
WEST VIRGINIA CODE CHAPTER 31C
ARTICLE 6

WV Legislature

§31C-6-1. Share accounts and membership shares.

- (a) Share accounts and membership shares (if any) shall be subscribed to and paid for in such a manner as the bylaws prescribe.
- (b) A corporate credit union may require its members to subscribe to and make payments on membership shares.
- (c) The par value of shares and any membership shares shall be as prescribed in the bylaws. Par value of shares shall not be less than \$1 nor more than \$10 per share.
- (d) Membership shares may not be pledged as security on any loan.
- (e) A credit union may limit the number of shares which may be owned by a member, but any such limit shall apply alike to all members.

§31C-6-2. Dividends.

(a) The credit union's board of directors shall establish the dividend period. Rates of dividends and the terms of payment may be established in advance by action of the board of directors. Dividends may be paid at various rates with due regard to the conditions that pertain to each type of account such as minimum balance, notice and time requirements.

(b) The commissioner may, if circumstances warrant, establish the maximum dividend that a credit union or corporate credit union may pay in each classification of its savings.

§31C-6-3. Deposit accounts.

(a) A credit union may accept deposit accounts from its members, other credit unions and governmental units subject to the terms, rates and conditions established by the board of directors.

(b) Interest may be paid on deposit accounts at various rates with due regard to the conditions that pertain to each type of account such as minimum balance, notice and time requirements.

(c) Funds in share and deposit accounts may be withdrawn for payment to the account holder or to third parties, in such manner and in accordance with such procedures as are established by the board of directors, subject to any rules the commissioner prescribes.

(d) Share and deposit accounts shall be subject to any withdrawal notice requirement which is imposed pursuant to the bylaws.

(e) A membership share may not be redeemed or withdrawn except subject to the terms set forth by the corporate credit union.

§31C-6-4. Minor accounts.

Payments on share and deposit accounts may be received from a minor who may withdraw funds from such accounts including the dividends and interest thereon. Payments on share and deposit accounts by a minor and withdrawals thereof by the minor shall be valid in all respects. For such purposes a minor is deemed of full majority age.

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§31C-6-5. Joint accounts.

(a) A member may designate any person or persons to own a share or deposit account with the member in joint tenancy with the right of survivorship, as a tenant in common or under any other form of joint ownership permitted by law, but no co-owner, unless a member in own their right, shall be permitted to vote, obtain loans, or hold office or be required to pay a membership fee.

(b) Payment of part or all of such accounts to any of the co-owners shall, to the extent of such payment, discharge the liability to all unless: (1) The account agreement contains a prohibition or limitation on such payment; or unless (2) the credit union had received notice in writing signed by any one of such joint tenants not to pay such deposit in accordance with the terms thereof, prior to its payment. The commissioner may promulgate rules regarding notice to joint account holders of their rights and liabilities under this section.

§31C-6-6. Trust accounts.

- (a) Share and deposit accounts may be owned by a member in trust for a beneficiary, or owned by a nonmember in trust for a beneficiary who is a member.
- (b) Beneficiaries may be minors, but no beneficiary unless a member in that person's own right, shall be permitted to vote, obtain loans, hold office or be required to pay a membership fee.
- (c) Payment of part or all of such a trust account to the party in whose name the account is held shall, to the extent of such payment, discharge the liability of the credit union to that party and to the beneficiary, and the credit union shall be under no obligation to see to the application of such payment.
- (d) In the event of the death of the party who owns a trust account, if the credit union has been given no other written notice of the existence or terms of any trust and has not received a court order as to disposition of the account, account funds and any dividends or interest thereon shall be paid to the beneficiary.
- (e) The operation of trust accounts as permitted in this section does not constitute engaging in a trust business as set forth in chapter thirty-one-a of this code.

§31C-6-7. Payable-on-death accounts.

Notwithstanding any other provision of law a credit union may establish share and deposit accounts payable to one or more persons during their lifetimes and on the death of all of them to one or more payable-on-death payees. An account established under this section must be identified as a "payable-on-death" account or abbreviated as a "p.o.d." account. Any transfer to a payable-on-death payee is effective by reason of the account contract and shall not be considered to be a testamentary transfer.

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§31C-6-8. Liens.

The credit union shall have a general lien on the share accounts, any membership shares, and accumulated dividends of a member for any sum owed the credit union by said member and for any loan endorsed by that member. The credit union shall also have a right of immediate set-off with respect to every deposit account. The credit union may also refuse to allow withdrawals from any share or deposit account. The credit union may waive its rights to a lien, to immediate set-off, to restrict withdrawals, or to any combination of such rights with respect to any share or deposit account or groups of such accounts.

§31C-6-9. Share and deposit insurance.

- (a) Before the incorporators of a credit union forward the corporate documents to the commissioner under subsection (d), section two, article two of this chapter they shall apply for insurance on share and deposit accounts from the national credit union administration under Title II of the Federal Credit Union Act (12 U.S.C. §1781 et seq.).
- (b) A credit union which has lost its commitment for such insurance shall within thirty days commence steps to either liquidate, or merge with an insured credit union or apply in writing to the commissioner for additional time to obtain another insurance commitment. The commissioner may grant one or more extensions of time to obtain the insurance commitment upon satisfactory evidence that the credit union has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment.
- (c) No persons shall be granted a certificate of authority to engage in business by the commissioner to operate a credit union unless they have obtained a commitment for insurance of its share and deposit accounts.
- (d) The commissioner may make available reports of condition and examination findings to the appropriate insuring organization and may accept any report of examination made on behalf of such organization.
- (e) A state-chartered corporate credit union must only apply for and maintain share and deposit insurance in the amounts and of the same kind as would be required for a similarly situated federally chartered corporate credit union.

§31C-6-10. Reduction in shares.

(a) Whenever the losses of any credit union, resulting from a depreciation in value of its loans or investments or otherwise, exceed the aggregate of its undivided earnings, reserves and membership shares if any, so that the estimated value of its assets is less than the total amount of share accounts, and the board of directors determines that the credit union may be subject to involuntary liquidation, the credit union board may propose a reduction in shares. The credit union may by a three-fourths majority vote of those voting on the proposition order a reduction in the share accounts of each of its shareholders to divide the loss in proportion to the shareholdings held by shareholders in their respective share accounts.

(b) If the credit union thereafter realizes from such assets a greater amount than was fixed by the order of reduction, such excess shall be proportionately restored to the shareholders whose assets were reduced, but only to the extent of such reduction.