

**533.301 Powers.**

A state credit union shall have the power to do all of the following:

1. Receive payments for ownership shares, for other shares, or as deposits from any or all of the following:

a. Members of the state credit union.

b. Nonmembers as prescribed by rule where the state credit union is serving predominantly low-income members. Rules adopted allowing nonmember deposits in state credit unions serving predominantly low-income members shall be designed solely to meet the needs of the low-income members.

c. Other credit unions.

d. Federal, state, county, and city governments.

2. Make loans or leases to members.

3. Make loans to a cooperative society or other organization having membership in the state credit union.

4. Make deposits in state and national banks, federal savings banks or savings and loan associations, and state and federal credit unions, the accounts of which are insured by the federal deposit insurance corporation or the national credit union share insurance fund.

5. Make investments in any or all of the following:

a. Time deposits in state and national banks, federal savings banks or savings and loan associations, and state and federal credit unions, the deposits of which are insured by the federal deposit insurance corporation or the national credit union share insurance fund.

b. Obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by the United States government or any agency of the United States government, or any trust or trusts established for investing directly or collectively in the United States government or any agency of the United States government.

c. General obligations of this state and any subdivision of this state.

d. Purchase of notes of liquidating credit unions with the approval of the superintendent.

e. Shares and deposits in other credit unions.

f. Shares, stocks, loans, and other obligations or a combination of shares, stocks, loans, and other obligations of a credit union service organization, corporation, or association, provided the membership or ownership, as the case may be, of the credit union service organization, corporation, or association is primarily confined or restricted to credit unions or organizations of credit unions, and provided that the purpose of the credit union service organization, corporation, or association is primarily designed to provide services to credit unions, organizations of credit unions, or credit union members. However, the aggregate amount invested pursuant to this paragraph shall not exceed five percent of the assets of the credit union.

g. Obligations issued by federal land banks, federal intermediate credit banks, banks for cooperatives, or any of the federal farm credit banks.

h. Commercial paper issued by United States corporations as defined by rule.

i. Corporate bonds as defined by and subject to terms and conditions imposed by the superintendent, provided that the superintendent shall not approve investment in corporate bonds unless the bonds are investment grade. For purposes of this paragraph, “*investment grade*” means the issuer of a security has an adequate capacity to meet the financial commitments under the security for the projected life of the asset or exposure, even under adverse economic conditions. An issuer has an adequate capacity to meet the financial commitments if the risk of default by the obligor is low and the full and timely repayment of principal and interest on the security is expected. A state credit union may consider any or all of the following nonexhaustive or nonmutually exclusive factors, to the extent appropriate, with respect to the credit risk of a security:

(1) Credit spreads.

(2) Securities-related research.

(3) Internal or external credit risk assessments.

(4) Default statistics.

(5) Inclusion on an index.

- (6) Priorities and enhancements.
- (7) Price, yield, or volume.
- (8) Asset class-specific factors.
- j. Any permissible investment for federal credit unions, provided that this paragraph shall not permit a credit union to invest in a credit union service organization except as provided in paragraph “f”.
  6. Borrow money as provided in [this chapter](#).
  7. Assess penalties as may be provided by the bylaws.
  8. Sue and be sued.
  9. Make contracts.
  10. Purchase, hold, and dispose of property necessary and incidental to its operation, except that any property acquired through foreclosure shall be disposed of within a period not to exceed ten years.
  11. Exercise such incidental powers as may be necessary or requisite to enable the state credit union to carry on the business effectively for which it is incorporated.
  12. Apply for share account and deposit account insurance that meets the requirements of [this chapter](#), and take all actions necessary to maintain an insured status.
  13. Serve a group of persons having an insufficient number of members to form or conduct the affairs of a separate credit union, upon the approval of the superintendent. The existence of a common bond relationship between the group and the credit union affecting that service shall not be required.
  14. Deposit with a credit union that has been in existence for not more than a year, an amount not to exceed twenty-five percent of the assets of the new credit union, but only one credit union may, at any time, make such a deposit.
  15. Acquire the conditional sales contracts, promissory notes, or other similar instruments executed by its members, but the rate of interest existing on the instruments shall not exceed the highest rate charged by the acquiring credit union on its outstanding loans.
  16.
    - a. Sell, participate in, or discount the obligations of its members with or without recourse.
    - b. Purchase the obligations of credit union members, provided the obligations meet the requirements of [this chapter](#).
  17. Acquire and hold shares in a corporation engaged in providing and operating facilities through which a credit union and its members may engage, by means of either the direct transmission of electronic impulses to and from the credit union or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the credit union, in transactions in which such credit union is otherwise permitted to engage pursuant to applicable law, subject to the prior approval of the superintendent.
  18. Engage in any transaction otherwise permitted by [this chapter](#) and applicable law, by means of either the direct transmission of electronic impulses to or from the state credit union or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the state credit union.
    - a. Subject to the provisions of [chapter 527](#), a state credit union may utilize, establish, or operate, alone or with one or more other credit unions, banks incorporated under [chapter 524](#) or federal law, savings and loan associations incorporated under federal law, corporations licensed under [chapter 536A](#), or third parties, the satellite terminals permitted under [chapter 527](#), by means of which the state credit union may transmit to or receive from any member electronic impulses constituting transactions pursuant to [this subsection](#). However, such utilization, establishment, or operation shall be lawful only when in compliance with [chapter 527](#).
    - b. [This subsection](#) shall not be construed as authority for any person to engage in transactions not otherwise permitted by applicable law, and shall not be deemed to repeal, replace, or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any credit union.
  19. Establish one or more state credit union offices other than its main office.
    - a. A state credit union may furnish at any of its offices all credit union services ordinarily furnished to the membership at its principal place of business.

b. The central executive and official business and recordkeeping functions of a state credit union shall be exercised at its principal place of business or at another state credit union office or a location authorized by the superintendent for these functions.

c. A state credit union shall file an informational statement in the form prescribed by the superintendent prior to opening a state credit union office.

d. A state credit union office shall not be opened without a certificate to establish a state credit union office issued by the superintendent.

e. The establishment of a state credit union office must be reasonably necessary for service to, and in the best interests of, the members of the state credit union, and shall not endanger the safety and soundness of the state credit union opening the office.

f. A state credit union may join with one or more credit unions in the operation of an office facility to meet the service needs of its members.

20. Contract with another credit union to furnish services which either could otherwise legally perform. Contracted services provided under [this subsection](#) are subject to regulation and examination like other services.

21. Purchase insurance or make the purchase of insurance available for members.

22. Charge fees and penalties and apply them to income.

23. a. (1) Act as agent of the federal government when requested by the secretary of the United States department of treasury.

(2) Perform such services as may be required in connection with the collection of taxes and other obligations due the United States and the lending, borrowing, and repayment of moneys by the United States.

(3) Act as a depository of public money when designated for that purpose.

b. (1) Act as agent of this state when requested by the treasurer of state.

(2) Perform such services as may be required in connection with the collection of taxes and other obligations due this state and the lending, borrowing, and repayment of moneys by this state.

(3) Act as a depository of public moneys when designated for that purpose.

24. Receive public funds pursuant to [chapter 12C](#) and pledge its assets to secure the deposit of public funds.

25. Engage in any activity authorized by the superintendent which would be permitted if the state credit union were federally chartered and which is consistent with state law.

26. To promote the public welfare, make donations for religious, charitable, scientific, educational, or community betterment purposes.

27. Set off a member's accounts against any of the member's debts or liabilities owed the state credit union pursuant to an agreement entered into between the member and the state credit union. The state credit union shall also have a lien on the shares and deposits of a member for any sum due to the state credit union from the member or for any loan endorsed by the member.

28. Sell, to persons in the field of membership, negotiable checks, including traveler's checks; money orders; and other similar money transfer instruments including international and domestic electronic fund transfers and remittance transfers.

29. Cash checks and money orders, and send and receive international and domestic electronic fund transfers and remittance transfers, for persons in the field of membership.

[2007 Acts, ch 118, §1, 3; 2007 Acts, ch 174, §32; 2011 Acts, ch 25, §64; 2012 Acts, ch 1017, §126 – 128; 2013 Acts, ch 17, §3; 2014 Acts, ch 1011, §2 – 4, 7; 2015 Acts, ch 30, §170](#)

Referred to in [§533.102](#), [533.114](#), [533.214](#), [533.303](#), [533.406](#)