

CHAPTER 52

CREDIT UNIONS

52.01 ORGANIZATION.

The Minnesota League of Credit Unions, a service organization, is an agent for Checks, Inc. This service organization has an operator's agreement whereby local credit unions will be licensed to sell bonded post card checks and money orders. If the treasurer of a credit union were to act as an individual in becoming an agent and chose to pay his profits into the credit union as a voluntary contribution the transaction is legal, provided there is no expansion of powers permitted the credit union by law. 1944 OAG 29, July 12, 1943 (53-B).

Validity of loans under servicemen's readjustment act of 1944, and as affected by L. 1945, c. 177. OAG Nov. 27, 1944 (29a-20).

52.04 POWERS.

A credit union does not have power to service loans and receive compensation therefor, nor to sell and transfer its negotiable paper "with recourse." Its power to sell or rediscount its paper for the purpose of replenishing its funds is practically prohibited. 1944 OAG 31, Aug. 31, 1943 (53-B).

Under the servicemen's readjustment act of 1944, credit unions, if permitted by their by-laws and subject to the limitations of the credit union act and the regulations of the banking department, may make first mortgage loans to their members and unsecured loans up to \$500 guaranteed by the administrator. 1944 OAG 23, Nov. 27, 1944 (29-A-20).

52.09 DIRECTORS; POWERS AND DUTIES.

Limitation on the power of credit unions to negotiate, and rediscount notes with or without recourse; to create contingent liability by guaranteeing percentage of paper sold; and power to service loans for compensation. 1944 OAG 31, Aug. 31, 1943 (53-B).