

Bill No. 18 of 1954

A BILL TO AMEND THE CREDIT UNION ACT

NOTE

This Bill amends *The Credit Union Act*, being chapter 257 of the Revised Statutes of Alberta, 1942.

Section 10 is amended by adding a subsection (2a). This subsection authorizes a credit union to use the word "co-operatives" or any abbreviations thereof. Use of the word "co-operatives" and its abbreviations is prohibited, for example, by section 9 of *The Co-operative Associations Act, 1946*; and this amendment is for the purpose of permitting credit unions to use the word and its abbreviations.

Section 19 is amended with respect to clause (j) of subsection (1). This clause authorized a credit union upon the death of a member to pay, after the expiration of two months, any moneys not exceeding two hundred dollars standing to the credit of the deceased member to his executor or administrator. Where there was no executor or administrator the moneys could be paid to the member's widow, or if no widow then the credit union was authorized to distribute such moneys "to the children in equal shares". This payment released the credit union from further liability with regard to the moneys so distributed. However, where there was no executor, administrator, widow or children, no authority existed to pay to anyone the small sum that might be standing to the deceased member's credit. The effect of the amendment to clause (j) is to authorize the payment of these moneys to the Public Trustee for the benefit of the beneficiaries of the deceased member in the ordinary line of succession as if the member had died intestate and without a widow surviving him, when there is no executor, administrator or widow intervening.

Section 25 is amended by adding a subsection (2) which designates who is to act as chairman of the board of directors of a credit union.

Section 39 is amended. Subsection (1) contains the provisions of the present section 39 rearranged to set out more clearly the different powers and duties of a credit union with respect to borrowing. Subsection (2) is new and authorizes a credit union borrowing against the pledge of capital investments to do so without the consent of the Supervisor if the borrowing does not exceed one-half the capital investments.

Section 42 is amended by striking out the present section and substituting a new section. The new section in addition to permitting an investment by deposit in a chartered bank or other institution approved by the Supervisor, which was previously permitted under the former section, now authorizes a credit union to invest its reserve fund in investments authorized by *The Trustee Act*.

This Bill comes into force on the 1st day of July, 1954.

J. W. RYAN,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 18 of 1954

An Act to amend The Credit Union Act.

(Assented to , 1954)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Credit Union Act*, being chapter 257 of the Revised Statutes of Alberta, 1942, is hereby amended.

2. Section 10 is amended by adding immediately after subsection (2) the following new subsection:

Section 10
amended

"(2a) The word 'co-operative' or any abbreviation or derivative thereof may be used in the name of a credit union."

Use of word
"co-oper-
ative"

3. Section 19, subsection (1) is amended by striking out clause (j) and by substituting the following:

Section 19
amended

"(j) after the expiration of two months from the death of a member, pay a sum not exceeding two hundred dollars out of the moneys standing to the deceased member's credit, whether as payment on shares or as deposit,

"(i) to the executor or administrator of the estate of the deceased member, or

"(ii) if there is then no executor or administrator, to the widow of the deceased member, or

"(iii) if there is no such executor, administrator or widow, to the Public Trustee for the benefit of the person or persons who would be beneficiaries of the estate of the deceased member under *The Intestate Succession Act* if the member had died intestate and without a widow,

and a payment made under this clause releases the credit union from any further liability with respect to the moneys so paid;"

4. Section 25 is amended

Section 25
amended

(a) by renumbering the section as subsection (1),

(b) by adding immediately after subsection (1) the following new subsection:

"(2) The president, or in his absence the vice-president, shall be chairman of the board of directors."

Section 39
amended

5. Section 39 is struck out and the following is substituted:

Borrowing
powers

"39. (1) Subject to the consent of the Supervisor, a credit union from time to time

"(a) may borrow moneys not exceeding in the aggregate twenty-five per cent of its combined capital, surplus and deposits, upon a vote of at least three-fourths of the members of the board of directors, and

"(b) may borrow moneys not exceeding in the aggregate fifty per cent of its combined capital, surplus and deposits upon a vote of three-fourths of the members present, or one-third of the total membership, whichever is the greater, taken at an annual meeting of the credit union or at a special meeting called for the purpose, if those voting represent a majority of the shares issued."

"(2) Where a credit union is borrowing upon the security of its capital investments, the credit union without the consent of the Supervisor

"(a) may borrow moneys not exceeding in the aggregate twenty-five per cent of its capital investments upon a vote of at least three-fourths of the members of the board of directors,

"(b) may borrow moneys not exceeding in the aggregate fifty per cent of its capital investments upon a vote of three-fourths of the members present, or one-third of the total membership, whichever is the greater, taken at an annual meeting of the credit union or at a special meeting called for the purpose if those voting represent a majority of the shares issued."

Section 42
amended

6. Section 42 is struck out and the following is substituted:

Investment
of reserve
fund

"42. The reserve fund shall be invested by the board of directors

"(a) by deposit in a chartered bank or in any other institution approved by the Supervisor, or

"(b) in any investment authorized for investments by section 3 of *The Trustee Act*."

Coming into
force

7. This Act comes into force on the first day of July, 1954.

No. 18

SECOND SESSION
TWELFTH LEGISLATURE

3 ELIZABETH II

1954

BILL

An Act to amend The Credit Union
Act

Received and read the

First time

Second time.....

Third time.....

HON. MR. WILLMORE
