WEST VIRGINIA CODE CHAPTER 31C ARTICLE 7

WV Legislature

§31C-7-1. Purpose and conditions of loans.

A credit union may loan to members for such purposes and upon such conditions as the bylaws may provide. The board of directors shall establish written policies with respect to the granting of loans and the extending of lines of credit, including the terms, conditions and acceptable forms of security.

WV Legislature

§31C-7-2. Finance charge.

The finance charges imposed by the credit union on loans shall be determined by the credit union's board of directors, subject to the limitations established by this state. Unless otherwise permitted or prescribed by this code, the finance charge rate shall not exceed one and one-half percent per month, computed on unpaid balances.

WV Legislature

§31C-7-3. Additional charges.

(a) In addition to interest on loans, a credit union may charge members reasonable expenses in connection with the making, closing, disbursing, extending or renewing of loans.

(b) A credit union may assess charges to members, in accordance with the bylaws, for failure to meet their obligations to the credit union in a timely manner. A credit union may also assess charges for other benefits, including insurance, as allowed for lenders under law.

(c) Any charges in connection with a consumer loan, including late charges and deferral charges, permitted under this section shall conform and be limited to those allowed under article three, chapter forty-six-a of this code.

WV Legislature

§31C-7-4. Applications.

Except as provided for in section six, article seven of this chapter, every application for a loan shall be made in writing upon a form prescribed by the credit union and shall state the purpose of the loan as well as the security or collateral offered, if any. Each loan shall be evidenced by a written document.

WV Legislature

§31C-7-5. Loan limit; collateral requirements; and repayment.

(a) The aggregate of loans to any one member shall be limited to ten percent of the credit union's assets. This limit shall not apply to loans which are fully secured by assignments of shares or deposits in the credit union.

(b) Loans to members which in the aggregate exceed the amount shown in the schedule below shall be secured by such collateral having a value which is at least equal to any amount exceeding the limits in the following schedule, except that all loans exceeding $5,000 not subject to collateral shall be supported by a sworn financial statement:

(1) Five hundred dollars, in credit unions with assets of less than $5,000;

(2) One thousand dollars in credit unions with assets of $5,000 and less than $25,000;

(3) Two thousand dollars in credit unions with assets of $25,000 and less than $100,000;

(4) Five thousand dollars in credit unions with assets of $100,000 and less than $500,000;

(5) Seven thousand dollars in credit unions with assets of $500,000 and less than $1 million; and

(6) Ten thousand dollars in credit unions with assets of $1 million or more: Provided, That the commissioner may, upon request and at his or her discretion, approve in writing a higher unsecured loan limit amount for credit unions having assets of $1 million or more.

(c) A borrower may pay the whole or part of the borrower's loan on any day the credit union is open for business.

WV Legislature

§31C-7-6. Line of credit.

(a) Upon written application by a member, the credit committee or loan officer may approve a line of credit, and loan advances may be granted to the member within the limit of such line of credit. Access to the line of credit may be by use of a lender credit card. Where a line has been approved, no additional credit application is required as long as the aggregate indebtedness does not exceed the approved limit.

(b) Lines of credit shall be subject to periodic review by the credit union, in accordance with the written policies of the credit union's board of directors, and approved or disapproved as to the granting of further loan advances.

WV Legislature

§31C-7-7. Participation loans.

A credit union may participate in loans to credit union members jointly with other credit unions, credit union organizations or other organizations pursuant to written policies established by the credit union's board of directors. A credit union which originates such a loan shall retain an interest of at least ten percent of the face amount of the loan.

WV Legislature

§31C-7-8. Other loan programs.

(a) A credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law under which such a program is provided.

(b) A credit union may purchase the conditional sales contracts, notes and similar instruments of its members.

(c) A credit union may finance for any person the sale of its personal property, including property obtained as a result of defaults in obligations owed to it, under the terms, conditions and rates provided by this chapter.

WV Legislature

§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.

WV Legislature