

## CHAPTER 52

## BANKING DIVISION; CREDIT UNIONS

**52.01 ORGANIZATION.**

**HISTORY.** 1925 c. 206 s. 1; M.S. 1927 s. 7774-1.

The differences between federal saving's and loan associations and state credit unions constitute reasonable ground for making distinction between them for tax purposes, so as to validate a statute imposing income taxes on such associations, though credit unions are specifically exempted from such taxes. *State v Minnesota Federal*, 218 M 229, 15 NW (2d) 568.

An association or corporation outside of a regularly organized credit union is forbidden to use the words "credit union." 1936 OAG 166, Dec. 3, 1936 (53b).

Bonds or contracts of indemnity should conform substantially to the provisions of Laws 1925, Chapter 206. 1938 OAG 4, March 24, 1937 (92a-28).

Members or shareholders of a lawfully constituted cooperative corporation are entitled to form a credit union; but required to comply with the provisions of section 52.04. 1938 OAG 184, June 30, 1937 (53b).

Laws 1941, Chapter 510, provides that a federal credit union may be changed into a state union, or vice versa, without undergoing complete dissolution and reorganization. 26 MLR 215.

**COOPERATIVE SOCIETY.** The words "cooperative society" in the first line of the second paragraph are descriptive of the objects and purposes of the corporations that may be formed under this chapter and do not define what is to be organized. 1936 OAG 165.

**52.02 BY-LAWS AND AMENDMENTS, APPROVED BY COMMISSIONER.**

**HISTORY.** 1925 c. 206 s. 2; M.S. 1927 s. 7774-2; 1933 c. 346 s. 1.

**52.03 UNLAWFUL USE OF WORDS "CREDIT UNION."**

**HISTORY.** 1925 c. 206 s. 3; M.S. 1927 s. 7774-3.

**52.04 POWERS.**

**HISTORY.** 1925 c. 206 s. 4; M.S. 1927 s. 7774-4; 1937 c. 213 s. 1; 1943 c. 647 s. 1.

**REGISTERING TITLE.** Credit unions are corporations and can legally register property under the Torrens system. 1936 OAG 165.

See opinions of attorney general under section 52.01.

A credit union is without authority to purchase group insurance for its members. OAG Dec. 31, 1943 (53b).

**52.05 MEMBERSHIP.**

**HISTORY.** 1925 c. 206 s. 5; M.S. 1927 s. 7774-5; 1945 c. 540 s. 1.

**DEFINITION.** The members or shareholders of a lawfully constituted cooperative corporation are bound by a common bond of association and are entitled to form a credit union. 1938 OAG 184.

**52.06 SUPERVISION; REPORTS; AUDITS; REVOCATION OF CERTIFICATE OF APPROVAL; FEES.**

**HISTORY.** 1925 c. 206 s. 6; M.S. 1927 s. 7774-6; 1945 c. 540 s. 2.

**52.07 FISCAL YEAR; MEETINGS; VOTING.**

HISTORY. 1925 c. 206 s. 7; M.S. 1927 s. 7774-7; 1933 c. 346 s. 2; 1937 c. 213 s. 2; 1943 c. 20 s. 1.

**52.08 ANNUAL MEETING; ELECTION OF DIRECTORS AND COMMITTEES.**

HISTORY. 1925 c. 206 s. 8; M.S. 1927 s. 7774-8.

**52.09 DIRECTORS; POWERS AND DUTIES.**

HISTORY. 1925 c. 206 s. 9; M.S. 1927 s. 7774-9; 1937 c. 213 s. 3; 1945 c. 540 s. 3.

(3) Since credit unions are classified by the legislature as a species of banking corporation subject to the jurisdiction and periodical examination by the commissioner, the provisions of Laws 1925, Chapter 351, relative to the requisites and conditions pertaining to bonds or contracts of indemnity for officers and employees of state banks would be controlling for credit unions. 1938 OAG 4.

**52.10 CREDIT COMMITTEE; POWERS AS TO LOANS.**

HISTORY. 1925 c. 206 s. 10; M.S. 1927 s. 7774-10; 1943 c. 647 s. 2; 1945 c. 540 s. 4.

**52.11 SUPERVISORY COMMITTEE; DUTIES.**

HISTORY. 1925 c. 206 s. 11; M.S. 1927 s. 7774-11; 1937 c. 213 s. 4.

**52.12 CAPITAL; ENTRANCE FEES; UNION TO HAVE LIEN.**

HISTORY. 1925 c. 206 s. 12; M.S. 1927 s. 7774-12.

**52.13 SHARES AND DEPOSITS.**

HISTORY. 1925 c. 206 s. 13; M.S. 1927 s. 7774-13.

**52.14 INTEREST ON LOANS.**

HISTORY. 1925 c. 206 s. 14; M.S. 1927 s. 7774-14.

**52.15 UNION MAY BORROW.**

HISTORY. 1925 c. 206 s. 15; M.S. 1927 s. 7774-15; 1943 c. 647 s. 3.

**52.16 MAY LOAN MONEY; CONDITIONS.**

HISTORY. 1925 c. 206 s. 16; M.S. 1927 s. 7774-16; 1943 c. 647 s. 4.

**52.17 RESERVE FUND.**

HISTORY. 1925 c. 206 s. 17; M.S. 1927 s. 7774-17; 1933 c. 346 s. 3; 1937 c. 213 s. 5.

SCOPE. The provision of this section relating to fines is not sufficient to offset the effect of section 334.01 and therefore a fine may not be charged on delinquent payments. 1938 OAG 183.

**52.18 DIVIDENDS.**

HISTORY. 1925 c. 206 s. 18; M.S. 1927 s. 7774-18; 1937 c. 213 s. 6.

As the fiscal year of all credit unions ends on December 1, dividends are to be paid only on shares owned on that date. 1934 OAG 21, Nov. 20, 1934 (53b).

**52.19 EXPULSION OR WITHDRAWAL OF MEMBERS.**

HISTORY. 1925 c. 206 s. 19; M.S. 1927 s. 7774-19.

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### 52.20 VOLUNTARY DISSOLUTION.

HISTORY. 1925 c. 206 s. 20; M.S. 1927 s. 7774-20; 1933 c. 346 s. 4; 1937 c. 213 s. 7; 1943 c. 20 s. 2.

### 52.201 REORGANIZING FEDERAL CREDIT UNION INTO STATE CREDIT UNION.

HISTORY. 1941 c. 510 s. 1.

### 52.202 DIRECTORS MAY EXECUTE CERTIFICATES.

HISTORY. 1941 c. 510 s. 2.

### 52.21 CHANGE OF PLACE OF BUSINESS.

HISTORY. 1925 c. 206 s. 21; M.S. 1927 s. 7774-21; 1931 c. 213 s. 8.

### 52.22 DEEMED SAVINGS BANK FOR PURPOSES OF TAXATION.

HISTORY. 1925 c. 206 s. 22; M.S. 1927 s. 7774-22.

### 52.23 SALARY AND CHATTEL MORTGAGE LOANS EXCEPTED.

HISTORY. 1925 c. 206 s. 24; M.S. 1927 s. 7774-24.