specified in a notice  
9 17 mailed pursuant to subsection 1, the credit union, in the  
9 18 presence of two of its officers, may cause the box to be  
9 19 opened and the contents removed. An inventory of the contents  
9 20 of the safe deposit box shall be made by the two officers  
9 21 present and the contents held by the credit union for the  
9 22 account of the member.

9 23 3. If the contents are not claimed within two years after  
9 24 their removal from the safe deposit box, the credit union may  
9 25 proceed to sell so much of the contents as is necessary to pay  
9 26 the past due rentals and expense incurred in opening the safe  
9 27 deposit box, replacement of the locks on the safe deposit box,  
9 28 and the sale of the contents. The sale shall be held at the  
9 29 time and place specified in a notice published prior to the  
9 30 sale once each week for two successive weeks in a newspaper of  
9 31 general circulation published in the city or unincorporated  
9 32 area in which the credit union has its principal place of  
9 33 business, or if there is none, a newspaper of general circu-  
9 34 lation published in the county, or in a county adjoining the  
9 35 county, in which the credit union has its principal place of  
10 1 business. A copy of the published notice shall be mailed to  
10 2 the member at the member's last known address as shown upon  
10 3 the records of the credit union. The notice shall contain the  
10 4 name of the member and need only describe the contents of the  
10 5 safe deposit box in general terms. The contents of any number  
10 6 of safe deposit boxes may be sold under one notice of sale and  
10 7 the cost of the sale apportioned ratably among the several  
10 8 safe deposit box members involved. At the time and place  
10 9 designated in the notice the contents taken from each  
10 10 respective safe deposit box shall be sold separately to the  
10 11 highest bidder for cash and the proceeds of each sale applied  
10 12 to the rentals and expenses due to the credit union and the  
10 13 residue from any such sale shall be held by the credit union  
10 14 for the account of the member or members. An amount held as  
10 15 proceeds from such sale shall be credited with interest at the  
10 16 customary annual rate for savings accounts at the credit  
10 17 union, or in lieu thereof, at the customary rate of interest  
10 18 in the community where such proceeds are held. The crediting  
10 19 of interest does not activate the account to avoid an  
10 20 abandonment as unclaimed property under chapter 556.

10 21 4. Notwithstanding the provisions of this section, shares,  
10 22 bonds, or other securities which, at the time of a sale pur-  
10 23 suant to subsection 3, are listed on an established stock ex-  
10 24 change in the United States, shall not be sold at public sale  
10 25 but may be sold through an established stock exchange. Upon  
10 26 making a sale of any such securities, an officer of the credit  
10 27 union shall execute and attach to the securities so sold an  
10 28 affidavit reciting facts showing that the securities were sold  
10 29 pursuant to this section and that the credit union has  
10 30 complied with the provisions of this section. The affidavit  
10 31 constitutes sufficient authority to any corporation whose  
10 32 shares are sold or to any registrar or transfer agent of such  
10 33 corporation to cancel the certificates representing the shares  
10 34 to the purchaser of the shares, and to any registrar, trustee,  
10 35 or transfer agent of registered bonds or other securities, to  
11 1 register any such bonds or other securities in the name of the  
11 2 purchaser of the bonds or other securities.

11 3 5. The proceeds of any sale made pursuant to this section,  
11 4 after the payment of any amounts with respect to which the  
11 5 credit union has a lien, any property which was not offered  
11 6 for sale and property which, although offered for sale, was  
11 7 not sold, shall be retained by the credit union until such  
11 8 time as the property is presumed abandoned according to

11 9 section 556.2, and shall be handled pursuant to chapter 556.

11 10 Sec. 11. NEW SECTION. 533.49D AUTHORITY TO RECEIVE

11 11 PROPERTY FOR SAFEKEEPING.

11 12 1. A credit union may accept property for safekeeping if,  
11 13 except in the case of night depositories, the credit union  
11 14 issues a receipt for the property. A credit union accepting  
11 15 property for safekeeping shall purchase and maintain  
11 16 reasonable insurance coverage to ensure against loss incurred  
11 17 in connection with the acceptance of property for safekeeping.  
11 18 Property held for safekeeping shall not be commingled with the  
11 19 property of the credit union or the property of others.

11 20 2. A credit union has a lien upon any property held for  
11 21 safekeeping and for expenses incurred in any sale made  
11 22 pursuant to this subsection. If the charge for safekeeping of  
11 23 property is not paid within six months from the day the charge  
11 24 is due, at any time after the six months and while the charge  
11 25 remains unpaid, the credit union may mail a notice to the  
11 26 member at the member's last known address as shown upon the  
11 27 records of the credit union, stating that if the amount due is  
11 28 not paid on or before a specified day, which shall be at least  
11 29 thirty days after the date of mailing the notice, the credit  
11 30 union will remove the property from safekeeping and hold the  
11 31 property for the account of the member. After the expiration  
11 32 of the period specified in the notice, if the charge for  
11 33 safekeeping has not been paid, the credit union may remove the  
11 34 property from safekeeping, cause the property to be  
11 35 inventoried, and hold the property for the account of the  
12 1 member. If the property is not claimed within two years after  
12 2 its removal from safekeeping the credit union may proceed to  
12 3 sell so much of the property as is necessary to pay the charge  
12 4 which remains unpaid and the expense incurred in making the  
12 5 sale in the manner provided for in section 533.49C,  
12 6 subsections 3 and 4. The proceeds of any sale made pursuant  
12 7 to this section, after payment of any amounts with respect to  
12 8 which the credit union has a lien, any property which was not  
12 9 offered for sale, and property which, although offered for  
12 10 sale, was not sold, shall be retained by the credit union  
12 11 until such time as the property is presumed abandoned  
12 12 according to section 556.2, and shall be handled pursuant to  
12 13 chapter 556.

12 14 Sec. 12. Section 533.62, subsection 4, Code 1995, is  
12 15 amended by striking the subsection and inserting in lieu  
12 16 thereof the following:

12 17 4. a. A loan of money or property shall not be made  
12 18 directly or indirectly by a state-chartered credit union, or  
12 19 by its officers, directors, or employees, to the  
12 20 superintendent, deputy, or employee of the credit union  
12 21 division. The superintendent, deputy, or employee of the  
12 22 credit union division shall not accept from a state-chartered  
12 23 credit union, or its officers, directors, or employees, a loan  
12 24 of money or property, either directly or indirectly.

12 25 b. The superintendent, deputy, or employee of the credit  
12 26 union division shall not perform any services for or be an  
12 27 officer, director, or employee of a state-chartered credit  
12 28 union.

12 29 c. A person who willfully undertakes to establish a  
12 30 business dealing contrary to this section commits a serious  
12 31 misdemeanor, and shall be permanently disqualified from acting  
12 32 as an officer, director, or employee of a state-chartered  
12 33 credit union and permanently disqualified from acting as  
12 34 superintendent, deputy, or employee of the credit union  
12 35 division.

13 1 d. The superintendent, deputy, or employee of the credit  
13 2 union division who is convicted of theft, burglary, robbery,  
13 3 larceny, or embezzlement as a result of a violation of the  
13 4 laws of any state or of the United States while holding such  
13 5 position shall be immediately disqualified from employment and

13 6 shall be forever disqualified from holding any position in the  
13 7 credit union division.

13 8 EXPLANATION

13 9 This bill amends provisions of chapter 533 relating to the  
13 10 regulation of credit unions.

13 11 Section 533.4 is amended to permit a credit union to  
13 12 receive payments on shares and deposits from nonmembers as  
13 13 prescribed by rule of the superintendent where the credit  
13 14 union is serving predominately low-income members, other  
13 15 credit unions, and federal, state, county, and city  
13 16 governments, in addition to payments from its members. The  
13 17 bill authorizes credit unions to make deposits in state and  
13 18 federal savings banks and savings and loan associations, and  
13 19 state and federal credit unions which are insured by the  
13 20 federal deposit insurance corporation or the national credit  
13 21 union share insurance fund. The bill provides that data  
13 22 processing services and loan documentation recordkeeping  
13 23 functions may be performed at an authorized office or other  
13 24 location, subject to the approval of the superintendent.

13 25 Section 533.16 is amended to provide that the rates, terms,  
13 26 and conditions of a loan or line of credit to a director shall  
13 27 not be more favorable than the rates, terms, or conditions of  
13 28 comparable loans or lines of credit to the other members of  
13 29 the credit union. The bill increases the limit on the  
13 30 aggregate amount of all loans and lines of credit to directors  
13 31 from 20 to 25 percent of the assets of the credit union. The  
13 32 section is also amended to provide that a credit union which  
13 33 obtains a report or opinion by an attorney of another mortgage  
13 34 lender relating to defects in the title to real property is to  
13 35 provide a copy of the report or opinion to the mortgagor and  
14 1 the mortgagor's attorney.

14 2 Section 533.17 is amended to provide that at the end of  
14 3 each dividend period, but no less than quarterly, the gross  
14 4 income of a credit union is to be determined and an amount set  
14 5 aside as a legal reserve against losses on loans and other  
14 6 losses as specified by rule. The section is also amended to  
14 7 list certain other assets of the credit union which are not to  
14 8 be considered risk assets for purposes of determining the  
14 9 amount of the required reserves.

14 10 Section 533.18 is amended to strike language which provides  
14 11 that shares which become fully payable during a dividend  
14 12 period and are outstanding at the close of the period are  
14 13 entitled to a proportional share of the dividend, and that  
14 14 dividend credit for a month may be accrued on shares which are  
14 15 or become fully paid up during the first fifteen days of that  
14 16 month.

14 17 New section 533.49 authorizes the credit union to lease  
14 18 safe deposit boxes similar to the authority of banks.

14 19 New section 533.49A establishes a procedure for searching a  
14 20 safe deposit box of a person who has died similar to the  
14 21 procedure established for banks.

14 22 New section 533.49B establishes a procedure for recognizing  
14 23 an adverse claim to property held in a safe deposit box or  
14 24 property held for safekeeping which is similar to the  
14 25 procedure established for banks.

14 26 New section 533.49C establishes the remedies available to a  
14 27 credit union for nonpayment of rent on a safe deposit box.  
14 28 These remedies are similar to those provided for banks.

14 29 New section 533.49D authorizes a credit union to accept  
14 30 property for safekeeping which is similar to the authority  
14 31 granted to state banks.

14 32 Section 533.62 is amended to define the business  
14 33 relationship which can exist between a state-chartered credit  
14 34 union and the superintendent, deputy, or other employee of the  
14 35 credit union division. This language is similar to that  
15 1 applicable to the banking division.

15 2 LSB 1657XC 76

