

HOUSE No. 866

By Mr. Weinberg of Boston, petition of the Massachusetts CUNA Association, Inc., and Norman S. Weinberg that provision be made for joint accounts in credit unions having assets of less than two hundred thousand dollars and further limiting the shares of credit unions. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Three.

AN ACT PROVIDING FOR JOINT ACCOUNTS IN CREDIT UNIONS HAVING ASSETS OF LESS THAN TWO HUNDRED THOUSAND DOLLARS AND TO FURTHER LIMIT THE SHARES OF CREDIT UNIONS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 10 of chapter 171 of the General Laws, as last amended
2 by chapter 162 of the acts of 1960, is hereby amended by strik-
3 ing it out and inserting in place thereof the following section:—

4 *Section 10.* The capital of a credit union shall be unlimited
5 in amount and shall consist of shares and deposits. Shares shall
6 be of a par value of five dollars each and shall be subscribed and
7 paid for in such manner as the by-laws of the credit union shall
8 prescribe. Every member of a credit union shall hold one share,
9 and may hold shares or make deposits or both subject to the
10 following limitations:—

11 1. A credit union may receive in shares or deposits from any
12 member for his own account or for the account of one or more
13 distinct trusts, not more than six thousand dollars for each ac-
14 count; and may allow interest on such accounts and upon the
15 interest accumulated thereon, until the principal, with the ac-
16 crued interest, amounts to twelve thousand dollars and there-
17 after upon no greater amount than twelve thousand dollars.

18 2. A credit union may receive in shares or deposits on any
19 joint account provided for in section fourteen of chapter one

20 hundred and sixty-seven from any member jointly with another
21 person not more than the amount of twelve thousand dollars, and
22 may allow interest upon such accounts, and upon the interest
23 accumulated thereon, until the principal with the accrued in-
24 terest, amounts to fifteen thousand dollars and thereafter upon
25 no greater amount than fifteen thousand dollars.

26 3. A credit union may receive in shares or deposits from a
27 fraternal organization, voluntary association, partnership or
28 corporation eligible for membership under section five of this
29 chapter not more than twelve thousand dollars for each ac-
30 count; and may allow interest on such accounts, and upon the
31 interest accumulated thereon, until the principal, with the ac-
32 crued interest amounts to fifteen thousand dollars and there-
33 after upon no greater amount than fifteen thousand dollars.

34 4. A credit union may also contract, on terms to be agreed
35 upon, with a member or a member of the family of such a mem-
36 ber, for the deposit at intervals within a period of twelve months,
37 of sums of money, to be known as club deposits for not more
38 than five hundred dollars, and for the payment of interest on
39 the same at a rate not more than one per cent less than its
40 last regular dividend on shares.

41 5. A credit union may require from a member ninety days'
42 notice of his intention to withdraw any or all of his shares and
43 sixty days' notice of his intention to withdraw any or all of his
44 deposits. The establishment of deposit accounts or the discon-
45 tinuance thereof may be authorized by the board of directors of
46 the credit union.

47 6. If a share account or deposit is opened in trust, it shall be
48 made in the name of a member of the credit union in trust for
49 another. The name and the residence of the person for whom
50 such account or deposit is made shall be disclosed and the ac-
51 count or deposit shall be credited to the member as trustee for
52 such person. Payments on account of said shares and deposits
53 may be made to the trustee. If no other notice of the existence
54 and terms of a trust has been received in writing by the credit
55 union, upon the death of the trustee, the amount then in said
56 share account or on deposit together with the dividends thereon
57 may be paid to the person for whom such share account or de-
58 posit was made, or to his legal representative. Withdrawals and
59 payments made as provided in this paragraph shall fully dis-
60 charge the liability of the credit union to all persons.