WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1977

ENROLLED

HOUSE BILL No. 1618

(By Mr. Momoy)

PASSED April 9, 1977

In Effect ninety days from Passage
AN ACT to amend and reenact section nineteen, article ten, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to credit unions; and increasing security for loans to members.

Be it enacted by the Legislature of West Virginia:

That section nineteen, article ten, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 10. CREDIT UNIONS.

§31-10-19. Security for loans to members; installment crop loans; loan to member of credit committee; illegal to loan to nonmembers; repayment of loans.

1 As provided in section eighteen of this article, a credit union may loan to its members for such purposes and upon such security and terms as the bylaws shall provide and the credit committee shall approve; but security must be taken for any loan in excess of two thousand five hundred dollars. Endorsements of a note or assignment of shares in any credit union shall be deemed security within the meaning of this section.

9 A member who needs funds with which to purchase necessary supplies for growing crops may receive a loan in fixed monthly installments instead of in one sum.
If any member of the credit committee makes application to borrow money from a 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 the place of such member, during the consideration of such application. All officers and members of any committee in any way knowingly permitting or participating in making a loan of funds of a credit union to a nonmember thereof shall be guilty of a misdemeanor. The credit union shall have the right to recover the amount of any such illegal loan from the borrower or from any officer or member of a committee who knowingly committed or participated in the making thereof, or from all of them jointly.

A borrower may repay the whole or any part of his loan on any day on which the office of the corporation is open for the transaction of business.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis  
Chairman Senate Committee

Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

J. E. Dillon, Jr.  
Clerk of the Senate

Clerk of the House of Delegates

W. A. Blankenship  
President of the Senate

Donald L. Young  
Speaker House of Delegates

The within is approved this the 25th day of April, 1977.

Governor