

HOUSE No. 311

By Mr. Scibelli of Springfield, petition of the Credit Union League of Mass., Inc., and Anthony M. Scibelli for legislation to permit overdraft procedures for credit unions. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Eight.

AN ACT TO PERMIT OVERDRAFT PROCEDURES FOR 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 10D of Chapter 171 of the General Laws as appearing
2 in the 1986 Official Edition is hereby stricken and the following
3 inserted: —

4 Section 10D. With the prior written approval of the
5 Commissioner of Banks and under such conditions as he may
6 prescribe, a credit union may authorize accounts that would allow
7 withdrawals by negotiable or transferable instruments for the
8 purpose of making transfers to third parties and may provide for
9 overdraft terms. Such accounts shall be designated as negotiable
10 withdrawal order accounts. Said accounts shall be subject to
11 regulations of the Commissioner.

