

CHAPTER 38.

[House Bill No. 289.]

CREDIT UNIONS.

AN ACT relating to credit unions; amending section 11, chapter 23, Laws of 1957 and RCW 31.12.270; and amending section 12, chapter 23, Laws of 1957, as amended by section 7, chapter 138, Laws of 1959, and RCW 31.12.280.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 11, chapter 23, Laws of 1957 and RCW 31.12.270 are each amended to read as follows:

RCW 31.12.270
amended.

A credit union may make (1) personal loans to its members secured by the note of the borrower; (2) loans to its members secured by first mortgages or real estate contracts in which members are buyers if such mortgage or contract relates to real estate which is situated within the state; such real estate must be within fifty miles of the principal office of the credit union unless with prior approval of the supervisor; and (3) loans to other credit unions upon a two-thirds majority vote of the board: *Provided*, That the total amount of such loans does not exceed twenty-five percent of the paid-in and unimpaired capital and surplus of the lending credit union.

Credit unions.
Classes of
loans—
Preference—
Term—
Indorsers.

Personal loans shall be given preference, and in the event there are not sufficient funds available to satisfy all loan applicants approved by the credit committee, further preference shall be given to the smaller loan. Each personal loan shall be payable within two years from the date thereof: *Provided*, That loans with satisfactory security may be made payable within five years from the date thereof. Each endorser of a note given as security for a personal loan shall be a resident of the state at the time the loan is made, unless he is a member of the credit

union, and if he leaves the state, a new resident endorser shall be immediately provided or the loan shall be at once collectible.

RCW 31.12.280 amended.

SEC. 2. Section 12, chapter 23, Laws of 1957, as amended by section 7, chapter 138, Laws of 1959, and RCW 31.12.280 are each amended to read as follows:

Credit unions. Limits and conditions of personal loans.

Loans to any one member shall not exceed five thousand dollars without the permission of the supervisor and shall be limited as follows:

(1) To an amount not exceeding seven hundred fifty dollars on the unindorsed or unsecured note of the borrower;

(2) Loans to an individual or family community in excess of seven hundred fifty dollars must be adequately secured.

Passed the House March 16, 1965.

Passed the Senate March 23, 1965.

Approved by the Governor April 2, 1965.