

No. 16

2nd Session, 14th Legislature, Alberta
9 Elizabeth II

BILL 16

A Bill to amend The Credit Union Act

HON. MR. PATRICK

Explanatory Note

2. Section 19, subsection (1), clause (j) presently reads:

"19. (1) For the purpose of carrying out its objects, every credit union may

- (j) immediately upon the death of a member, pay a sum not exceeding fifteen 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,
 - (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, and".

3. This amendment is intended to make it clear that a member's shares are pledged as security for any borrowings by the member and replaces section 32(3). See clause 4. Section 31a presently reads:

"31a. A promissory note shall be taken by a credit union for each loan granted."

4. Section 32 presently reads:

"32. (1) The credit committee shall not grant a loan of more than two hundred dollars without requiring security.

- (2) The security to be taken in each case shall be determined by the committee.
- (3) The security taken may be an assignment of tangible assets or shares or deposits or may be the endorsement of a note."

The unsecured loan limit is increased.

5. Under section 41 a credit union is required to establish a reserve fund as a reserve against bad loans or losses. This new subsection gives the Supervisor authority to require a credit union to write off a bad loan.

6. Coming into force.

BILL

No. 16 of 1961

An Act to amend The Credit Union Act

(Assented to _____, 1961)

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 67 of the Revised Statutes, is hereby amended.

2. Section 19, subsection (1), clause (j) is amended by striking out the words preceding subclause (i) and by substituting the following:

(j) immediately upon the death of a member and upon completion of such forms as may be required by the by-laws, pay a sum not exceeding fifteen hundred dollars out of the moneys standing to the credit of the deceased member, whether as payment on shares or as deposit,

3. Section 31a is amended by adding immediately after the words "promissory note" the words "and an assignment of shares".

4. Section 32 is struck out and the following is substituted:

32. The credit committee shall not grant a loan of more than four hundred dollars in excess of the unencumbered portion of the shares of the borrower without requiring security.

5. Section 41 is amended by adding the following subsection after subsection (3):

(3a) Subject to the standard by-laws, a credit union shall, if required by the Supervisor or his appointee, write off any overdue loan against the reserve fund.

6. This Act comes into force on the day upon which it is assented to.

No. 16

SECOND SESSION

FOURTEENTH LEGISLATURE

9 ELIZABETH II

1961

BILL

An Act to amend The Credit Union
Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. PATRICK
