

CHAPTER 248

DISSOLUTION OF CREDIT UNIONS

S. F. 209

AN ACT relating to dissolution of credit unions.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Chapter five hundred thirty-three point twenty
2 (533.20), Code 1971, is amended by striking the section and inserting
3 in lieu thereof the following:

4 **533.20 Voluntary dissolution.** The process of voluntary dissolution
5 shall be as follows:

6 1. At a special meeting called for the purpose, notice of which pur-
7 pose must be contained in the call, a credit union may dissolve upon
8 the affirmative vote of a majority of its members eligible to vote at
9 the special meeting. Any member eligible to vote and not present at
10 the meeting may, within twenty days after the date on which the
11 meeting was held, vote in favor of dissolution by signing a statement
12 in the form approved by the superintendent of banking and the vote
13 shall have the same force and effect as if cast at the meeting.

14 2. The credit union shall cease to do business except for the pur-
15 poses of liquidation immediately upon the giving of notice of the spe-
16 cial meeting of the members to vote on dissolution and the board
17 of directors shall immediately notify the superintendent of banking
18 of the intention of the credit union to dissolve. The credit union
19 shall not resume business unless the dissolution fails to receive the
20 required vote of the members or the members shall have revoked prior
21 affirmative action to dissolve as provided for in subsection four (4) of
22 this section.

23 3. The board of directors shall have power to terminate and settle
24 the affairs of a credit union in voluntary dissolution. The credit union
25 shall continue in existence for the purpose of discharging its liabili-
26 ties, collecting and distributing its assets, and doing all acts required
27 in order to terminate its affairs. The credit union may sue and be
28 sued for the purpose of enforcing such liabilities and collecting its
29 assets until its affairs are fully settled. During the course of disso-
30 lution proceedings, the credit union shall make such reports and shall
31 be subject to such examinations as the superintendent of banking
32 may require. If at any time, after affirmative vote of a majority of
33 the members of a credit union to dissolve the credit union, the super-
34 intendent of banking finds that the credit union is not making rea-
35 sonable progress toward terminating its affairs or that the credit
36 union is insolvent, he may apply to the district court for a receiver
37 to be appointed to terminate the affairs of the credit union.

38 4. A credit union may, at any time prior to any distribution of its
39 assets, revoke voluntary dissolution proceedings upon the affirmative
40 vote of a majority of its members eligible to vote at a special meeting
41 called for that purpose in the manner prescribed by the bylaws. The
42 board of directors shall immediately notify the superintendent of
43 banking of any such action to revoke voluntary dissolution proceed-
44 ings.

45 5. Upon such proof as is satisfactory to the superintendent of bank-
46 ing that all assets have been liquidated from which there is a rea-

47 sonable expectance of realization that the liabilities of the credit
48 union have been discharged and distribution made to its members,
49 and that the liquidation has been completed, the superintendent of
50 banking shall issue a certificate of dissolution, which shall be filed
51 and recorded in the county in which the credit union has its principal
52 place of business and in the county in which its original articles of
53 incorporation were filed and recorded. Upon the issuance of a cer-
54 tificate of dissolution, the existence of the credit union shall cease.

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

3 1. **"Involuntary dissolution.**

4 1. In all situations in which the superintendent has been appointed
5 as receiver as provided in section five hundred thirty-three point six
6 (533.6) and section five hundred thirty-three point twenty (533.20)
7 of the Code, he shall make a diligent effort to collect and realize on
8 the assets of the credit union, and make distribution of the proceeds
9 from time to time to those entitled thereto in the order provided for
10 by law. The superintendent may execute assignments, releases, and
11 satisfactions to effectuate sales and transfers as receiver or after
12 the receivership has terminated. Upon the order of the court in
13 which the receivership is pending, the superintendent may sell or
14 compound all bad or doubtful debts, and, on a like order, may sell all
15 the real and personal property of the credit union, on such terms as
16 the court shall direct.

17 2. All expenses of the receivership and dissolution shall be fixed
18 by the superintendent, subject to the approval of the district court,
19 and shall be paid out of the assets of the credit union.

20 3. At the termination of the receivership, the superintendent
21 shall file his final report containing the details of his actions therein,
22 together with such additional facts as the court may require.

23 4. Upon the submission and approval of the final report, the court
24 shall enter a decree dissolving the credit union, at which time the
25 existence of the credit union shall cease. It shall be the duty of
26 the clerk of court to cause certified copies of the decree to be filed
27 with and recorded by the county recorder of the county in which the
28 credit union has its principal place of business and by the county
29 recorder of the county in which its original articles of incorporation
30 were filed and recorded. No fee shall be charged by the county re-
31 corder for the filing or recording of the decree."

32 2. **"Dissolution generally.** The following shall apply to dissolution
33 of a credit union under this chapter, whether voluntary or involuntary:

34 1. Distribution of the assets of the credit union shall be made in
35 the following order:

36 a. The payment of costs and expense of the administrator of dis-
37 solution.

38 b. The payment of claims which are given priority by applicable
39 statutes and, if the assets are insufficient for the payment in full of
40 all such claims, in the order provided by such statutes or, in the
41 absence of contrary provisions, pro rata.

42 c. The payment of deposits, including accrued interest, up to the
43 date of the special meeting of the members at which voluntary dis-
44 solution was authorized or in the case of involuntary dissolution, the

45 date of appointment of a receiver.

46 d. The pro rate apportionment of the balance among the members
47 of record on the date of the special meeting of the members at which
48 voluntary dissolution was authorized or in the case of involuntary
49 dissolution, the members of record on the date of appointment of a
50 receiver.

51 2. All amounts due to members who are unknown, or who are
52 under a disability and there is no person legally competent to receive
53 such amounts, or who cannot be found after the exercise of reasonable
54 diligence shall be transmitted to the treasurer of state who shall hold
55 such amounts in the manner prescribed by chapter five hundred fifty-
56 six (556) of the Code. All amounts due to creditors as described in
57 section four hundred ninety-six A point one hundred one (496A.101)
58 of the Code shall be transmitted to the treasurer of state in accord-
59 ance with the provisions of that section and shall be retained by the
60 treasurer of state and subject to claim as provided for in that section.

61 3. The superintendent of banking shall assume custody of the rec-
62 ords of a credit union dissolved pursuant to this chapter and shall
63 retain them in accordance with the provisions of section five hundred
64 thirty-three point twenty-four (533.24) of the Code. The superin-
65 tendent may cause film, photographic, photostatic, or other copies of
66 such records to be made and retain such copies in lieu of the original
67 records.

68 4. The dissolution of a credit union shall not remove or impair any
69 remedy available to or against such credit union, its directors, officers,
70 or members for any right or claim existing or any liability incurred
71 prior to such dissolution if an action or other proceeding to en-
72 force the right or claim is commenced within two years after the date
73 of filing of a certificate or decree of dissolution with the county re-
74 corder in the county in which the credit union has its principal place of
75 business. Any such action or proceeding by or against the credit
76 union may be prosecuted or defended by the credit union in its cor-
77 porate name. The members, directors, and officers shall have power
78 to take such corporate or other action as shall be appropriate to pro-
79 tect such remedy, right, or claim."

Approved April 15, 1971.

CHAPTER 249

CREDIT UNION CHARTERS

S. F. 210

AN ACT relating to the conversion of credit union charters.

Be It Enacted by the General Assembly of the State of Iowa:

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

3 1. "Conversion of state credit union into federal credit union.

4 1. A state credit union may convert into a federal credit union upon
5 the affirmative vote of a majority of its members eligible to vote,
6 at a special meeting called for that purpose in the manner prescribed