

WEST VIRGINIA CODE: §31C-7-9

§31C-7-9. Loans to officials.

(a) A credit union may permit officers, directors, and members of its supervisory and credit committees to act as comakers, guarantors or endorsers of loans to other members, subject to the requirements of subsection (b) of this section.

(b) A credit union may make loans to its officers, directors and members of its supervisory and credit committees: Provided, That:

(1) The loan complies with all requirements of this chapter and is not on terms more favorable than those extended to other borrowers; and

(2) The aggregate of loans to or guaranteed by all such officials combined, excepting those secured by shares or deposits, may not exceed twenty percent of the credit union's assets, and shall be shown in aggregate as a separate item in the reports rendered by the credit union and filed with the commissioner pursuant to section seven, article one of this chapter.

(c) No credit union officer, director, or member of its supervisory or credit committee may participate in making a credit approval of a loan in which they have a self-interest. If any member of the credit committee makes an application to borrow money from the credit union or becomes surety for any other member whose application for a loan is under consideration, the supervisory committee shall appoint a substitute to act on the credit committee in place of that member, during the consideration of the application.