

lines of credit required to be approved by the board of directors in section 1757(5) of this title, approval of an application shall be by majority of the committee who are present at the meeting at which it is considered provided that a majority of the full committee is present. The credit committee may appoint and delegate to loan officers the authority to approve applications.

(b) Review and reversal of loan refusals; review by board in lieu of committee; limitation on disbursements by loan officers

If the bylaws provide for a credit committee, all applications not approved by the loan officer shall be reviewed by the credit committee, and the approval of a majority of the members who are present at the meeting when such review is undertaken shall be required to reverse the loan officer's decision provided a majority of the full committee is present. If there is not a credit committee, a member shall have the right upon written request of review by the board of directors of a loan application which has been denied. No individual shall have authority to disburse funds of the Federal credit union with respect to any loan or line of credit for which the application has been approved by him in his capacity as a loan officer.

(June 26, 1934, ch. 750, title I, § 114, formerly § 15, as added Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 633; amended Pub. L. 88-353, § 4, July 2, 1964, 78 Stat. 269; Pub. L. 90-188, § 1, Dec. 13, 1967, 81 Stat. 567; Pub. L. 90-375, § 1(5), July 5, 1968, 82 Stat. 284; Pub. L. 91-206, § 2(1), Mar. 10, 1970, 84 Stat. 49; renumbered title I, § 114, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 95-22, title III, § 304, Apr. 19, 1977, 91 Stat. 51; Pub. L. 95-630, title V, § 502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 97-320, title V, § 523, Oct. 15, 1982, 96 Stat. 1533.)

PRIOR PROVISIONS

Provisions similar to those comprising this section were contained in section 11(d) of act June 26, 1934, ch. 750, 48 Stat. 1219 (formerly classified to section 1761(d) of this title), prior to the amendment and renumbering of act June 26, 1934 by Pub. L. 86-354.

AMENDMENTS

1982—Pub. L. 97-320 designated existing provisions as subsecs. (a) and (b), in subsec. (a) as so designated, inserted provisions relating to the membership of the committee and provisions requiring the majority of the full committee to be present for votes on lines of credit, struck out provision requiring each loan officer to report his action on an application in seven days of its filing, in subsec. (b) as so designated, inserted provisions relating to the number of members needed to reverse a loan officer's decision and provision for the case where there is no credit committee, and thereafter struck out provisions that not more than one member of the committee might be appointed as a loan officer, that applications for loans and lines of credit be made on forms prepared by such committee which set forth the security, if any, and such other data as required, that no loan may be made to any member if, upon the making of that loan, the member would have been indebted to the Federal credit union upon loans made to him in an aggregate amount which would exceed 10 per centum of the credit union's unimpaired capital and surplus, and that for the purposes of this section an assignment of shares or the endorsement of a note would be deemed security and, subject to such regulations as the Board prescribed, insurance obtained under title I

of the National Housing Act [12 U.S.C. 1702 et seq.] would be deemed adequate security.

1978—Pub. L. 95-630 substituted "Board" for "Administrator".

1977—Pub. L. 95-22 substituted "loans and lines of credit" for "loans" in three places, "Except for those loans or lines of credit required to be approved by the board of directors in section 1757(5) of this title, approval of an application shall be" for "No loan shall be made unless it is approved", "application approved" for "loan approved", "applications not approved" for "loans not approved", and "with respect to any loan or line of credit for which the application" for "for any loan which" and struck out "the purpose for which the loan is desired" after "which shall set forth", "\$200 or" after "amount which would exceed", "whichever is greater" after "capital and surplus", and provision relating to requirement that no unsecured loan be made to a member which would make the member indebted to the Federal credit union in excess of a specified amount.

1970—Pub. L. 91-206 substituted "Administrator" for "Director".

1968—Pub. L. 90-375 substituted provisions which increased the unsecured loan limit, in the case of a credit union whose unimpaired capital and surplus is less than \$8,000 to \$200, and, in the case of any other credit union to \$2,500 or 2½% of the unimpaired capital and surplus, whichever is less, for provisions which authorized credit unions to make unsecured loans of \$750 or 10% of their unimpaired capital and surplus, whichever is smaller.

1967—Pub. L. 90-188 struck out "up to the unsecured limit, or in excess of such limit if such excess is fully secured by unpledged shares" from end of provision that credit committees may appoint one or more loan officers, and delegate to him or them the power to approve loans.

1964—Pub. L. 88-353 inserted "and, subject to such regulations as the Director may prescribe, insurance obtained under title I of the National Housing Act shall be deemed adequate security".

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630 set out as a note under section 1752 of this title.

§ 1761d. Supervisory committee; powers and duties; suspension of members; passbook

The supervisory committee shall make or cause to be made an annual audit and shall submit a report of that audit to the board of directors and a summary of the report to the members at the next annual meeting of the credit union; shall make or cause to be made such supplementary audits as it deems necessary or as may be ordered by the Board, and submit reports of the supplementary audits to the board of directors; may by a unanimous vote suspend any officer of the credit union or any member of the credit committee or of the board of directors, until the next members' meeting, which shall be held not less than seven or more than fourteen days after any such suspension, at which meeting any such suspension shall be acted upon by the members; and may call by a majority vote a special meeting of the members to consider any violations of this chapter, the charter, or the bylaws, or any practice of the credit union deemed by the supervisory committee to be unsafe or unauthorized. Any member of the supervisory committee may be suspended by a majority vote of the board of directors. The members shall decide, at a meeting held not less

than seven nor more than fourteen days after any such suspension, whether the suspended committee member shall be removed from or restored to the supervisory committee. The supervisory committee shall cause the passbooks and accounts of the members to be verified with the records of the treasurer from time to time, and not less frequently than once every two years. As used in this section, the term "passbook" shall include any book, statement of account, or other record approved by the Board for use by Federal credit unions.

(June 26, 1934, ch. 750, title I, §115, formerly §16, as added Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 633; amended Pub. L. 90-375, §1(6), (7), July 5, 1968, 82 Stat. 284, 285; Pub. L. 91-206, §2(1), Mar. 10, 1970, 84 Stat. 49; renumbered title I, §115, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-383, title VII, §724, Aug. 22, 1974, 88 Stat. 719; Pub. L. 95-630, title V, §502(b), Nov. 10, 1978, 92 Stat. 3681.)

PRIOR PROVISIONS

Provisions similar to those comprising this section were contained in section 11(e) of act June 26, 1934, ch. 750, 48 Stat. 1219 (formerly classified to section 1761(e) of this title), prior to the amendment and renumbering of act June 26, 1934 by Pub. L. 86-354.

AMENDMENTS

1978—Pub. L. 95-630 substituted "Board" for "Administrator".

1974—Pub. L. 93-383 substituted "an annual" for "a semiannual".

1970—Pub. L. 91-206 substituted "Administrator" for "Director" in two places.

1968—Pub. L. 90-375 substituted provisions which required a semiannual audit for provisions which required a quarterly examination of the affairs of a Federal credit union, including an audit of the books, authorized the making of such supplementary audits as deemed necessary by the supervisory committee or as ordered by the Director, eliminated the requirement of an annual audit, and provided that the suspension of any member of the supervisory committee be pursuant to a majority vote of the board of directors.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

§ 1762. Repealed. Pub. L. 105-219, title III, § 301(g)(3), Aug. 7, 1998, 112 Stat. 931

Section, acts June 26, 1934, ch. 750, title I, §116, formerly §12, 48 Stat. 1221; Oct. 25, 1949, ch. 713, §3, 63 Stat. 890; renumbered §17 and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; Pub. L. 91-206, §2(1), Mar. 10, 1970, 84 Stat. 49; renumbered title I, §116, and amended Pub. L. 91-468, §§1(2), 9, Oct. 19, 1970, 84 Stat. 994, 1017; Pub. L. 95-22, title III, §305, Apr. 19, 1977, 91 Stat. 52; Pub. L. 95-630, title V, §502(b), Nov. 10, 1978, 92 Stat. 3681, related to requirement of reserves against losses and authorization of Board to decrease reserve requirement or to require special reserves. See section 1790(d) of this title.

§ 1763. Dividends

At such intervals as the board of directors may authorize, and after provision for required reserves, the board of directors may declare a dividend to be paid at different rates on different types of shares, at different rates and ma-

turity dates in the case of share certificates, and at different rates on different types of share draft accounts. Dividends credited may be accrued on various types of shares, share certificates, and share draft accounts as authorized by the board of directors. If the par value of a share exceeds \$5, dividends shall be paid on all funds in the regular share account once a full share has been purchased.

(June 26, 1934, ch. 750, title I, §117, formerly §13, 48 Stat. 1221; renumbered §18 and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; Pub. L. 90-188, §2, Dec. 13, 1967, 81 Stat. 567; renumbered title I, §117, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-383, title VII, §725, Aug. 22, 1974, 88 Stat. 720; Pub. L. 95-22, title III, §310, Apr. 19, 1977, 91 Stat. 53; Pub. L. 95-630, title V, §502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 96-221, title II, §207(b)(10), title III, §305(c), Mar. 31, 1980, 94 Stat. 144, 147; Pub. L. 97-320, title V, §524, Oct. 15, 1982, 96 Stat. 1534.)

AMENDMENTS

1982—Pub. L. 97-320 substituted "the board of directors may declare" for "the board may declare" and "Dividends credited" for "Dividend credit", and inserted provision that if the par value of a share exceeds \$5, dividends shall be paid on all funds in the regular share account once a full share has been published.

1980—Pub. L. 96-221, §207(b)(10), struck out "pursuant to such regulations as may be issued by the Board," after "declare".

Pub. L. 96-221, §305(c), inserted provisions relating to share draft accounts.

1978—Pub. L. 95-630 substituted "Board" for "Administrator".

1977—Pub. L. 95-22 substituted "the board may declare, pursuant to such regulations as may be issued by the Administrator, a dividend to be paid at different rates on different types of shares and at different rates and maturity dates in the case of share certificates" for "the board of directors may declare a dividend to be paid from the remaining net earnings" and "accrued on various types of shares and share certificates" for "accrued on shares" and struck out provision that such dividends shall be paid on all paid-up shares outstanding at the end of the period for which the dividend is declared and provision that shares which become fully paid up during such dividend period and are outstanding at the close of the period shall be entitled to a proportional part of such dividend.

1974—Pub. L. 93-383 substituted "At such intervals as the board of directors may authorize" for "Annually, semiannually, or quarterly, as the bylaws may provide", and "Dividend credit may be accrued on shares as authorized by the board of directors" for "Dividend credit for a month may be accrued on shares which are or become fully paid up during the first ten days of that month".

1967—Pub. L. 90-188 inserted "or quarterly" after "semiannually" and substituted "ten" for "five".

1959—Pub. L. 86-354 authorized semiannual dividends, empowered the board of directors to declare them instead of only recommend them, and provided for dividend credit.

EFFECTIVE DATE OF 1980 AMENDMENT

Section 207(b) of Pub. L. 96-221 provided in part that the amendment made by that section is effective 6 years after Mar. 31, 1980.

Amendment by section 305(c) of Pub. L. 96-221 effective at close of Mar. 31, 1980, see section 306 of Pub. L. 96-221, set out as a note under section 1464 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provi-