Comparative Digest of Credit Union Acts: Loans

CUNA's State Government Affairs – 2013

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Chapter 1

Comparative Digest of Credit Union Acts: Purpose and Conditions of Loans

2011 Model Credit Union Act:

Section 7.10. Purpose and Conditions of Loans.
A credit union may loan to members for such purposes and upon such conditions as prescribed by the board of directors. The board of directors shall establish written policies with respect to the granting of loans and the extending of lines of credit, including the terms, conditions and acceptable forms of security.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Purpose and Conditions of Loans

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
§ 5-17-17. Loans to members, directors, officers, etc.
Loans are made subject to the conditions contained in the bylaws. A borrower may repay his loan in whole or in part any day the office of the credit union is open for business.

Alaska
Sec. 06.45.060. Powers of a credit union; remedy for interest violations.
(a) A credit union has succession in its corporate name during its existence and may
(5) make loans, the maturities of which may not exceed 20 years except as provided in this chapter, and extend lines of credit to its members, to other credit unions, and to credit union organizations and participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members . . .

Arizona
6-561. Purpose and conditions of loans; prepayment penalties.
A. A credit union may make loans, including lines of credit, to members for the purposes and on the conditions as the bylaws provide. The board of directors shall establish written policies with respect to the granting of loans including the terms, conditions and acceptable forms of security.
B. No person, except another credit union, may become indebted, directly or indirectly, to the credit union for more than ten per cent of the credit union's capital or two hundred dollars, whichever is greater. This limit does not apply to loans which are fully secured by assignment of share or deposit accounts in the credit union.
C. An application for a loan shall state the security and other information required by the credit committee or credit manager. Each loan shall be evidenced by a written document.
D. A member may repay a loan or outstanding balance on a line of credit prior to maturity in whole or in part on any business day without penalty. Except as provided in this subsection, prepayment penalties may be charged on member business loans as defined by the national credit union administration in 12 Code of Federal Regulations section 723.1.

Arkansas
23-35-603. Loans and extensions of credit in advance.
(a) A credit union may loan to members for a provident or productive purpose and upon such security as the bylaws may provide and as the credit committee or loan officer shall approve.

California
14950.
(a) Every credit union may enter into obligations with its members upon the approval of the credit committee or, in the alternative, the credit manager, subject to the terms and conditions established by the board of directors pursuant to Section 15100.

Colorado
11-30-116. Loans.
A credit union may make loans to members subject to the provisions of this article and the bylaws of the credit union. A borrower may repay a loan in whole or in part any day the office of the credit union is open for business.

Connecticut
Sec. 36a-457a. Loan policy.
(a) A Connecticut credit union shall adopt and implement a written loan policy that requires written applications for all extensions of credit, and addresses the categories and types of secured and unsecured extensions of credit offered by the credit union, the manner in which mortgage loans, member business loans and insider loans will be made and approved, underwriting guidelines and collateral requirements, and which addresses, in accordance with safety and soundness, acceptable standards for title review, title insurance and appraiser qualifications, procedures for the approval and selection of appraisers, appraisal and evaluation standards, and the credit union's administration of the appraisal and evaluation process. The commissioner may review a Connecticut credit union's loan policy and may order changes to be made to ensure safe and sound lending practices.
(b) A Connecticut credit union shall use its best efforts to make such secured and unsecured extensions of credit to its members, including lease financing for personal property if the leases are the functional equivalent of secured loans for personal property, with such maturities as may be determined by the governing board, repayable in consecutive weekly, biweekly, semimonthly, monthly, quarterly or semiannual installments, but which may be repaid in whole or in part prior to maturity, and on such terms as the bylaws and loan policy of such credit union may permit.

Florida
657.038 Loan powers.—
(1) A credit union may extend credit to members for such purpose and upon such security and terms as the credit committee, credit manager, or loan officer approves, pursuant to written loan policies established by the board of directors, or as may otherwise be provided by law.

Georgia
7-1-658. Loans.
(a) Credit unions may lend money to their members at reasonable rates of interest, which shall not exceed 1 1/4 percent each month on the unpaid balance, or such greater rates as shall be authorized for other financial institutions for such purposes as may be approved by the credit committee.

Hawaii
§412:10-401 General requirements for loans.
A credit union shall make loans and extensions of credit that are consistent with prudent lending practices and in compliance with all applicable federal and state law.

§412:10-402 Loans to members.
A credit union may make unsecured and secured loans to its members for such purposes and upon such conditions as the bylaws may provide. The board of directors shall establish written policies with respect to the granting of loans and the extending of lines of credit, including the terms, conditions and acceptable forms of security.

Idaho
26-2119. Loans to members.
(a) A credit union may loan to members for a provident or productive purpose and upon such security as the bylaws may provide, and the credit committee or loan officer shall approve. If permitted by law the borrowing members may be charged for the cost of filing fees on security instruments in connection with the transaction. Every application for a loan shall be made upon a form, which the credit committee prescribes and the board approves, which shall state the purpose for which the loan is desired and the security, if any, offered. Every loan shall be evidenced by a written instrument. No secured or unsecured loan shall be made to any member in excess of the limits set by written board policy. No loan shall be made unless it has been approved in writing by a loan officer or has received majority approval of the members of the credit committee present when the loan was considered, which members present shall constitute at least a majority of the credit committee.

Illinois
205 ILCS 305/46) (from Ch. 17, par. 4447) Sec. 46. Loans and interest rate.
(1) A credit union may make loans to its members for such purpose and upon such security and terms, including rates of interest, as the credit committee, credit manager, or loan officer approves. Notwithstanding the provisions of any other law in connection with extensions of credit, a credit union may elect to contract for and receive interest and fees and other charges for extensions of credit subject only to the provisions of this Act and rules promulgated under this Act, except that extensions of credit secured by residential real estate shall be subject to the laws applicable thereto. The rates of interest to be charged on loans to members shall be set by the board of directors of each individual credit union in accordance with Section 30 of this Act and such rates may be less than, but may not exceed, the maximum rate set forth in this Section. A borrower may repay his loan prior to maturity, in whole or in part, without penalty. The credit contract may provide for the payment by the member and receipt by the credit union of all costs and disbursements, including reasonable attorney's fees and collection agency charges, incurred by the credit union to collect or enforce the debt in the event of a delinquency by the member, or in the event of a breach of any obligation of the member under the credit contract. A contingency or hourly arrangement established under an agreement entered into by a credit union with an attorney or collection agency to collect a loan of a member in default shall be presumed prima facie reasonable.

Indiana
IC 28-7-1-23
Loans to members; purposes; repayment plans; direct deposit.
(a) A credit union may make loans to its members for such purposes and upon such security as the bylaws provide, and as the credit committee or loan officer shall approve.
(b) A member may receive a loan for crops in installments.
(c) A borrower may repay the whole loan or any part of a loan on any day on which the credit union is open.
(d) A credit union may offer payroll deduction for:
(1) the repayment of loans; and
(2) deposits into the accounts of members.
(e) A credit union may offer direct deposit.

Iowa
533.315 Loans.
1. General lending power. A state credit union may loan to a member for a provident or productive purpose.
a. Loans are subject to the conditions contained in this section and in the bylaws.
b. A loan may be repaid by the borrower, in whole or in part, any day the office of the state credit union is open for business.
c. A loan shall be made pursuant to an application with supportive credit information.

d. The superintendent may adopt rules requiring periodic updating of credit or financial information for all loans or for classes of loans designated in the rules.

4. Loans on real property.
a. A state credit union may make permanent loans, construction loans, combined construction and permanent loans, or second mortgage loans secured by liens on real property, as authorized by rules adopted by the superintendent. The rules shall contain provisions as necessary to ensure the safety and soundness of these loans, and to ensure full and fair disclosure to borrowers of the effects of provisions in agreements for these loans, including provisions permitting change or adjustment of any terms of a loan, provisions permitting, requiring, or prohibiting repayment of a loan on a basis other than of equal periodic installments of interest plus principal over a fixed term, provisions imposing penalties for a borrower's noncompliance with requirements of a loan agreement, or provisions allowing or requiring a borrower to choose from alternative courses of action at any time during the effectiveness of a loan agreement.
b. (1) A state credit union may include in the loan documents signed by the borrower a provision requiring the borrower to pay the state credit union each month in addition to interest and principal under the note an amount equal to one-twelfth of the estimated annual real estate taxes, special assessments, hazard insurance premium, mortgage insurance premium, or any other payment agreed to by the borrower and the state credit union in order to better secure the loan. The state credit union shall be deemed to be acting in a fiduciary capacity with respect to these funds.
(2) A state credit union receiving funds in escrow pursuant to an escrow agreement executed on or after July 1, 1982, in connection with a loan as defined in section 535.8, subsection 1, shall pay interest to the borrower on those funds, calculated on a daily basis, at the rate the state credit union pays to its members on ordinary savings deposits.
(3) A state credit union that maintains an escrow account in connection with any loan authorized by this subsection, whether or not the mortgage has been assigned to a third person, shall each year deliver to the mortgagor a written annual accounting of all transactions made with respect to the loan and escrow account.
c. A state credit union that obtains a report or opinion by an attorney or from another mortgage lender relating to defects in or liens or encumbrances on the title to real property, the unmarketability of the title to real property, or the invalidity or unenforceability of liens or encumbrances on real property, shall provide a copy of the report or opinion to the mortgagor and the mortgagor's attorney.

Kansas
17-2216. Loans to members; conditions.
(a) Subject to rules and regulations of the administrator, a credit union may loan to its members, as provided, for such purposes and upon such security as the bylaws may provide and the credit committee or duly authorized loan officer shall approve. Loans to members shall be made in conformity with criteria established by the board of directors. No loan shall be

made in excess of $500 or 10% of the credit union's total assets, whichever amount is greater. A member who needs funds with which to purchase necessary supplies for growing crops may receive a loan in fixed monthly installments instead of one sum. A borrower may repay the whole or any part of the loan on any day on which the office of the credit union is open for the transaction of business, except that on a first or second mortgage loan, a credit union may require that any partial prepayments be made on the date monthly installments are due and be in the amount of that part of one or more monthly installments which would be applicable to principal.
(b) Any loan secured by the insurance or guarantee of, or with advance commitment to purchase the loan by the federal government, a state government or any agency of either may be made under the terms and conditions specified in the law under which such insurance, guarantee or commitment is provided.

Kentucky
286.6-425 Purposes of loans -- Conditions of loans.
A credit union may loan to members for such purposes and upon such conditions as the bylaws may provide.

Louisiana
656. Loans.
A. A credit union may make loans, under terms and conditions specified in the bylaws, to its members, and extend lines of credit to its members, to other credit unions, and to credit union organizations, and to participate with other credit unions, credit union organizations, or financial organizations to credit union members in accordance with the following:
(1) Loans to members shall be made in conformity with criteria established by the board of directors, provided that:
(a) Real estate loans secured by a first mortgage on real estate shall not be in excess of eighty-five percent of the value of the property, as determined by a written appraisal, unless the loan amount in excess of eighty-five percent is covered through private mortgage or equivalent insurance.
(b) A loan to finance the purchase of a mobile home, which shall be secured by a first lien on such mobile home to be used by the credit union member as his residence, or for the repair, alteration, or improvement of a residential dwelling which is the residence of a credit union member shall have a maturity not to exceed twenty years, unless such loan is insured or guaranteed as provided in Subparagraph (c).
(c) A loan secured by the insurance or guarantee of the federal government, of a state government, or any agency of either, may be made for the maturity and under the terms and conditions specified in the law under which such insurance or guarantee is provided.
(d) A loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan, including direct obligors, endorsers, cosigners, or

guarantors, which exceeds twenty thousand dollars, plus pledged shares, shall be reviewed and approved or denied by the board of directors.
(e) Loans to other members for which directors or members of the supervisory or credit committee act as guarantor or endorser shall be approved or rejected by the board of directors when such loans standing alone or when added to any outstanding loan or loans of the guarantor or endorser exceeds twenty thousand dollars.
(f) No loan may be made to any member, if, upon making of that loan, the member would be indebted to the credit union upon loans made to him in an aggregate amount which would exceed ten per centum of the credit union's unimpaired capital and surplus.
(g) Any director or committeeman who knowingly and willfully makes or agrees to the making of any loan to other than a member or another qualified credit union shall, by such act, become jointly, severally, or solidarily responsible with the maker and endorser for the full amount of the debt.
(h) A borrower may repay his or her loan prior to maturity in whole or in part on any business day without penalty.
(2) A self-replenishing line of credit to a borrower may be established to a stated maximum amount on certain terms and conditions which may be different from the terms and conditions established for another borrower.
(3) Excluding loans made by a corporate credit union, loans to other credit unions shall be approved by the board of directors.
(4) Loans to credit union organizations shall be approved by the board of directors and shall not exceed one per centum of the paid-in and unimpaired capital and surplus of the credit union. A credit union organization means any organization as determined by the board, which is established primarily to serve the needs of its member credit unions, and whose business relates to the daily operations of the credit unions they serve.
(5) Participation loans with other credit unions, credit union organizations, or financial organizations shall be in accordance with written policies of the board of directors; provided that a credit union which originates a loan for which participation arrangements are made in accordance with this Subsection, shall retain an interest of at least ten per centum of the face amount of the loan.
B. A borrower may repay the whole or any part of his loan on any day on which the office of the credit union is open for transaction of business.
C. Any director or committeeman who knowingly and willfully makes or agrees to the making of any loan to other than a member or another qualified credit union shall by such act become jointly, severally, or in solido responsible with the maker and endorsers for the full amount of the debt.
D. A credit union may make loans to its members on a revolving credit, open-end credit, or line of credit loan plan in conformity to Regulation Z of the Truth-in-Lending Act. The terms and maturities of this type of loan shall be the same as in Subsection A of this Section.

Maine
§851. Loans in general.
1. Authorization. A credit union may make, sell, purchase, arrange, participate in, invest in and otherwise deal in loans to its members for any purpose in accordance with the provisions of this chapter.
2. Applicability of other sections. In addition, a credit union is subject to sections 432, 433, 435 and 436.
3. Approvals required. The credit committee provided for in section 845 shall approve all loans to members made by the credit union. In addition, the approval of the credit union's board of directors or executive committee shall be required for all loans other than personal loans to members.
4. Written loan policy. The board of directors shall establish a written loan policy, which must be reviewed and ratified at least annually, that addresses at a minimum the following:
A. Individual lending officer authority;
B. Loan mix and diversification;
C. Loan quality parameters; and
D. Delegation of authority to officers and committees responsible for administering the portfolio.

Maryland
§ 6-601. Power to make loans.
(a) In general. -- Subject to the provisions of this subtitle, a credit union may make loans and extend lines of credit to its members in accordance with written policies established by the board.

(b) Revolving credit plans. -- Notwithstanding subsection (e) of this section, § 6-606(d) of this subtitle, and § 12-913.1 of the Commercial Law Article, on or after October 1, 1994, a revolving credit plan and extensions of credit under a revolving credit plan offered and extended by a credit union to a member are made under and are subject to Title 12, Subtitle 9 of the Commercial Law Article.

(c) Closed end loans. -- Notwithstanding subsection (e) of this section, § 6-606(d) of this subtitle, and § 12-1013.1 of the Commercial Law Article, on or after October 1, 1994, a closed end loan made by a credit union to a member is made under and is subject to Title 12, Subtitle 10 of the Commercial Law Article.

(d) Inapplicability of Commercial Law Article provisions. -- Except as provided in subsection (e) of this section and § 6-606(d) of this subtitle, and except as otherwise provided under the express terms of the agreement, note, or other evidence of an extension of credit or loan, the provisions of Title 12, Subtitle 1, 3, 4, 5, 6, 9, or 10 of the Commercial Law Article do not apply to an extension of credit or loan made by a credit union before October 1, 1994.

(f) Certain fees to be consistent with federal law. -- Notwithstanding any provision of Title 12 of the Commercial Law Article, if the credit agreement provides, a credit union may make loans or extend credit to its members incorporating the same terms and conditions as a federal credit union is permitted under federal law and regulations relating to:

(1) Over the limit fees for credit cards; and

(2) Fees for ancillary and administrative services requested by the member, including:

(i) Researching account records;

(ii) Providing duplicate statements and other documents; and

(iii) Expedited issuance of a duplicate or original credit card or device.

Massachusetts

Chapter 171, Section 57. Loans to members; applications; preferences; limitations.
The capital, deposits and surplus of a credit union shall be invested in loans to members, with approval of the credit committee, as provided in section seventeen and, when so required herein, of the board of directors.
All applications for loans shall be made in writing and shall state the purpose for which the loan is desired and the security, if any, offered.

Personal loans shall always be given the preference and, in the event there are not sufficient funds available to satisfy all loan applications approved by the credit committee, preference shall be given to the smaller loan.

Whenever the liquidity reserve required by section seventy-one falls below five percent of the total assets of a credit union, no further loans shall be made until the ratio as herein provided has been reestablished.

Chapter 171, Section 59. Personal loans; limitations and restrictions.
A credit union may make personal loans as hereinafter provided.
Each unsecured personal loan shall be payable within forty-eight months from the date of the note. A loan secured by shares or by satisfactory collateral of the type set forth under the provisions of subparagraph (2) of the third paragraph, may be payable within one hundred and twenty months from the date of the note. A loan secured by satisfactory collateral as set forth in subparagraph (3) of the third paragraph shall be payable within sixty months from the date of the note. All such loans shall be paid or renewed on or before the due date.
The maximum amount of a loan or loans made to a member in excess of his shares and deposits and in excess of the shares and deposits of the co-maker, if any, pledged to secure the same,

shall be limited as follows except that where satisfactory collateral is pledged, additional loans may be made under the provisions of subparagraphs (1), (2) and (3) as set forth hereunder:
(1) A credit union may make loans to an amount not exceeding twelve thousand five hundred dollars and, if the assets of such credit union are four million dollars or more, to an amount not exceeding fifteen thousand dollars if evidenced by the unendorsed and unsecured note of the borrower.
(2) A credit union may make loans to an amount not exceeding five thousand dollars if evidenced by the note of the borrower and with sufficient collateral pledged to secure the same made up of bonds or notes of the United States, or of any state or subdivision thereof, which are legal investments for credit unions or on the list prepared under section fifteen of chapter one hundred and sixty-seven, valued at not more than eighty percent of their market value or by the assignment of the passbook of a depositor in a savings bank doing business in any of the New England states or in a trust company or national banking association doing business in this commonwealth or the savings share account book of a cooperative bank incorporated in this commonwealth or the unpledged shares thereof represented by passbooks or certificates or the passbook of a shareholder in a federal savings and loan association doing business in this commonwealth or policies issued by life insurance companies authorized to transact business in this commonwealth valued at not more than their cash surrender value. In addition to the authority given herein, a credit union having assets of five hundred thousand dollars or more may lend an amount not in excess of two percent of its assets or fifty thousand dollars, whichever is lesser, upon said collateral and may also secure such notes by taking as collateral therefor the readily marketable common or preferred stocks of corporations listed on a stock exchange which is subject to regulation by the securities and exchange commission, valued at not more than eighty percent of their market value.
(3) A credit union having assets of less than one hundred thousand dollars may make loans evidenced by the note of the borrower and secured by a pledge or security interest in satisfactory collateral valued at not more than eighty-five percent of its market value, in amounts not exceeding five thousand dollars; a credit union having assets of more than one hundred thousand dollars may make loans evidenced by a pledge or security interest in satisfactory collateral valued at not more than ninety-five percent of its market value, in amounts not exceeding twenty thousand dollars or one percent of assets, whichever is greater; provided, however, that a loan based on one percent of assets shall not exceed forty thousand dollars. Each such loan made under this paragraph shall be payable within sixty months from the date of the note.
(4) A credit union shall, upon application by a depositor or shareholder or by either of two joint depositors or shareholders therein, make a loan to him, secured by his passbook in an amount not exceeding said deposit or share account for a time not extending beyond the end of the dividend period in which the loan was made. Said credit union may charge the depositor or shareholder interest for, or may collect discount in advance upon, the loan at a rate not exceeding one percent more than the rate of the next preceding ordinary dividend of said credit union and, if an extra dividend shall have been paid therewith, not exceeding one percent more than the combined rates of such ordinary and extra dividends; provided, however, that a minimum of one dollar may be charged or collected as such interest or

discount in the case of any such loan. The credit union shall keep posted in a conspicuous place in its banking quarters a notice containing the substance of this subparagraph in such form as the commissioner may prescribe.
(5) A credit union may, upon application by a shareholder or depositor or by either of two joint shareholders or depositors in a special notice account, make a loan to him, secured by his share or deposit passbook, in an amount not exceeding said share or deposit balance, for a time not extending beyond the end of the dividend period in which the loan was made or one year from the day on which the loan was made, whichever is longer. Said credit union shall charge the shareholder or depositor interest for, or collect discount in advance upon, such loan at a rate of not less than two percent per annum more than the combined rates of the next preceding ordinary dividend of such credit union and the additional dividend then paid therewith on special notice accounts.
(6) A credit union may make a personal loan of the several classes specified in this section and subject to the conditions contained therein evidenced by a note which provides for variation in the rate of interest over the term of the note; provided, however that such a loan shall be subject to, but not limited to, the following conditions and restrictions imposed by the commissioner: (a) the method by which the rate of interest may be adjusted; (b) the frequency with which the rate of interest may be adjusted, provided, however, that successive rate adjustments shall be no less than six months apart; (c) the maximum increase in the rate of interest allowed for any such adjustment; (d) provisions for decreases in the rate of interest as may be warranted by market conditions; (e) requirements for advance notification and explanation of adjustments in the rate of interest; provided, however, that such notification and explanation shall occur no less than thirty days prior to such adjustments; and (f), methods of disclosure to the borrower of the terms and conditions of the loan as required under the provisions of chapter one hundred and forty D. Notwithstanding any provision of law to the contrary, the commissioner may, by further conditions and restrictions, provide that the rate of amortization may be varied, including utilizing a period of negative amortization, in order to adjust the rate of interest.
(7) An assignment of wages or a payroll deduction order may be received as satisfactory collateral for any loan not in excess of one thousand dollars.

Michigan
490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.
(1) A loan by a domestic credit union to a member shall conform to any conditions contained in the bylaws.

Minnesota
52.16 LENDING; CONDITIONS.
Subdivision 1.Purposes; repayment; loans involving officers.
A credit union may loan to members. Loans must be for a provident or productive purpose and are made subject to the conditions contained in the bylaws. A borrower may repay a loan, in whole or in part, any day the office of the credit union is open for business. Except for loans secured by first real estate mortgages on homes owned and occupied, of the character made to other members, no director, officer, or member of the credit or supervisory committee may become liable, as a borrower or endorser for other borrowers, or both, to the credit union in which that person holds office, beyond the amount of the person's holdings in shares and deposits therein, unless the loan shall have been approved in the manner provided by section 52.10.

Mississippi
SEC. 81-13-43. Loans.
(1) Loans to members may be made only in accordance with the NCUA's rules and regulations, Federal Credit Union Act, state statutes, and any interpretive rulings issued by the NCUA.
(2) No officer or committee member shall act as endorser or guarantor for other borrowers from the same credit union.

Missouri
Duties of credit committee--credit manager authorized--delegation of loan authority--appeal from decision--extension of credit, when.
370.220. 1. The credit committee or credit manager, if authorized, shall approve every loan or advance made by the credit union to its members.
2. Every application for a loan shall be in the format approved by the board of directors. The applicant shall state the purpose for which the loan is desired and the security, if any, offered.
3. Security must be taken for any loan in excess of the limit set by written policy of the board of directors. Endorsement of a note or assignment of shares in any credit union shall be deemed security within the meaning of this section.
4. No loan shall be made unless it has received the majority approval of the members of the committee present when the loan was considered, which number shall constitute at least a majority of the committee. However, in the case of any credit union having total assets in excess of one hundred thousand dollars, the board of directors may appoint a credit manager. The credit manager may be delegated authority to act on all or some applications for loans, reporting monthly thereon to the credit committee or board of directors, as the case may be.
5. An applicant for a loan may appeal to the directors from the decision of the credit committee or credit manager, if it is so provided in the bylaws, and in the way and manner therein provided.
6. Notwithstanding any other provisions in this chapter, the board of directors may delegate to the treasurer, or manager, the power to make loans to members provided the amount of any

one such loan shall not exceed one hundred dollars and the period of any such loan shall not exceed thirty days.
7. The credit committee or, when authorized, a credit manager may approve in advance, upon its or his own motion or upon application by a member, an extension of credit, and loans may be granted to such members within the limits of such extensions of credit. When an extension of credit has been approved, applications for loans need no further consideration as long as the aggregate obligation does not exceed the limits of such extension of credit. The credit committee or, when authorized, the credit manager shall, at least once a year, review, or cause to be reviewed, all extensions of credit and any extension of credit shall expire if the member becomes more than ninety days delinquent in his obligation to the credit union.

Montana
32-3-601. Loans -- purposes, terms, and conditions.
A credit union may loan to members for the purposes and under the conditions as prescribed by the board of directors. The board of directors shall establish written policies with respect to granting loans and extending lines of credit. The policies must include terms, conditions, and acceptable forms of security.

Nebraska
21-1787. Purpose and conditions of loans.
Subject to the restrictions contained in the Credit Union Act, a credit union may make loans to its members for provident or productive purposes upon such terms and conditions and upon such security, real or personal, or on an unsecured basis as prescribed in its bylaws or written lending policy.

Nevada
NRS 678.710 Loans to members: Application; approval; limitations; participation loans; payment.
1. A credit union may make loans to members in accordance with the provisions of the bylaws upon receipt of approval by the credit committee or loan officer at a rate of interest agreed upon by the credit union and member.
2. Every application for a loan must be made in writing upon a form furnished by the credit union which has been approved by the board. The application must include the purpose for which the loan is desired and the security, if any, offered.

New Hampshire
394-B:15 Deposits; Loans. –
A credit union may receive its members' money on deposit and in payment of shares, upon such terms and in such amounts as its board of directors may prescribe. It may make loans to

its members on such terms and upon such security, real or personal, as its written lending policy may prescribe.

New Jersey
17:13-104. Loans to members; security; interest; fees; lien on accounts.
a. A credit union may make loans to its members, evidenced by a written instrument, upon terms and upon any security, including, but not limited to, the endorsement of a note by a surety, comaker, or guarantor, assignment of an interest in real or personal property, or assignment of shares, as the board may provide. The adequacy of any security shall be determined by the credit committee. No loan shall be made to any member when the aggregate amount of all that member's loans outstanding exceeds 10% of the credit union's total assets. The board, in its discretion, may fix a lower amount.

New Mexico
58-11-49. Loan policies.
A. A credit union may extend credit to members for such purposes and upon such conditions as the bylaws may provide.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:
6. (a) To lend money to its members at the rate or rates agreed to by the credit union and the borrower upon such terms and conditions as are established by its board of directors and subject to such regulations and restrictions as the superintendent of financial services finds necessary and proper.

North Carolina
§ 54-109.65. Purposes, terms and interest rate.
A credit union may loan to its members for such purpose and upon such security and terms as the board of directors prescribes at rates of interest not exceeding eighteen percent (18%) annual percentage rate, unless a greater rate not to exceed the annual percentage rate permitted to be charged by federally chartered credit unions, is otherwise approved by the Credit Union Commission. Such action by the Commission will be uniform and apply to all credit unions.

North Dakota
Silent

Ohio
1733.25 Loans - interest.
(A) A credit union may make loans or other extensions of credit to members for provident and productive purposes as authorized by law, including rules adopted by the superintendent of credit unions; the articles; and the regulations; and subject to policies adopted by the credit committee and approved by the board of directors.

Oklahoma
Section 2006 - Succession – Powers.
A credit union shall have succession in its corporate name during its existence and shall have power:
5. To make loans to its members for provident or productive purposes, the maturities of which shall not exceed fifteen (15) years, except as otherwise provided herein and except as otherwise approved by the State Credit Union Board, and extend lines of credit to its members, to other credit unions and to credit union organizations and to participate with other credit unions, credit union organizations or financial organizations in making loans to credit union members, other credit unions and credit union organizations in accordance with the following:
a. loans to credit union members shall be made in conformity with criteria established by the board of directors of the lending credit union; provided that:
(1) a real estate loan secured by a first mortgage lien may have a maturity not exceeding thirty (30) years or any longer term which may be authorized by the State Credit Union Board,
(2) a loan to finance a manufactured home, which shall be secured by a first lien on such manufactured home, or a second mortgage loan secured by a dwelling, shall have a maturity not exceeding fifteen (15) years or any longer term which may be allowed by the State Credit Union Board,
(3) a loan secured by the insurance or guarantee of, or with advance commitment to purchase the loan by, a state or federal governmental agency may be made for the maturity and under the terms and conditions specified in the state or federal law under which such insurance, guarantee or commitment is provided,
(4) a loan or aggregate of loans to a director or to a member of the supervisory committee or the credit committee or the credit manager of the lending credit union which exceeds Sixty Thousand Dollars ($60,000.00) plus the amount of any pledged shares, shall be approved by the board of directors of the lending credit union, and
(5) loans to credit union members for which any director of the lending credit union or any member of the supervisory committee or credit committee or the credit manager of the lending credit union acts as a guarantor or endorser shall be approved by the board of directors of the lending credit union when such loan, either standing alone or when added to any

outstanding loan or loans of the guarantor or endorser, exceeds Sixty Thousand Dollars ($60,000.00) plus the amount of any pledged shares,

b. loans to credit union members and other eligible borrowers shall be made in accordance with and shall be paid or amortized in accordance with any rules or regulations as may be prescribed and adopted from time to time by the State Credit Union Board, after taking into account the needs or conditions of the borrowers, the amounts and duration of the loans, the interests of the members and the credit unions and such other factors as the State Credit Union Board may deem relevant,

c. unless approval by the board of directors of the lending credit union is otherwise expressly required herein, loans to credit union members and other eligible borrowers shall be approved by the credit committee or by a loan officer of the lending credit union in accordance with criteria established by the board of directors,

Oregon

723.502 Purposes; terms**.**

A credit union may make loans to members of the credit union for such purpose and upon such security and terms as the credit committee, credit manager or loan officer approves. A person who is not a member of the credit union may be a guarantor or coobligor on a credit union's loan to a member of the credit union.

Pennsylvania

§ 512. Loans.

Except as otherwise provided in this title, a credit union may make loans to its members only. Loans must be made subject to the conditions contained in the bylaws. A borrower may repay his loan, in whole or in part, any day the office of the credit union is open for business.

Rhode Island

§ 19-5-13 Loan applications.

The credit committee or duly appointed loan officer shall approve, in writing, every loan or advance made by the credit union, subject to any limitations which may be set from time to time by the board of directors. Every application for a loan shall be made in writing and shall state the purpose for which the loan is desired and the security offered. No loan shall be made unless the credit committee or loan officer is satisfied that it promises to benefit the borrower, nor unless it has been approved by the committee or duly appointed loan officer in accordance with applicable credit union bylaw provisions. The applicant for a loan may appeal the decision of the credit committee or loan officer to the board of directors. If written approval of the credit committee or loan officer is obtained, nothing contained in this section shall prevent a credit union from extending credit to a member in any manner in which it sees fit; provided that no extension of credit shall be made upon an unsecured revolving credit plan, line of credit, or letter of credit in which the credit authorization exceeds five thousand dollars

($5,000), unless the credit authorization is reviewed at least annually by the credit committee, if one exists, or by the board of directors.

South Carolina

SECTION 34-26-400. Particular powers of cooperative credit union; loans to other credit unions.
A cooperative credit union may receive the savings of its members in payment for shares, may lend to its members at reasonable rates of interest, not to exceed the rate authorized by law, or may invest, as provided by law, the funds so accumulated, may borrow from banks, savings and loan associations, trust companies, or other credit unions, or persons, and loan such money to its members, and may undertake such other activities authorized by law, provided that any credit union may loan money to any other credit union at such rate as the parties to the loan may agree.

Tennessee

45-4-605. Conditions of lending.
A credit union may loan to its members, as provided, for the purposes and upon the security that the bylaws may provide and the credit committee shall approve.

Texas

Sec. 124.001. AUTHORIZATION.
A credit union may make a loan to a member:
(1) in accordance with rules adopted by the commission;
(2) for a purpose the credit union approves; and
(3) on security and terms the credit union requires.

Utah

7-9-26. Loans to members -- Investment officers -- Investments.
(1) Subject to Subsections 7-9-20(7) and (8) and Section7-9-58, capital and surplus of the credit union shall be loaned to the members for the purposes and upon the endorsements or security and the terms as the bylaws provide.

Vermont

§ 31302. Duties of governing body.
The governing body shall have authority for the general management of the credit union and, among other things, the governing body shall:
(14) Establish lending policies and, within any limitations set forth in the credit union's bylaws, fix a maximum amount that may be lent with and without security to a member.

§ 32301. Loan authority.
(a) Unless otherwise restricted by applicable law, rule, or regulation, a credit union may lend to its members for such purposes as prescribed by the governing body. The governing body shall establish a written loan policy in accordance with the requirements of this section.

Virginia
§ 6.2-1370. Purpose and condition of loans.
A credit union may lend to its members for such purposes and upon such conditions as the bylaws may prescribe. The board of directors shall establish written policies with respect to granting loans and extending lines of credit, including the terms, conditions, and acceptable forms of security.

Washington
RCW 31.12.426. Loans to members — Secured or unsecured loans.
(1) A credit union may make secured and unsecured loans to its members under policies established by the board, subject to the loans to one borrower limits provided for in RCW 31.12.428. Each loan must be evidenced by records adequate to support enforcement or collection of the loan and any review of the loan by the director. Loans must be in compliance with rules adopted by the director.

RCW 31.12.428. Limit on loan amount.
(1) No loan may be made to any borrower if the loan would cause the borrower to be indebted to the credit union on all types of loans in an aggregated amount exceeding ten thousand dollars or twenty-five percent of the capital of the credit union, whichever is greater, without the approval of the director.
(2) The director by rule may establish separate limits on business loans to one borrower.

West Virginia
§31C-7-1. Purpose and conditions of loans.
A credit union may loan to members for such purposes and upon such conditions as the bylaws may provide. The board of directors shall establish written policies with respect to the granting of loans and the extending of lines of credit, including the terms, conditions and acceptable forms of security.

Wisconsin
186.098 Loans.
(1) Loan approval. The credit union may make loans to members upon terms approved by the credit committee, loan officer or board of directors.

Chapter 2

Comparative Digest of Credit Union Acts: Interest Rate

2011 Model Credit Union Act:

Section 7.20. Interest Rate.
Notwithstanding the provisions of any other law in connection with extensions of credit, a credit union may elect to contract for and receive interest for extensions of credit subject only to the provisions of this Act and rules promulgated under this Act.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Interest Rate

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
§ 5-17-18. Interest rates and finance charges on loans; late charge.
State chartered credit unions may charge such rates of interest and other finance charge as are authorized for other financial institutions pursuant to the Alabama consumer credit act or other applicable law and may charge a late charge in an amount authorized by the Alabama consumer credit act, provided that such late charge may only be assessed on simple interest loans and simple interest open-end credit plans. As used herein, "simple interest" means charging an interest rate on the unpaid balances of the amount outstanding from time to time for the actual time such balance is outstanding.

Alaska
Sec. 06.45.120. Board of directors.
(6) subject to the limitations of this chapter, determine the interest rates on loans, the security, and the maximum amount that may be loaned or provided in lines of credit;

Sec. 06.45.060. Powers of a credit union; remedy for interest violations.
(vi) the rate of interest may not exceed the greater of 15 percent a year or the rate specified in AS 45.45.010(b);
(vii) the taking, receiving, reserving, or charging of a rate of interest greater than is allowed by this paragraph, when knowingly done, is considered a forfeiture of the entire interest that the note, bill, or other evidence of debt carries with it, or that has been agreed to be paid on the note, bill, or other evidence of debt; if a greater rate of interest has been paid, the person by whom it has been paid or the person's legal representatives may recover back from the credit union taking or receiving it the entire amount of interest paid, but the action must be commenced within two years from the time the usurious collection was made;

Arizona
6-562. Interest rates and other charges.
A. The board of directors shall determine the interest rates on loans. The board may also authorize any refund of interest on loans under the conditions it may prescribe.

B. In addition to interest charged on loans, a credit union may charge all reasonable fees and expenses in connection with the making, closing, disbursing, extending, modifying, collecting or renewing of loans.
C. A credit union may assess charges to members, in accordance with board policy, for failure to meet their obligations to the credit union in a timely manner.

Arkansas
23-35-603. Loans and extensions of credit in advance.
(b) (1) No loan shall bear an interest rate to exceed the highest lawful rate permitted under the Constitution of the State of Arkansas.

California
15100.
(a) The board of directors shall establish written policies which shall set forth the policies of the credit union with respect to any obligation that is offered to the members of the credit union. The written policies shall set forth the maximum amounts and terms for any obligation offered to the members, including, but not limited to, the following information:
(2) For obligations other than those set out in paragraph (1), the board of directors shall set out the interest rates and essential terms of the obligations offered to the members and any other information as may be required pursuant to regulations that may be adopted by the commissioner.

Colorado
11-30-109. Directors and officers – compensation.
. . . The board of directors shall be responsible for the general management of the affairs of the credit union, and more specifically to**:**
(b) Set policies, terms, and conditions under which loans will be available to members, determine interest rates on loans and on deposits, determine whether an interest refund shall be made to members, and declare the rates of any such interest refund and the classes of loans to which such refund shall apply. Any such refund shall be paid from interest income of the credit union and shall be paid only to members who paid interest to the credit union during the period and who were members of record of the credit union at the close of such period, but no refund shall be paid to a member whose loan is delinquent more than the period of time specified by the board of directors.

Connecticut
Silent

Florida
657.021 Board of directors; executive committee.—
(6) The board of directors shall:
(g) Determine, from time to time, the interest rate or rates which are charged on extensions of credit under such conditions as the board prescribes.

Georgia
7-1-656. Duties of directors; meetings; applicability of Code Section 7-1-490.
(a) The board of directors shall be responsible for the affairs, funds, and records of the credit union and shall meet as often as necessary, but at least once during ten different months of each calendar year. Unless the bylaws specifically reserve any or all of the duties to the members, it shall be the special duty of the directors:
(2) To determine from time to time rates of interest and dividends which shall be allowed on deposits and charged on loans consistent with this article and other applicable laws and to authorize any interest refunds on such classes of loans and under such conditions as the board prescribes;

Hawaii
§412:10-403 Interest rates.
(a) The interest rates on loans shall be determined by the board of directors, subject to the following:
(1) The interest rate on any credit union loan hereafter made shall not exceed eighteen per cent per year on the unpaid balance, may be fixed or variable, and may provide for a balloon payment. A variable rate may be based upon an index, the prime rate, or some other objective factor, so that the interest rate will increase or decrease according to such factor.
(2) The commissioner, without regard to chapter 91, may establish an interest rate ceiling exceeding the eighteen per cent per year for periods not to exceed eighteen months, if the commissioner determines that prevailing interest rate levels threaten the safety and soundness of credit unions.
(b) The board may also authorize any refund of interest on such classes of loans and under such conditions as it prescribes.
(c) If a greater rate of interest than that permitted under this article is contracted for in any loan under this article, the loan shall not, by reason thereof, be void. But, if in any action on the loan, proof is made that a greater rate of interest than that permitted by law has been directly or indirectly contracted for, the credit union shall only recover the amount actually received by the borrower in cash, credit or the equivalent thereof plus the charges, if any, which were properly charged to the borrower and which have not been deducted from the principal amount of the contract or otherwise paid by the borrower. The borrower shall only recover costs. If interest has been paid, judgment shall be for the recoverable amount less the amount of interest paid. Sections 478-5 and 478-6 shall not apply to loans made under this article by credit unions.

Idaho
26-2116. Board of directors.
The board shall have the general management of the affairs, funds, and records of the credit union and shall meet as often as necessary, but not less than once each month. It shall be the special duty of the directors to:
(c) Determine from time to time the rate(s) of interest consistent with the provisions of this chapter which shall be charged on loans and determine the rate(s) of interest refunds, if any, to be paid to borrowing members, the qualifications for participation, and the manner of computation and payment. Such interest rebates are to be paid from the credit balance of the current earnings period.

Illinois
(205 ILCS 305/30) (from Ch. 17, par. 4431) Sec. 30. Duties of directors.
(a) It shall be the duty of the directors to: more duties, all of the following duties:
(3) Determine from time to time the interest rates,
not in excess of that allowed under this Act, which shall be charged on loans to members and to authorize interest refunds, if any, to members from income earned and received in proportion to the interest paid by them on such classes of loans and under such conditions as the board prescribes. The directors may establish different interest rates to be charged on different classes of loans;

205 ILCS 305/46) (from Ch. 17, par. 4447) Sec. 46. Loans and interest rate.
(1) A credit union may make loans to its members for such purpose and upon such security and terms, including rates of interest, as the credit committee, credit manager, or loan officer approves. Notwithstanding the provisions of any other law in connection with extensions of credit, a credit union may elect to contract for and receive interest and fees and other charges for extensions of credit subject only to the provisions of this Act and rules promulgated under this Act, except that extensions of credit secured by residential real estate shall be subject to the laws applicable thereto. The rates of interest to be charged on loans to members shall be set by the board of directors of each individual credit union in accordance with Section 30 of this Act and such rates may be less than, but may not exceed, the maximum rate set forth in this Section. . . .

Indiana
IC 28-7-1-16
Board of directors; board officers; credit union officers; board meetings; executive committee; directors' duties; loan officers; delegation of duties; suspension or removal of officer; action by written consent.
(h) A credit union board is responsible for the performance of all of the duties listed in this subsection. The board may delegate the performance of the duties to the chief executive

officer, who may further delegate one (1) or more of the following duties:
(1) Approving, disapproving, or otherwise acting on applications for membership.
(2) Determining the interest rates on loans and on deposits.

Iowa
533.316 Interest rates.
1. a. Interest rates on loans made by a state credit union, other than loans secured by a mortgage or deed of trust which is a first lien upon real property, shall not exceed the finance charge permitted in sections 537.2401 and 537.2402 on consumer loans.
b. Interest rates on business loans shall not exceed the finance charge permitted by section 535.2.
2. With respect to a loan secured by a mortgage or deed of trust which is a first lien upon real property, a state credit union shall not charge a rate of interest that exceeds the maximum rate permitted by section 535.2.
3. The provisions of this section do not apply to a loan that is subject to section 636.46.

Kansas
Silent

Kentucky
286.6-435 Interest rate.
The interest rates on loans shall be determined by the board of directors, not to exceed two percent (2%) per month on unpaid balances.

Louisiana
§654. Rates of interest.
A. Notwithstanding any other provision of the law to the contrary, a credit union may lend to its members at such maximum fixed rates or maximum variable rates of interest, as provided for in the bylaws of the credit union, which have been approved by the commissioner of financial institutions. An endorser, guarantor, or co-maker shall be subject to the same interest charge as a member of the credit union.
B. Notwithstanding any other provision of the law to the contrary, with respect to a loan to a member pursuant to an open-end credit, revolving credit, or line of credit loan account, a credit union may contract to receive and collect a finance charge, which may be such maximum fixed rates or maximum variable rates of interest in any amount, as provided for in the credit union bylaws, which have been approved by the commissioner of financial institutions. The finance charge may be added to the loan balance on the monthly due date or monthly billing date or the proportionate part due may be added when a new advance is made.

C. Notwithstanding any other provision of the law to the contrary, a credit union may provide in the bylaws for fees and costs incidental to the making of loans and for late charges, which have been approved by the commissioner of financial institutions.

Maine

432. Interest on loans.

1. Interest absent in writing. The maximum legal rate of interest on a loan made by a financial institution, in the absence of an agreement in writing establishing a different rate, shall be 6 percent per year.

2. Interest: noncommercial or consumer loans.

A. The legal rate of interest, whether set forth in writing or not, on a noncommercial or consumer loan, shall be established in accordance with and subject to the limitations set forth in Title 9-A.

A loan made by a financial institution which is secured by a first mortgage on real estate shall not be within the interest limitations set forth in Title 9-A; provided that the security interest in real estate is not given for purpose of evading said Title 9-A.

Maryland

§ 6-601. Power to make loans.

(e) Interest limitations. --

(1) This subsection does not apply to an extension of credit or loan made by a credit union on or after October 1, 1994.

(2) Except as otherwise expressly provided in this title, a credit union may not charge interest on any loan to a member at a rate of more than 1.5% a month on the unpaid balance.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, a credit union may charge interest on a loan to a member made on or after July 1, 1982, at 2% a month on the unpaid balance provided, with respect to the loan, that:

(i) If the loan is a renewal or refinancing of a loan made prior to July 1, 1982, the lender complies with § 12-116 of the Commercial Law Article;

(ii) If the loan includes a provision for a rate of interest which may be adjusted by the lender during the term of the loan, the lender complies with § 12-118 of the Commercial Law Article;

(iii) Upon the borrower's default, if the loan is secured by personal property, the lender complies with § 12-115 of the Commercial Law Article concerning repossession and redemption of the goods securing the loan;

(iv) If the loan is for the purchase of consumer goods, the loan contract complies with § 12-117 of the Commercial Law Article; and

(v) The loan does not include a balloon payment, unless payment in full is due on demand or in 1 year or less.

Massachusetts
Chapter 171, Section 13. Powers and duties of directors; quorum; removal from office; honorary president; participation in meetings by means of conference telephone or similar electronic communications equipment.
The board of directors shall have the general direction of the affairs of the corporation . . .. It shall . . . determine the rate of interest on loans subject to the limitations contained in this chapter . . .

Michigan
Silent

Minnesota
52.14 INTEREST ON LOANS.
Subdivision 2.Maximum allowable rate.
Interest rates on unpaid balances of loans made by a credit union shall not exceed one percent a month or the rate of interest authorized by section 48.195, whichever is greater at the time the loan is made. If the rate of interest charged is permitted by section 48.195 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.

Mississippi
SEC. 81-13-39. Authority to lend or invest funds; interest rates.
A credit union may lend to its members at reasonable rates of interest, which shall not exceed one and three-fourths percent (1-3/4%) per month, computed on unpaid balances, or invest the funds accumulated as herein provided. Fines and penalties shall not be considered as interest. A charge of Ten Dollars ($10.00) in lieu of interest may be made on any loan payable in a single payment, and a charge of Fifteen Dollars ($15.00) in lieu of interest may be made on any loan payable in installments.

Missouri
Loans, interest rate--charges--refunds to members.
370.300. 1. A credit union may lend to its members at reasonable rates of interest, which shall not exceed the maximum rate in similar classes allowed all other lenders under the laws of this state; however, a minimum interest charge not exceeding one dollar per month shall be allowable in all cases.

Montana
Silent

Nebraska
21-1788. Interest rate.
The interest rates on loans shall be determined by the board of directors, except that the rate shall not exceed eighteen percent per annum on the unpaid balance of the loan. The board may also authorize any refund of interest on such classes of loans under such conditions as it prescribes.

Nevada
NRS 678.370 Board of directors: Duties.
The directors of a credit union shall:
3. Determine the interest rate to be charged on loans and paid on deposits;

New Hampshire
394-B:35 Directors' Powers. –
The board of directors shall have the general direction of the affairs of the credit union, and shall meet monthly. It shall be the duty of the board to:
VI. Determine the rate of interest to be charged on loans;

New Jersey
17:13-104. Loans to members; security; interest; fees; lien on accounts.
b. Notwithstanding the provisions of R.S. 31:1-1 to the contrary, a credit union may charge, contract for, and receive interest on loans at a rate or rates agreed to by the credit union and the member. A credit union may charge late fees and lawful fees paid to any public officer for filing, recording, or releasing a document, and may charge collection fees, not to exceed 20% of the principal balance and interest outstanding, which may be added to the principal balance of any loan placed for collection after default thereon.

New Mexico
58-11-49. Loan policies.
B. The interest rates on extensions of credit shall be authorized and determined by the board of directors or any person or committee to which it has delegated that authority.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent

of financial services as may be specifically authorized under this section, have the following powers:
6. (a) To lend money to its members at the rate or rates agreed to by the credit union and the borrower upon such terms and conditions as are established by its board of directors and subject to such regulations and restrictions as the superintendent of financial services finds necessary and proper.
(b) The knowingly taking, receiving, reserving, or charging a greater rate of interest than permitted by law shall be held and adjudged a forfeiture of the entire interest which the note or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person paying the same or his legal representatives may recover twice the entire amount of the interest thus paid from the credit union.

North Carolina
§ 54-109.65. Purposes, terms and interest rate.
A credit union may loan to its members for such purpose and upon such security and terms as the board of directors prescribes at rates of interest not exceeding eighteen percent (18%) annual percentage rate, unless a greater rate not to exceed the annual percentage rate permitted to be charged by federally chartered credit unions, is otherwise approved by the Credit Union Commission. Such action by the Commission will be uniform and apply to all credit unions.

The term "interest," as used in this section, shall not be deemed to include charges made by a credit union for appraisals of real or personal property; attorneys' fees for searching title to real property, preparing notes, deeds of trust, mortgages and closing loans; and recording fees. Rate of interest and terms of repayment shall appear on each note but the corporation may, for the purpose of making loans, discount and negotiate promissory notes and deduct in advance, from the proceeds of such loan, interest at a rate not to exceed the rate herein fixed, which shall be the legal rate for corporations organized under this Article, and such deductions shall be made upon the amount of the loan from the date thereof until the maturity of the final installment, notwithstanding that the principal amount of such loan is required to be repaid in such installments.

North Dakota
6-06-12. Directors - Duties and powers - Loan limitations.
1. The directors shall have general management of the credit union, and it is their duty particularly:
b. To determine interest rates on loans and deposits or designate a representative to determine these rates.

Ohio
1733.25 Loans - interest.
(C) The interest on any loan or other extension of credit made by a credit union shall not exceed one and one-half per cent per month on unpaid balances. Such interest may accrue and be chargeable upon a monthly basis, and may be computed upon the unpaid balance of the loan or other extension of credit as of the end of the previous calendar month.

Such interest may be accrued and charged by any technique approved by the superintendent so long as the effective interest rate on any loan or other extension of credit does not exceed the amount permitted to be charged by the computation authorized in this division.

1733.251 Alternative interest rate.
(A) As an alternative to the interest permitted in division (C) of section 1733.25 of the Revised Code, a credit union may contract for and receive interest at any rate or rates agreed upon or consented to by the parties to the contract for the loan or other extension of credit, but not exceeding an annual percentage rate of twenty-five per cent.

(B) The computation of the loan or other extension of credit balance on which interest is assessed and the method of compounding interest on the balance pursuant to this section shall be as agreed upon by the credit union and the member.

Oklahoma
§6-2010. Board of directors - Credit committee or credit manager - Supervisory committee - Officers.
5. The board shall also:
e. subject to limitations of this act, determine the interest rates on loans and the maximum amount that may be loaned with and without security to any member, and determine the rate of interest refund, if any, to be made to members.

Oregon
723.296 Duties of directors; delegation of duties.
(3) In addition to the duties listed in subsection (2) of this section, and subject to subsection (1) of this section, the board shall:
(c) Determine from time to time the interest rate or rates that shall be charged on loans.

Pennsylvania
§ 510. Loan interest.
(a) General rule.--Interest rates on loans made by a credit union to its members shall not exceed 15% per annum when calculated on the unpaid principal balances. Interest shall be

computed for the actual number of days which have elapsed at the time of payment, except that interest for mortgage loans may be paid according to a preauthorized amortization schedule.
(b) Procedure for increase in rates.--Before any credit union shall charge any higher rate than that authorized in subsection (a), it shall obtain approval for such higher rate from at least two-thirds of the board of directors of the credit union, and such higher approved rate shall then apply only to loans made by the credit union thereafter. Members shall be notified in writing of the action of the board of directors not later than the next regular mailing of members account statements, which is at least 20 days subsequent to the action of the board.
(c) Penalty for overcharge.--The taking, receiving, reserving or charging interest greater than allowed by this section shall be deemed a forfeiture of the entire interest on the loan, except when such overcharge is the result of a clerical error in computation. In case an interest greater than that which is allowed by this section has been paid, the borrower may, within six months after payment, recover from the credit union the entire amount of interest paid, except when such overcharge is the result of a clerical error in computation in which case only the excess interest paid may be recovered.
(d) Additional powers of certain insured credit unions.—A credit union insured by a share insurance fund other than the National Credit Union Share Insurance Fund may make any loan authorized by this title, at such interest, finance charge, rate and terms as a credit union insured by the National Credit Union Share Insurance Fund, except that the authority permitted under this subsection shall not apply to the extension of credit for the purchase of goods and services through the issuance and use of credit cards.

Rhode Island
Silent

South Carolina
SECTION 34-26-810. Interest rates.
The interest rates on loans shall be determined by the board of directors, subject to the limitations, if any, established by the South Carolina Consumer Protection Code. The board may also authorize any refund of interest on such classes of loans and under such conditions as it prescribes.

Tennessee
45-4-602. Interest.
(a) A credit union may lend to its members at a maximum effective rate of interest, which shall not be in excess of the greater of:

(1) The applicable formula rate; or

(2) The rate of interest permitted to be charged by credit unions chartered by the federal government.

(b) For installment loans, the maximum effective rate of interest shall:

(1) Be determined in accordance with the actuarial method;

(2) Be calculated, in the case of a precomputed loan, on the assumption that all scheduled payments will be made as contracted; and

(3) Not be affected by the prepayment of the loan, in whole or in part.

Texas
Sec. 124.002. LIMITATIONS ON INTEREST RATES.
The interest rate on a loan to a member may not exceed:
(1) 1-1/2 percent per month on the unpaid balance; or
(2) a higher rate authorized by law, including a rate authorized by Chapter 303.

Utah
7-9-5. Powers of credit unions.
In addition to the powers specified elsewhere in this chapter and subject to any limitations specified elsewhere in this chapter, a credit union may:
(10) extend credit to its members, at rates established in accordance with the bylaws or by the board of directors;

Vermont
§ 31302. Duties of governing body.
The governing body shall have authority for the general management of the credit union and, among other things, the governing body shall:
(13) Determine, from time to time, the interest rates not in excess of that allowed by law that shall be charged on loans to members, and authorize interest refunds, if any, to members in proportion to the interest paid by them on loans, or, at the discretion of the governing body, delegate to the executive committee or the chief executive officer the authority to establish interest rates pursuant to policies and guidelines adopted by the governing body.

§ 32301. Loan authority.
(d) Interest and charges on loans. Credit unions may demand and receive interest and charges on their loans in accordance with chapter 4 of Title 9 or as otherwise provided by law.

(Title 9, Chapter 4)
§ 41a. Legal rates.
(a) Except as specifically provided by law, the rate of interest or the sum allowed for forbearance or use of money shall be twelve percent per annum computed by the actuarial method.
(b) The rate of interest or the sum allowed:
(1) For single payment loans by lenders regulated by Title 8 and federal savings and loan associations, the finance charge shall not exceed 18 percent per annum.
(2) For a retail installment contract the finance charge shall not exceed 18 percent per annum of the first $500.00 of the balance subject to finance charges and 15 percent per annum of the balance subject to finance charges in excess of $500.00.
(3) For a bank credit card account or revolving line of credit the rate shall be the rate agreed upon by the lender and the borrower. However, except for cash advances, no finance charge may be imposed for any monthly billing period in which there is no previous balance, or during which the sum of the payments received and other credits issued are equal to or exceed the amount of the previous balance.
(4) For a loan or extension of credit secured by motor vehicles, mobile homes, travel trailers, aircraft, watercraft and farm equipment, of the current and previous model year, the interest rate shall not exceed 18 percent per annum. For a loan or extension of credit secured by such collateral older than the current or previous model year, the interest rate shall not exceed 20 percent per annum.
(5) For an installment loan not otherwise limited by the preceding subdivisions of this subsection, the interest rate shall not exceed 24 percent per annum on the first $1000.00 of the aggregate balance outstanding; and shall not exceed 12 percent per annum of the aggregate balance outstanding in excess of $1000.00; or 18 percent annual percentage rate on the aggregate balance outstanding whichever is higher.
(6) A lender may charge interest rates on loans secured by deposits in excess of the rates otherwise allowed in this section only to the extent that such higher rate is required to comply with Federal Deposit Insurance Corporation, Federal Home Loan Bank and Federal Reserve Board regulations.
(7) For a loan or extension of credit secured by a subordinate lien against real estate, the interest rate shall not exceed 18 percent per annum. All such lien documents shall include a power of sale pursuant to 12 V.S.A. § 4531a et seq.
(8) For a loan or extension of credit secured by a first lien against real estate, the interest rate may be the same as may be charged by any financial institution or seller of residential real estate under the provisions of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, as amended.
(9) For a retail charge agreement the finance charge shall be the rate or rates agreed upon by the parties to such charge agreement but not to exceed 21 percent per annum. However, no finance charge may be imposed for any monthly billing period in which there is no previous balance, or during which the sum of the payments received and other credits issued are equal to or exceed the amount of the previous balance. The term "billing period" shall mean the time interval between periodic statement dates. A billing period shall be considered a month or

monthly if the last day of each billing period is on the same day of each month or does not vary by more than four days therefrom. For a retail charge agreement, the periodic billing can be no less than 1/48th of the balance as of the last advance.

Virginia
Silent

Washington
Silent

West Virginia
§31C-7-2. Finance charge.
The finance charges imposed by the credit union on loans shall be determined by the credit union's board of directors, subject to the limitations established by this state. Unless otherwise permitted or prescribed by this code, the finance charge rate shall not exceed one and one-half percent per month, computed on unpaid balances.

Wisconsin
Silent

Chapter 3

Comparative Digest of Credit Union Acts: Other Loan-Related Charges

2011 Model Credit Union Act:

Section 7.30. Other Loan-Related Charges.
Notwithstanding the provisions of any other law in connection with extensions of credit, a credit union may elect to contract for and receive fees and other charges for extensions of credit, in connection with the making, closing, disbursing, extending, collecting or renewing or enforcing the debt in the event of a delinquency by the member, or in the event of a breach of any obligation of the member under the credit union's loan contract, subject only to the provisions of this Act and rules promulgated under this Act. A contingency or hourly arrangement established under an agreement entered into by a credit union with an attorney or collection agency to collect a loan of a member in default shall be presumed prima facie reasonable.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Other Loan-Related Charges

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
Silent

Alaska
Silent

Arizona
6-562. Interest rates and other charges.
B. In addition to interest charged on loans, a credit union may charge all reasonable fees and expenses in connection with the making, closing, disbursing, extending, modifying, collecting or renewing of loans.
C. A credit union may assess charges to members, in accordance with board policy, for failure to meet their obligations to the credit union in a timely manner.

Arkansas
23-35-603. Loans and extensions of credit in advance.
(2) No credit union shall charge the borrower anything of value in connection or in association with the loan, other than repayment of the unpaid principal balance and interest. However, on loans secured by real estate a credit union may charge a loan origination fee not to exceed three percent (3%) of the original principal balance of the loan. A borrower may be charged for the cost of appraisals and credit investigations. If permitted by the bylaws, the borrowing members may be charged for the cost of the filing fees on security instruments in connection with the transaction.

California
15001.
Every credit union may assess charges as approved by the board of directors for failure to meet punctually obligations to the credit union. Any late charge shall be made only once for each

delinquent payment and shall be subject to Section 2954.5 of the Civil Code, Division 1.1 (commencing with Section 4000) of this code, and any other applicable law.

Colorado
Silent

Connecticut
Silent

Florida
Silent

Georgia
Silent

Hawaii
§412:10-404 Other charges.
(a) In addition to interest charged on loans, a credit union may charge members all reasonable expenses in connection with the making, closing, disbursing, extending, collecting or renewing of loans.
(b) A credit union may assess charges to members, in accordance with the bylaws, for failure to meet their obligations to the credit union in a timely manner.

Idaho
Silent

Illinois
Silent

Indiana
Silent

Iowa
Silent

Kansas
Silent

Kentucky
286.6-445 Charges for failure to meet obligations.
A credit union may assess charges to members, in accordance with the bylaws, for failure to meet their obligations to the credit union in a timely manner.

Louisiana
§644. Powers.
B. Among others, and except as otherwise limited by the provisions of this Chapter, every credit union shall have the following powers:
(10) To charge reasonable collection fee incurred in the collection of a delinquent loan to the delinquent member's loan account.

§654. Rates of interest.
C. Notwithstanding any other provision of the law to the contrary, a credit union may provide in the bylaws for fees and costs incidental to the making of loans and for late charges, which have been approved by the commissioner of financial institutions.

Maine
Silent

Maryland
§ 6-601. Power to make loans.
(f) Certain fees to be consistent with federal law. –
Notwithstanding any provision of Title 12 of the Commercial Law Article, if the credit agreement provides, a credit union may make loans or extend credit to its members incorporating the same terms and conditions as a federal credit union is permitted under federal law and regulations relating to:
(1) Over the limit fees for credit cards; and
(2) Fees for ancillary and administrative services requested by the member, including:
(i) Researching account records;
(ii) Providing duplicate statements and other documents; and
(iii) Expedited issuance of a duplicate or original credit card or device.

Massachusetts
Silent

Michigan
490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.
(3) A domestic credit union may contract with a borrower for the borrower to reimburse the domestic credit union for any specifically identified third party costs related to a loan originally paid by the domestic credit union, and for any amount specifically identified in the loan agreement as an incentive if the borrower prepays the loan in full within 3 years of the date that the loan is made and the originally scheduled amortization period of the loan is more than 5 years.

Minnesota
52.141 LOAN EXPENSES.
In addition to the interest charged on loans, the borrowing member may be required to pay all reasonable expenses incurred in connection with the making, closing, disbursing, extending, readjusting, or renewing of personal or real estate loans. The commissioner of commerce may prescribe by rule which of said expenses may be charged to the member and may further prescribe maximum amounts which may be charged.

Mississippi
Silent

Missouri
Loans, interest rate--charges--refunds to members.
370.300. 2. A credit union may charge a borrower expenses of making a loan including title examinations on real estate as defined in section 442.010, used as security for a loan, credit investigations, credit life insurance, and filing and recording fees by governmental agencies.

Montana
Silent

Nebraska
21-1789. Other charges related to loans.
(1) In addition to interest charged on loans, a credit union may charge members all reasonable expenses in connection with the making, closing, disbursing, extending, collecting, or renewing of loans.
(2) A credit union may assess charges to members, in accordance with its bylaws, for failure to meet their obligations to the credit union in a timely manner.

Nevada
NRS 678.480 Fees and assessments.
A credit union may:
3. Assess charges to members in accordance with the bylaws for failure to promptly meet their obligations to the credit union.

New Hampshire
Silent

New Jersey
Silent

New Mexico
58-11-49. Loan policies.
C. A credit union may assess charges to members, in accordance with the bylaws, for failure to meet their obligations to the credit union in a timely manner.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:
10. To impose financing charges and late charges in the event of late payment or default on loans and recover reasonable costs and expenses, including collection costs and reasonable attorneys' fees incurred both before and after judgment.

North Carolina
Silent

North Dakota
Silent

Ohio
1733.253 Permissible charges under a revolving credit agreement.
(B) Notwithstanding any limitations contained in sections 1733.25, 1733.251, or any other section of the Revised Code, a credit union may charge interest, fees, and other charges under a revolving credit agreement at the same or lower rates or amounts that a credit union located in another state may charge its revolving credit customers in this state.

Oklahoma
Silent

Oregon
Silent

Pennsylvania
§ 509. Fees and charges.
(b) Fees in connection with loans.--A credit union may collect fees paid to public officials, actual fees necessary to secure collateral, fees required to be charged by government agencies and reasonable attorney fees. Furthermore, in connection with real estate loans, a credit union may collect charges and fees necessary to sell the loans to any agency or instrumentality of the Federal Government or a corporation which engages in the business of purchasing mortgage loans.
(c) Fees in connection with collectors or outside collection agencies.--A credit union may collect fees paid to outside collectors or outside collection agencies, provided the aggregate of such collection fees does not exceed 20% of the outstanding loan balance.
(d) Other fees.--A credit union may additionally charge fees for other services to its members, provided that the fees charged will be for the actual cost of the respective services provided by the credit union.
(e) Late payment charges.--A credit union may collect late payment charges not in excess of 5% of the principal and interest due on any installment payment of a loan that is more than 15 days delinquent.

Rhode Island
Silent

South Carolina
SECTION 34-26-820. Incidental fees and expenses.
(1) In addition to interest charged on loans, a credit union may charge members all reasonable expenses in connection with the making, closing, disbursing, extending, collecting, or renewing of loans allowed by the Consumer Protection Code.

(2) A credit union may assess charges to members, in accordance with the bylaws, for failure to meet their obligations to the credit union in a timely manner.

Tennessee
45-4-603. Loan charges.
In addition to the charging and collecting of interest as provided in § 45-4-602, a credit union shall be entitled to charge and collect from its members loan charges that are fair and reasonable compensation for some expense incurred or to be suffered by the credit union, or some service rendered or to be rendered, in connection with a particular loan; and in any event, the loan or contract shall not include, except as part of interest, charges for costs indirectly related to that loan or contract, including, but not limited to, overhead of the credit union, loan losses, and charges for services performed by officers or employees of the credit union unless the services are rendered directly for the inspection of collateral, the servicing of the loan after it is made, or the collection thereof.

Texas
Sec. 124.101. BORROWER PAYMENT OF LOAN EXPENSES.
A credit union may require a member to pay all reasonable expenses and fees incurred in connection with making, closing, disbursing, extending, readjusting, or renewing a loan, whether or not those expenses or fees are paid to third parties.

Sec. 124.102. COLLECTION OF LOAN EXPENSES.
A payment authorized by Section 124.101 may be:
(1) collected by the credit union and:
(A) retained by the credit union; or
(B) paid to a person rendering a service in connection with the payment; or
(2) paid directly by the member to the third party to whom it is payable.

Sec. 124.103. CHARACTER OF EXPENSE OR FEE.
An expense or fee authorized by Section 124.101 is not interest.

Sec. 124.153. PENALTY FOR LATE PAYMENT.
(a) A credit union, in accordance with its bylaws, may charge a member a penalty when a loan payment is past due.
(b) A credit union may charge only one penalty on each past due payment.
(c) A penalty under this section is not interest.

Utah
Silent

Vermont
§ 42. Permitted charges.
(a) Except for interest as herein and hereinafter provided, a lender shall make no charges against a borrower for the use or forbearance of money other than:
(1) the reasonable cost of credit investigation and appraisal fees;
(2) the reasonable cost of title evidence, including abstracts, legal opinions or title insurance;
(3) the reasonable cost of protection against insurable hazards;
(4) the reasonable cost of creditor life or disability insurance, or of a debt protection agreement as set forth in section 10405 of Title 8, if agreed to by the borrower;
(5) the filing and recording fees, and other official fees, including fees required by Federal Housing Agencies, the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Corporation;
(6) the reasonable value of services rendered in connection with the making of any loan of $4,000.00 or less or any loan or loan commitment of any amount or manner of payment to finance an income producing business or activity subject to such rules as the commissioner of financial regulation adopts;
(7) the reasonable cost of private mortgage guaranty insurance subject to such limitation as the commissioner of financial regulation shall have approved; and
(8) the reasonable fees associated with a credit card, agreed upon by the lender and borrower, including late charges and over-limit charges.
(b) A borrower may procure an opinion and abstract of title from an attorney of his choice acceptable to the lender, or hazard insurance in a company or in companies of his choice acceptable to the lender, and in such cases the lender's acceptance shall not be unreasonably withheld.

Virginia
§ 6.2-1371. Other charges.
A. In addition to interest charged on loans, a credit union may charge members all reasonable expenses in connection with making, closing, disbursing, extending, collecting, or renewing loans.
B. In accordance with the bylaws, a credit union may assess charges to members for failure to meet in a timely manner their obligations to the credit union.

Washington
Silent

West Virginia
§31C-7-3. Additional charges.
(a) In addition to interest on loans, a credit union may charge members reasonable expenses in connection with the making, closing, disbursing, extending or renewing of loans.
(b) A credit union may assess charges to members, in accordance with the bylaws, for failure to meet their obligations to the credit union in a timely manner. A credit union may also assess charges for other benefits, including insurance, as allowed for lenders under law.
(c) Any charges in connection with a consumer loan, including late charges and deferral charges, permitted under this section shall conform and be limited to those allowed under article three, chapter forty-six-a of this code.

Wisconsin
Silent

Chapter 4

Comparative Digest of Credit Union Acts: Loan Limit

2011 Model Credit Union Act:

Section 7.40. Loan Limit.
The board of directors may place a limit upon the aggregate amount to be loaned to, or co-signed by, any one member; provided that the aggregate of loans to any one member shall not exceed five percent of the credit union's capital or one percent of shares and deposits, whichever is greater. This limit shall not apply to loans that are fully secured by shares or deposits in the credit union.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Loan Limit

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
§ 5-17-11. Election of officers; duties of officers and directors generally; compensation of directors, etc.
(b) The duties of the officers shall be as determined in the bylaws. It shall be the duty of the directors to have general management of the affairs of the credit union, particularly:
(6) To determine the maximum individual share holdings and the maximum individual loan which can be made with and without security.

Alaska
Sec. 06.45.150. Loan restriction.
A loan may not be made to a member if, on the making of the loan, the member would be indebted to the credit union on loans from the credit union in an amount exceeding 10 percent of the unimpaired capital and surplus of the credit union.

Arizona
Silent

Arkansas
23-35-603. Loans and extensions of credit in advance.
(e) (1) No unsecured loan shall be made to any member in an aggregate amount in excess of three thousand dollars ($3,000).

(2) No secured loan shall be made to any member in an aggregate amount in excess of ten percent (10%) of the credit union's total assets.

(3) No loan shall be made to any member if, in the aggregate, the balances of the secured and unsecured loans outstanding to that member exceed ten percent (10%) of the total assets of the credit union.

(4) Secured and unsecured loans made against joint accounts shall be included in the aggregate

and shall not be allocated to each joint tenant in determining the loan amounts set forth in this subsection.

(5) If the State Credit Union Supervisor in his or her discretion determines that the ten percent (10%) limit as set out in this subsection is operating to the detriment of a credit union, he or she may by rule or order reduce the ten percent (10%) limit.

California

14952.

(a) The board of directors of a credit union shall establish the maximum amount that the credit union may lend to a member under 18 years of age in any case other than a case (1) where the member is an emancipated minor or (2) where the loan is secured in the manner provided for in Section 14955.

(b) No credit union shall make a loan to a member under 18 years of age that will result in the member being obligated to the credit union in excess of the maximum amount established by the board of directors pursuant to subdivision (a) unless the member is an emancipated minor or the loan is secured in the manner provided for in Section 14955.

14953.

(a) Any extension of credit in excess of the unsecured loan limit set by the board of directors pursuant to Section 15100 shall be secured either (1) by real or personal property to the extent that the extension of credit exceeds such limit, or (2) in the manner provided in Section 14955.

(b) If the security offered is an endorsed note as provided in subdivision (a) of Section 14955, a signed and dated financial statement shall be taken from each person who endorses the note and the sufficiency of the financial responsibility of every such endorser shall be verified by a majority of the credit committee. Obligations secured by the signatures of a borrower and endorser or endorsers shall not exceed the amount that may be extended to the borrower without security pursuant to Section 15100, plus an equivalent amount for each endorser; plus the amount of shares or certificates for funds pledged to secure the obligation.

Colorado

11-30-109. Directors and officers - compensation.

. . . The board of directors shall be responsible for the general management of the affairs of the credit union, and more specifically to**:**

(f) Determine the maximum individual share holdings in the credit union and the maximum amount of individual loans which can be made either with or without security;

Connecticut
Sec. 36a-457a. Loan policy.
(c) Except as otherwise provided in this section, the total direct or indirect liabilities of any one obligor, however incurred, to any Connecticut credit union, exclusive of such credit union's investment in the investment securities of such obligor, shall not exceed at the time incurred the greater of two hundred dollars or ten per cent of such credit union's total assets. For purposes of determining the limitations of this subsection, in computing the liabilities of an obligor, a liability is incurred at the time of the closing of the transaction, unless such closing is preceded by a legally binding written commitment to enter into the transaction, in which case such liability is incurred at the time of commitment and is net of any liabilities of the obligor to such Connecticut credit union that will be paid with the proceeds of the commitment at the time of closing. The limitations provided for in this subsection may be exceeded for a period of time not to exceed six hours if at the closing of any transaction at which such obligor incurs such liabilities to a Connecticut credit union in excess of such limitations, such credit union immediately assigns or participates out to one or more other persons an amount that constitutes not less than the excess over the applicable limitation. For purposes of this subsection, in computing the liabilities of a partnership the individual liabilities of the general partners shall be included; and in computing the individual liabilities of a general partner, the liabilities of the partnership shall be included.

Florida
657.038 Loan powers.—
(2) For credit unions that have been opened for 5 years or more, the total unsecured obligations outstanding from any member must not exceed the greater of $500 or 15 percent of the equity of the credit union. However, the total obligations outstanding from any member must not exceed the greater of $1,000 or 25 percent of the equity of the credit union. The limitations provided in this subsection do not apply to loans that are fully secured by assignment of shares or deposits in the lending credit union.
(3) For credit unions that have been opened for less than 5 years, the limitation on total obligations outstanding to any member is 10 percent of the credit union's capital. The limitations provided in this subsection do not apply to loans that are fully secured by assignment of shares or deposits in the lending credit union.

Georgia
7-1-658. Loans.
(d) No credit union shall be authorized to lend to any individual borrower on an unsecured loan more than 1 percent of the first $100,000.00 of its deposits and shares plus one-fourth of 1 percent of its deposits and shares over $100,000.00. No credit union shall be authorized to lend to any individual borrower on a secured loan more than 10 percent of the first $100,000.00 of its deposits and shares plus 4 percent of the next $1 million of its deposits and shares plus 2 percent of its deposits and shares over $1.1 million. Deposits and shares reflected in the

statement of condition on the last calendar day of the preceding quarter, to the nearest $100,000.00, shall be used to establish loan limits for the subsequent calendar quarter, provided that where a credit union has less than $1 million in total shares and deposits, the nearest $1,000.00 shall be used to establish these limits. Any credit union may make loans up to $200.00 regardless of the amount of its shares and deposits. The amount loaned to any one borrower on an unsecured basis when added to the amount loaned to any one borrower on a secured basis shall not exceed the limitation set forth in this subsection for secured loans, such limitation being the maximum loan limit of the credit union.

Hawaii

§412:10-407 Limitations on obligations of one borrower.

(a) No credit union shall permit a person to become indebted or liable to it, either directly or indirectly, on loans or extensions of credit in a total amount outstanding at any one time in excess of ten per cent of the credit union's capital.

(b) The aggregate obligations of a borrower to a credit union shall include any obligations owed to the same credit union by a partnership or association of which the borrower is a partner or member if such partnership or membership imposes liability on the borrower for said obligations by agreement or operation of law.

(c) The limitations set forth in this section shall not apply to:

(1) A credit union's deposits with another depository institution made in compliance with this chapter;

(2) A credit union's sale of federal funds to another depository institution with a maturity of one business day or under a continuing contract;

(3) Loans and extensions of credit secured by the interest-bearing obligations of the United States or those for which the faith and credit of the United States are distinctly pledged to provide for the payment of the principal and interest thereof or of the State or any county or municipal or political subdivision of this State, issued in compliance with the laws of this State, where the market value of the security shall be at any time not less than one hundred five per cent of the face amount of the loans and extensions of credit; and

(4) Loans and extensions of credit to the extent secured by a pledge or security interest in a share or deposit account in the lending credit union.

Idaho

26-2116. Board of directors.

The board shall have the general management of the affairs, funds, and records of the credit union and shall meet as often as necessary, but not less than once each month. It shall be the special duty of the directors to:

(f) Fix from time to time the maximum amount, both secured and unsecured, which may be loaned to any one (1) member, and determine the maximum individual shareholdings.

Illinois
(205 ILCS 305/48) (from Ch. 17, par. 4449) Sec. 48. Loan limit.
Within any limitations set forth in the bylaws of the credit union, the board of directors may place a limit upon the aggregate amount to be loaned to or cosigned for by any one member. Such loan limits shall be subject to rules and regulations promulgated by the Secretary. Unless the credit union's bylaws provide otherwise, no loan shall be made to any member in an aggregate amount in excess of $200, or 10% of the credit union's unimpaired capital and surplus, whichever is greater.

Indiana
IC 28-7-1-39
Limits on loans to members; exceptions; commission of Class A misdemeanor by accepting compensation for procuring loan; deadline for compliance.
(a) As used in this section, "loans and extensions of credit" includes all direct or indirect advances of funds made to a member on the basis of:
(1) an obligation of the member to repay the funds; or
(2) a pledge of specific property by or on behalf of the member and from which the funds advanced are repayable.
The term includes any contractual liability of a credit union to advance funds to or on behalf of a member, to the extent specified by the department. The term also includes any credit exposure to a person arising from a derivative transaction (as defined in 12 U.S.C. 84(b)(3)) between the credit union and the person.
(b) As used in this section, "member" includes an individual, a sole proprietorship, a partnership, a joint venture, an association, a trust, an estate, a business trust, a limited liability company, a corporation, a sovereign government, or an agency, instrumentality, or political subdivision of a sovereign government, or any similar entity or organization.
(c) Except as provided in subsection (e), the total loans and extensions of credit by a credit union to a member outstanding at any given time and not fully secured, as determined in a manner consistent with subsection (d), by collateral with a market value at least equal to the amount of the loan or extension of credit may not exceed fifteen percent (15%) of the capital and surplus of the credit union.
(d) Except as provided in subsection (e), the total loans and extensions of credit by a credit union to a member outstanding at any given time and fully secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of funds outstanding may not exceed ten percent (10%) of the capital and surplus of the credit union. The limitation in this subsection is separate from and in addition to the limitation set forth in subsection (c).
(e) The limitations set forth in subsections (c) and (d) are subject to the following exceptions:
(1) Loans or extensions of credit arising from the discount of commercial or business paper evidencing an obligation to the member negotiating it with recourse are not subject to any limitation based on capital and surplus.
(2) The purchase of bankers' acceptances of the kind described in 12 U.S.C. 372 and issued by a

financial institution organized or reorganized under the laws of Indiana or any other state or the United States are not subject to any limitation based on capital and surplus.
(3) Loans or extensions of credit secured by bills of lading, warehouse receipts, or similar documents transferring or securing title to readily marketable staples are subject to a limitation of thirty-five percent (35%) of capital and surplus in addition to the general limitations if the market value of the staples securing each additional loan or extension of credit at all times equals or exceeds one hundred fifteen percent (115%) of the outstanding amount of the loan or extension of credit. The staples shall be fully covered by insurance whenever it is customary to insure such staples.
(4) Loans or extensions of credit secured by bonds, notes, certificates of indebtedness, or Treasury bills of the United States or by any other obligation fully guaranteed as to principal and interest by the United States are not subject to any limitation based on capital and surplus.
(5) Loans or extensions of credit to or secured by unconditional takeout commitment or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned directly or indirectly by the United States are not subject to any limitation based on capital and surplus.
(6) Loans or extensions of credit secured by a segregated deposit account in the lending credit union are not subject to any limitation based on capital and surplus.
(7) Loans or extensions of credit to any credit union, when the loans or extensions of credit are approved by the director of the department, are not subject to any limitation based on capital and surplus.
(f) Loans or extensions of credit arising from the discount of negotiable or nonnegotiable installment consumer paper that carries a full recourse endorsement or unconditional guarantee by the member transferring the paper are subject under this section to a maximum limitation equal to twenty-five percent (25%) of the capital and surplus, notwithstanding the collateral requirements set forth in subsection (d).
(g) If the credit union's files or the knowledge of the credit union's officers of the financial condition of each maker of consumer paper described in subsection (f) is reasonably adequate, and an officer of the credit union designated for that purpose by the board of directors of the credit union certifies in writing that the credit union is relying primarily upon the responsibility of each maker for payment of the loans or extensions of credit and not upon any full or partial recourse endorsement or guarantee by the transferor, the limitations of this section as to the loans or extensions of credit of each maker shall be the sole applicable loan limitations.
(h) Loans or extensions of credit secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen percent (115%) of the face amount of the note covered are subject under this section, notwithstanding the collateral requirements set forth in subsection (d), to a maximum limitation equal to twenty-five percent (25%) of the capital and surplus.
(i) Loans or extensions of credit that arise from the discount by dealers in dairy cattle of paper given in payment for dairy cattle, which paper carries a full recourse endorsement or unconditional

guarantee of the seller and that are secured by the cattle being sold, are subject under this section, notwithstanding the collateral requirements set forth in subsection (d), to a limitation of twenty-five percent (25%) of the capital and surplus.
(j) Except as otherwise provided, an officer, director, employee, or attorney of a credit union who stipulates for, receives, or consents or agrees to receive, any fee, commission, gift, or thing of value, from any person, for the purpose of procuring or endeavoring to procure for any member any loan from or the purchase or discount of any paper, note, draft, check, or bill of exchange by the credit union, commits a Class A misdemeanor.
(k) Except as otherwise provided in this chapter, any credit union that holds obligations of indebtedness in violation of the limitations prescribed in this section shall, not later than July 1, 2006, cause the amount of the obligations to conform to the limitations prescribed by this chapter and by the provisions of this section. The department may, in its discretion, extend the time for effecting this conformity, in individual instances, if the interests of the depositors will be protected and served by an extension. Upon the failure of a credit union to comply with the limitations, in accordance with this section or in accordance with any order of the department concerning the limitations, the department may declare that the credit union is conducting its business in an unauthorized or unsafe manner and proceed in accordance with IC 28-1-3.1-2.
(l) The department may apply the provisions of 12 CFR 32 in the application and administration of this chapter.

Iowa
533.315 Loans.
2. Aggregate lending to one member. A state credit union shall not lend in the aggregate to a member more than ten percent of its member savings.

Kansas
17-2216. Loans to members; conditions.
. . . No loan shall be made in excess of $500 or 10% of the credit union's total assets, whichever amount is greater.

Kentucky
286.6-465 Maximum loan.
No loan shall be made to any member in an aggregate amount in excess of ten percent (10%) of the credit union's capital.

286.6-505 First mortgage loans.
Loans secured by first mortgages on real estate shall not exceed fifty percent (50%) of the credit union's unimpaired capital, unless the commissioner shall otherwise determine by regulation or by order in any special case.

Louisiana
§656. Loans.
(f) No loan may be made to any member, if, upon making of that loan, the member would be indebted to the credit union upon loans made to him in an aggregate amount which would exceed ten per centum of the credit union's unimpaired capital and surplus.

Maine
§854. Loans.
1. Authorization; limitations. It is the duty of the board of directors to establish the policies of the credit union with respect to the granting of loans and the extending of lines of credit, including the maximum amount that may be loaned to any one member. A loan may not be made to any member in an aggregate amount in excess of 10% of the credit union's total assets. Any loan made in violation of this subsection is subject to the remedies prescribed in section 465-A.
2. Exception. Loans fully secured by a pledge of shares of a credit union may be made without limitation as to amount.
3. Rulemaking. The superintendent may adopt rules to administer and carry out this section, including rules to define or further define terms used in this section and to establish limits or requirements other than those specified in this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Maryland
§ 6-604. Maximum of loans to single member.
The total of all loans made by a credit union directly or indirectly to any one member may not exceed 10 percent of the total assets of the credit union.

Massachusetts
Chapter 171, Section 57. Loans to members; applications; preferences; limitations.
. . . Whenever the liquidity reserve required by section seventy-one falls below five percent of the total assets of a credit union, no further loans shall be made until the ratio as herein provided has been reestablished.

Chapter 171, Section 59. Personal loans; limitations and restrictions.
A credit union may make personal loans as hereinafter provided.
Each unsecured personal loan shall be payable within forty-eight months from the date of the note. A loan secured by shares or by satisfactory collateral of the type set forth under the provisions of subparagraph (2) of the third paragraph, may be payable within one hundred and twenty months from the date of the note. A loan secured by satisfactory collateral as set forth

in subparagraph (3) of the third paragraph shall be payable within sixty months from the date of the note. All such loans shall be paid or renewed on or before the due date.
The maximum amount of a loan or loans made to a member in excess of his shares and deposits and in excess of the shares and deposits of the co-maker, if any, pledged to secure the same, shall be limited as follows except that where satisfactory collateral is pledged, additional loans may be made under the provisions of subparagraphs (1), (2) and (3) as set forth hereunder:
(1) A credit union may make loans to an amount not exceeding twelve thousand five hundred dollars and, if the assets of such credit union are four million dollars or more, to an amount not exceeding fifteen thousand dollars if evidenced by the unendorsed and unsecured note of the borrower.
(2) A credit union may make loans to an amount not exceeding five thousand dollars if evidenced by the note of the borrower and with sufficient collateral pledged to secure the same made up of bonds or notes of the United States, or of any state or subdivision thereof, which are legal investments for credit unions or on the list prepared under section fifteen of chapter one hundred and sixty-seven, valued at not more than eighty percent of their market value or by the assignment of the passbook of a depositor in a savings bank doing business in any of the New England states or in a trust company or national banking association doing business in this commonwealth or the savings share account book of a cooperative bank incorporated in this commonwealth or the unpledged shares thereof represented by passbooks or certificates or the passbook of a shareholder in a federal savings and loan association doing business in this commonwealth or policies issued by life insurance companies authorized to transact business in this commonwealth valued at not more than their cash surrender value. In addition to the authority given herein, a credit union having assets of five hundred thousand dollars or more may lend an amount not in excess of two percent of its assets or fifty thousand dollars, whichever is lesser, upon said collateral and may also secure such notes by taking as collateral therefor the readily marketable common or preferred stocks of corporations listed on a stock exchange which is subject to regulation by the securities and exchange commission, valued at not more than eighty percent of their market value.
(3) A credit union having assets of less than one hundred thousand dollars may make loans evidenced by the note of the borrower and secured by a pledge or security interest in satisfactory collateral valued at not more than eighty-five percent of its market value, in amounts not exceeding five thousand dollars; a credit union having assets of more than one hundred thousand dollars may make loans evidenced by a pledge or security interest in satisfactory collateral valued at not more than ninety-five percent of its market value, in amounts not exceeding twenty thousand dollars or one percent of assets, whichever is greater; provided, however, that a loan based on one percent of assets shall not exceed forty thousand dollars. Each such loan made under this paragraph shall be payable within sixty months from the date of the note.
(4) A credit union shall, upon application by a depositor or shareholder or by either of two joint depositors or shareholders therein, make a loan to him, secured by his passbook in an amount not exceeding said deposit or share account for a time not extending beyond the end of the dividend period in which the loan was made. Said credit union may charge the depositor or shareholder interest for, or may collect discount in advance upon, the loan at a rate not

exceeding one percent more than the rate of the next preceding ordinary dividend of said credit union and, if an extra dividend shall have been paid therewith, not exceeding one percent more than the combined rates of such ordinary and extra dividends; provided, however, that a minimum of one dollar may be charged or collected as such interest or discount in the case of any such loan. The credit union shall keep posted in a conspicuous place in its banking quarters a notice containing the substance of this subparagraph in such form as the commissioner may prescribe.
(5) A credit union may, upon application by a shareholder or depositor or by either of two joint shareholders or depositors in a special notice account, make a loan to him, secured by his share or deposit passbook, in an amount not exceeding said share or deposit balance, for a time not extending beyond the end of the dividend period in which the loan was made or one year from the day on which the loan was made, whichever is longer. Said credit union shall charge the shareholder or depositor interest for, or collect discount in advance upon, such loan at a rate of not less than two percent per annum more than the combined rates of the next preceding ordinary dividend of such credit union and the additional dividend then paid therewith on special notice accounts.
(6) A credit union may make a personal loan of the several classes specified in this section and subject to the conditions contained therein evidenced by a note which provides for variation in the rate of interest over the term of the note; provided, however that such a loan shall be subject to, but not limited to, the following conditions and restrictions imposed by the commissioner: (a) the method by which the rate of interest may be adjusted; (b) the frequency with which the rate of interest may be adjusted, provided, however, that successive rate adjustments shall be no less than six months apart; (c) the maximum increase in the rate of interest allowed for any such adjustment; (d) provisions for decreases in the rate of interest as may be warranted by market conditions; (e) requirements for advance notification and explanation of adjustments in the rate of interest; provided, however, that such notification and explanation shall occur no less than thirty days prior to such adjustments; and (f), methods of disclosure to the borrower of the terms and conditions of the loan as required under the provisions of chapter one hundred and forty D. Notwithstanding any provision of law to the contrary, the commissioner may, by further conditions and restrictions, provide that the rate of amortization may be varied, including utilizing a period of negative amortization, in order to adjust the rate of interest.
(7) An assignment of wages or a payroll deduction order may be received as satisfactory collateral for any loan not in excess of one thousand dollars.

Michigan
490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.
(12) A domestic credit union shall not loan more than $20,000.00 or 25% of its net worth, whichever is greater, to a borrower and any affiliates of the borrower. This subsection does not apply to a corporate credit union.

Minnesota
52.09 DIRECTORS; POWERS AND DUTIES.
Subdivision 2. Particular duties.
The directors shall manage the affairs of the credit union and shall:
(6) limit the number of shares and deposits which may be owned by a member, not to exceed ten percent of the outstanding shares and deposits, or $2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota corporate credit union, or to credit unions insured by the National Credit Union Administration;

Mississippi
SEC. 81-13-27. Directors, officers; special duty of directors.
. . . Unless the bylaws shall specifically reserve any or all of the duties to the members, it shall be the special duty of the directors:
(d) To fix the maximum number of shares which may be held by, and the maximum amount which may be loaned to any one (1) member; . . .

Missouri
Limitations on loans--installment loans--repayment--loans to directors and committee members, report required.
370.310. 1. A credit union may lend to its members, as herein provided, for such purposes and upon such security as the bylaws provide and the credit committee or credit manager shall approve, provided that no secured or unsecured loan shall be made in excess of two thousand dollars, except that if ten percent of the assets of the credit union exceeds two thousand dollars then the maximum amount of a loan by the credit union shall be ten percent of its assets, and unsecured loans to any one member shall not exceed the limitations found in current written policies of the board of directors.
2. A member who needs funds with which to purchase necessary supplies for growing crops may receive a loan in installments instead of one sum.
3. A borrower may repay the whole or any part of his loan on any day on which the office of the credit union is open for the transaction of business.

Montana
32-3-603. Loan limit.
No loan shall be made to any member in an aggregate amount in excess of 10% of the credit union's total assets.

Nebraska
21-1791. Loan limit.
The aggregate of loans to any one member shall be limited to ten percent of a credit union's share accounts, undivided earnings, and reserves. This limit shall not apply to loans which are fully secured by assignment of share accounts in the credit union.

Nevada
NRS 678.710 Loans to members: Application; approval; limitations; participation loans; payment.
3. A loan must not be made to any member in an aggregate amount in excess of 10 percent of the credit union's unimpaired capital and surplus.

NRS 678.720 Loans to members: Extension of previous maximum credit; review.
1. The credit committee or loan officer may approve, at his or her own discretion or upon application by a member, an extension of the maximum credit any member had previously been allowed. If an extension of credit is permitted, applications for loans within the credit limitation need no further consideration so long as the aggregate obligation of the member does not exceed the credit limit.
2. The credit committee or loan officer shall, at least once each year, review all extensions of credit and any extension of credit shall expire if the member becomes more than 90 days delinquent in his or her obligations to the credit union.

New Hampshire
394-B:35 Directors' Powers. –
The board of directors shall have the general direction of the affairs of the credit union, and shall meet monthly. It shall be the duty of the board to:
X. Fix the maximum amount to be loaned to any one member;

New Jersey
17:13-104. Loans to members; security; interest; fees; lien on accounts.
a. A credit union may make loans to its members, evidenced by a written instrument, upon terms and upon any security, including, but not limited to, the endorsement of a note by a surety, comaker, or guarantor, assignment of an interest in real or personal property, or assignment of shares, as the board may provide. The adequacy of any security shall be determined by the credit committee. No loan shall be made to any member when the aggregate amount of all that member's loans outstanding exceeds 10% of the credit union's total assets. The board, in its discretion, may fix a lower amount.

New Mexico
58-11-49. Loan policies.
E. No loan shall be made to any member in an aggregate amount in excess of ten percent of the credit union's total assets as determined by the director.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:
6. (c) (i) No credit union may make any member business loan that would result in a total amount of such loans outstanding at that credit union at any one time equal to more than the lesser of 1.75 times the actual net worth of the credit union, or 1.75 times the minimum net worth required under 12 U.S.C. 1790d(c)(1)(A) for a credit union to be well capitalized.
(ii) Subparagraph (i) of this paragraph does not apply in the case of:
(A) a credit union chartered for the purpose of making, or that has a history of primarily making, member business loans to its members, as determined by the superintendent; or
(B) a credit union that serves predominantly low-income members, as defined by the superintendent, or which is a community development financial institution as defined in 12 U.S.C. 4702; or
(C) a credit union excepted from the requirements of such subparagraph (i) by the superintendent where such credit union is seeking an exception from any federal limits on member business loans to the same extent as permitted to federally-insured state credit unions pursuant to the Federal Credit Union Act and regulations related thereto, provided that such credit union demonstrates to the satisfaction of the superintendent that such exception would be consistent with the declaration of policy as set forth in section ten of this chapter.
(iii) For purposes of this paragraph the term "member business loan" and the term "net worth" shall have the same meaning as such terms are defined in 12 U.S.C. 1757a.

North Carolina
§ 54-109.67. Loan limit.
No loan shall be made to any member in an aggregate amount in excess of ten percent (10%) of the credit union's unimpaired capital and surplus. In accordance with the bylaws and subject to such rules and regulations as the Administrator may prescribe, the board of directors shall determine and set the maximum unsecured loan limits subject to the limitation contained in the preceding sentence.

North Dakota
6-06-12. Directors - Duties and powers - Loan limitations.
g. To determine the maximum individual shareholdings and the maximum aggregate liability to the credit union of any one borrower but such maximum aggregate liability allowed by the board may not exceed the amounts listed in the following schedule:

Total Assets	Loan Limit
0 to 70,000	10% with a limit of 5,000
70,001 to 100,000	6,000 limit
100,001 to 200,000	8,000 limit
200,001 to 300,000	10,000 limit
300,001 to 400,000	12,000 limit
400,001 to 500,000	14,000 limit
over 500,000	3% of assets

For purposes of this subsection, the aggregate liability of one borrower to a credit union includes the total direct, indirect, and contingent liabilities of the borrower, and the liabilities of separate borrowers for which the repayment of separate loans or extensions of credit is substantially from the same source. The aggregate liability of any one borrower does not include any loan or portion of a loan guaranteed by the government, to the extent of the guarantee, nor any loan secured by shares in the credit union, to the extent of the security. In all cases a credit union is allowed to loan up to and including two hundred dollars to any individual regardless of the amount of total assets in said credit union. Provided, that the foregoing provisions do not apply to the North Dakota central credit union.

Ohio
1733.25 Loans - interest.
(B) Upon the approval of the board of directors, a credit union may make loans or other extensions of credit to other credit unions, provided that loans or other extensions of credit made to other credit unions need not have the approval of the board of directors on a per case basis. The total of all such loans or other extensions of credit, including the aggregate of all money paid into any trust established by one or more credit unions for the purpose of making

loans or other extensions of credit to other credit unions, shall not exceed twenty-five per cent of the shares and undivided earnings of the lending credit union, except that this percentage limitation does not apply to corporate credit unions.

Oklahoma
Section 2006 - Succession – Powers.
A credit union shall have succession in its corporate name during its existence and shall have power:
5. To make loans to its members for provident or productive purposes, the maturities of which shall not exceed fifteen (15) years, except as otherwise provided herein and except as otherwise approved by the State Credit Union Board, and extend lines of credit to its members, to other credit unions and to credit union organizations and to participate with other credit unions, credit union organizations or financial organizations in making loans to credit union members, other credit unions and credit union organizations in accordance with the following:

f. loans to other credit unions shall be approved by the board of directors of the lending credit union and shall not exceed twenty-five percent (25%) of the paid-in and unimpaired capital and surplus of the lending credit union,
g. loans to credit union organizations shall be approved by the board of directors of the lending credit union and shall not exceed one percent (1%) of the paid-in and unimpaired capital and surplus of the lending credit union, except as otherwise approved by the State Credit Union Board. A "credit union organization" means any organization which is established primarily to serve the needs of credit unions and whose business relates to the daily operations of the credit unions served by such credit union organization,

Oregon
723.512 Loan limit; exception.
(1) No loan shall be made to any member in an aggregate amount in excess of $15,000, or 15 percent of the credit union's equity, whichever is greater. In determining the amount of loans to be made to a member, loans for which that member is a guarantor or surety shall be included, as well as loans to persons who are not individuals if the individual member is a principal or owner of the person who is not an individual or the loan is for that member's benefit.
(2) The restrictions in subsection (1) of this section do not apply to any loan fully guaranteed by shares or deposits.

Pennsylvania
§ 501. Powers.
(b) Special powers.--A credit union shall have the following special powers:

(2) To make loans to members and to participate in loans to credit union members, including members of any Federal credit union or credit union chartered under the laws of any state, jointly with such other credit unions, credit union organizations or State or Federally chartered and regulated depository institutions, if the institution which originates such a loan shall be legally required to retain an interest of at least 10% of the outstanding balance of the loan. No loan may be made to any member if, upon the making of that loan, the member would be indebted to the credit union upon loans made to him in an aggregate amount which would exceed 10% of the credit union's unimpaired capital.

§ 707. Duties of directors generally.
(a) General rule.--The directors of a credit union shall have general management of the affairs of the credit union and are specifically required:
(7) To determine the maximum individual share holdings and, subject to the limitations contained in this title, the maximum individual loan which can be made with or without security.

Rhode Island
§ 19-5-13 Loan applications.
. . . If written approval of the credit committee or loan officer is obtained, nothing contained in this section shall prevent a credit union from extending credit to a member in any manner in which it sees fit; provided that no extension of credit shall be made upon an unsecured revolving credit plan, line of credit, or letter of credit in which the credit authorization exceeds five thousand dollars ($5,000), unless the credit authorization is reviewed at least annually by the credit committee, if one exists, or by the board of directors.

§ 19-5-16 Maximum aggregate liability of one person or company.
A credit union shall not permit any person or entity to borrow or guaranty, directly or indirectly, an amount(s), in the aggregate, which exceeds one percent (1%) of its total assets or twenty percent (20%) of the total unimpaired capital, whichever is greater. This limit shall not apply to a loan or loans secured by pledged shares or deposits in the credit union.

South Carolina
SECTION 34-26-840. Limitation of size of loan; in general.
The aggregate of direct or indirect loans to any one member shall be limited to fifteen percent of the credit union's reserves and undivided earnings. This limit shall not apply to loans which are fully secured by assignment of shares or deposits in the credit union or obligations of the United States Government. However, for credit unions in operation for five years or less, the aggregate of direct or indirect loans to any one member shall not exceed ten percent of the credit union's shares.

Tennessee
Silent

Texas
Sec. 124.003. LIMITATIONS ON LOANS.
A credit union may not make a loan to a member or a business interest of the member if the loan would cause the aggregate amount of loans to the member and the member's business interests to exceed:
(1) an amount equal to 10 percent of the credit union's total assets; or
(2) a lesser amount established by commission rule.

Utah
7-9-20. Board of directors -- Powers and duties -- Loan limitations.
7) (a) The credit that may be outstanding or available by a credit union at any one time is subject to the limitations described in this Subsection (7):
(i) except as provided in Subsection (8); and
(ii) except that the board of directors may:
(A) set a lower limit than the limit in Subsection (7)(b)(i) or (7)(b)(ii)(A)(II); or
(B) require that a person described in Subsection (7)(b)(ii)(A)(I) be a member of the credit union for more than six months before the date a member-business loan is extended.
(b) (i) A credit union may not extend credit that is not a member-business loan to a member if as a result of that extension of credit the total credit that is not a member-business loan that the credit union has issued to that member exceeds at any one time:
(A) for a credit union with less than $2,000,000 in capital and surplus, the greater of:
(I) $1,000; or
(II) 15% of capital and surplus up to a total of $25,000; or
(B) for a credit union with $2,000,000 or more in capital and surplus, the greater of:
(I) $25,000;
(II) 4% of capital and surplus; or
(III) 25% of the regular reserve.
(ii) (A) Beginning March 24, 1999, a credit union may not extend a member-business loan to a person:
(I) if the credit union is a successor to or was a credit union described in Subsection**7-9-53**(2)(d) as of May 3, 1999:
(Aa) if the person is a business entity, unless at least one individual having a controlling interest in that business entity has been a member of the credit union for at least six months prior to the date of the extension of the member-business loan; or
(Bb) if the person is an individual, unless the individual is a member of the credit union for at least six months prior to the date of the extension of the member-business loan; or

(II) if as a result of the extension of the member-business loan, the total amount outstanding for all member-business loans that the credit union has extended to that person at any one time exceeds the lesser of:
(Aa) 10% of the credit union's capital and surplus; or
(Bb) $250,000 adjusted as provided in Subsection (7)(b)(ii)(B).
(B) The adjustment described in Subsection (7)(b)(ii)(A)(II)(Bb) shall be calculated by the commissioner as follows:
(I) beginning May 5, 2008 with the adjustment for calendar year 2008 and for a calendar year beginning on or after January 1, 2009, the commissioner shall increase the dollar amount in Subsection (7)(b)(ii)(A)(II)(Bb) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2006;
(II) after the commissioner increases the dollar amount listed in Subsection (7)(b)(ii)(B)(I), the commissioner shall round the dollar amount to the nearest whole dollar;
(III) if the percentage difference under Subsection (7)(b)(ii)(B)(I) is zero or a negative percentage, the consumer price index increase for the year is zero; and
(IV) for purposes of this Subsection (7)(b)(ii)(B), the commissioner shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
(c) (i) Beginning March 24, 1999, a credit union may not extend a member-business loan if as a result of that member-business loan the credit union's aggregate member-business loan amount calculated under Subsection (7)(c)(ii) at any one time exceeds 1.25 times the sum of:
(A) the actual undivided earnings; and
(B) the actual reserves other than the regular reserves.
(ii) For purposes of Subsection (7)(c)(i), the aggregate member-business loan amount of a credit union equals:
(A) the sum of the total amount financed under all member-business loans outstanding at the credit union; minus
(B) the amount of the member-business loans described in Subsection (7)(c)(ii)(A):
(I) that is secured by share or deposit savings in the credit union; or
(II) for which the repayment is insured or guaranteed by, or there is an advance commitment to purchase by an agency of the federal government, a state, or a political subdivision of the state.
(d) (i) A credit union service organization may extend credit to a member of a credit union holding an ownership interest in the credit union service organization only if the credit union in which the person is a member is not prohibited from extending that credit to that member under:
(A) this Subsection (7) and Subsection (8); or
(B) Section 7-9-58.
(ii) For purposes of determining whether under this Subsection (7) and Subsection (8) a credit union may extend credit, the total amount outstanding of credit extended by a credit union service organization to a person shall be treated as if the credit was extended by the credit union in which the person is a member.
(iii) If a person seeking an extension of credit from a credit union service organization is a member of more than one credit union holding an ownership interest in the credit union

service organization, the person shall specify the credit union to which the extension of credit is attributed under Subsection (7)(d)(ii).
(iv) This Subsection (7)(d) effects only an extension of credit:
(A) that is extended on or after May 5, 2003; and
(B) by:
(I) a credit union service organization; or
(II) a credit union organized under this chapter.
(e) Notwithstanding the other provisions of this section, a nonexempt credit union may not extend credit that the nonexempt credit union is prohibited from extending under Section7-9-58.
(8) (a) A credit union may extend credit that is not a member-business loan in an amount that exceeds the limits described in Subsection (7)(b)(i) only if the excess portion is fully secured by share or deposit savings in the credit union.
(b) (i) Except as provided in Subsection (8)(b)(ii), a credit union may extend a member-business loan in an amount that exceeds the limits described in Subsection (7)(b)(ii)(A)(II) only if:
(A) that portion that is in excess of the limits described in Subsection (7)(b)(ii)(A)(II) is secured by share or deposit savings in the credit union; or
(B) the repayment of that portion that is in excess of the limits described in Subsection (7)(b)(ii)(A)(II) is insured or guaranteed by, or there is an advance commitment to purchase that excess portion by, an agency of:
(I) the federal government;
(II) a state; or
(III) a political subdivision of the state.
(ii) Notwithstanding Subsection (8)(b)(i), a credit union may not extend a member-business loan if the total amount financed by the credit union exceeds $1,000,000.
(c) For a member-business loan that is extended through a loan participation arrangement in accordance with Subsection 7-9-5(12):
(i) in applying the limitation of Subsection (8)(b), each credit union participating in the member-business loan may extend up to $1,000,000 of the amount financed; and
(ii) the requirement of Subsection (7)(b)(ii)(A)(I) applies to membership in a credit union that:
(A) participates in the loan participation arrangement for the member-business loan;
(B) is organized under this chapter; and
(C) is a successor to or was a credit union described in Subsection7-9-53(2)(d) as of May 3, 1999.

Vermont
§ 31302. Duties of governing body.
The governing body shall have authority for the general management of the credit union and, among other things, the governing body shall:
(14) Establish lending policies and, within any limitations set forth in the credit union's bylaws, fix a maximum amount that may be lent with and without security to a member.

§ 32301. Loan authority.
(e) Limitations. The total direct or indirect liabilities of any one member, however incurred, to a credit union shall not exceed, at the time incurred, the greater of $200.00 or ten percent of the credit union's total assets.

Virginia
§ 6.2-1372. Loan limits.
A. No loan may be made by a credit union to a member if, upon making the loan, the member would be indebted to the credit union on loans to such member in an aggregate amount which would exceed the lesser of (i) 10 percent of the credit union's share accounts and reserve fund or (ii) the maximum amount as authorized by its bylaws.
B. The aggregate amount of a credit union's "member business loans," as defined in 12 C.F.R. § 701.21 (h), shall not exceed the limit prescribed for insured credit unions by subsection (a) of § 107A of the Federal Credit Union Act (12 U.S.C. § 1757a), taking into account also the provisions of subsections (b) through (d) of that section.

Washington
RCW 31.12.428 Limit on loan amount.
(1) No loan may be made to any borrower if the loan would cause the borrower to be indebted to the credit union on all types of loans in an aggregated amount exceeding ten thousand dollars or twenty-five percent of the capital of the credit union, whichever is greater, without the approval of the director.
(2) The director by rule may establish separate limits on business loans to one borrower.

West Virginia
§31C-7-5. Loan limit; collateral requirements; and repayment.
(a) The aggregate of loans to any one member shall be limited to ten percent of the credit union's assets. This limit shall not apply to loans which are fully secured by assignments of shares or deposits in the credit union.
(b) Loans to members which in the aggregate exceed the amount shown in the schedule below shall be secured by such collateral having a value which is at least equal to any amount exceeding the limits in the following schedule, except that all loans exceeding five thousand dollars not subject to collateral shall be supported by a sworn financial statement:
(1) Five hundred dollars, in credit unions with assets of less than five thousand dollars;
(2) One thousand dollars in credit unions with assets of five thousand dollars and less than twenty-five thousand dollars;
(3) Two thousand dollars in credit unions with assets of twenty-five thousand dollars and less than one hundred thousand dollars;
(4) Five thousand dollars in credit unions with assets of one hundred thousand dollars and less than five hundred thousand dollars;

(5) Seven thousand dollars in credit unions with assets of five hundred thousand dollars and less than one million dollars; and
(6) Ten thousand dollars in credit unions with assets of onemillion dollars or more: *Provided,* That the commissioner may, upon request and at his or her discretion, approve in writing a higher unsecured loan limit amount for credit unions having assets of one million dollars or more.

Wisconsin
186.098 Loans.
(5) Limits. No loans shall be made to any member in excess of 10% of the credit union's assets, plus the balance of the member's share account pledged as security for the loan. This subsection shall not apply to loans made to member credit unions by a corporate central credit union.

Chapter 5

Comparative Digest of Credit Union Acts: Lines of Credit

2011 Model Credit Union Act:

Section 7.50. Lines of Credit.
(1) A credit union may approve lines of credit to members, and loan advances may be granted to members within the limit of such lines of credit. The terms and conditions upon which a line of credit is extended to any member may be different from the terms and conditions established for another member. Where a line has been approved, no additional credit application is required as long as the aggregate indebtedness does not exceed the approved limit.

(2) Lines of credit shall be subject to periodic review by the credit union, in accordance with the written policies adopted by the board of directors.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Lines of Credit

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
Silent

Alaska
Sec. 06.45.060. Powers of a credit union; remedy for interest violations.
(5) make loans, the maturities of which may not exceed 20 years except as provided in this chapter, and extend lines of credit to its members, to other credit unions, and to credit union organizations and participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members in accordance with the following:

(B) a self-replenishing line of credit to a borrower may be established to a stated maximum amount on terms and conditions that may be different from terms and conditions established for another borrower;

Arizona
Silent

Arkansas
Silent

California
15100.
(a) The board of directors shall establish written policies which shall set forth the policies of the credit union with respect to any obligation that is offered to the members of the credit union. The written policies shall set forth the maximum amounts and terms for any obligation offered to the members, including, but not limited to, the following information:
(1) For loans, the written policies shall set out the terms for unsecured loans, the maximum amount and terms for secured loans, the schedule of interest rates established pursuant to Section 15000 for each type or class of unsecured and secured loan offered to members, the

maximum maturity for any loan, or, in the case of an open-end loan, the rate of repayment for any type or class of open-end loan, the limitations, if any, which shall be placed on the authority of any loan officer appointed pursuant to Sections 14602 and 14603, and, subject to the provisions of subdivisions (b) and (c), the individual limits on obligations that are applicable to all members of the credit union. Any policy developed pursuant to this section by the board of directors shall, insofar as possible, and, subject to individual creditworthiness, ensure equal access to funds available for obligations with credit union members.

Colorado
Silent

Connecticut
Sec. 36a-457b. Mortgage loans to members.
(a) Subject to the requirements of this section, a Connecticut credit union may make one or more mortgage loans to its members. As used in this section, the term "mortgage loan" means a closed-end loan or line of credit secured wholly or substantially by a lien on or interest in real estate, including a leasehold interest, and which is secured by a one-to-four family residence that is the primary residence of a member or by any other real estate provided the aggregate of the loans made by the credit union to such mortgagor that are secured by such other real estate do not exceed fifty thousand dollars. As used in this section and section 36a-458a, the term "real estate" includes land and any structure and other improvement or equipment that is permanently attached to such land or structure. The term "mortgage loan" shall not include a member business loan, as defined in section 36a-458a.

Florida
657.038 Loan powers.—
(4) The credit committee or credit manager may approve in advance, upon request of a member, a line of credit, and disbursements may be granted to such member within the limit of such line of credit. When a line of credit has been approved, no additional credit applications are required as long as the aggregate obligation does not exceed the limit of such line of credit; however, no additional disbursements may be made to any member whose existing extensions of credit are in default or are subject to adverse classification without receiving current financial information.

Georgia
Silent

Hawaii
§412:10-410 Lines of credit.
A credit union may offer its members self-replenishing lines of credit. Loan advances within the limits of a line of credit may be made without the necessity of submitting additional loan applications; provided that the applicant qualifies for the line of credit and the applicant's aggregate indebtedness under the line of credit does not exceed the approved limit. The board, credit committee or credit manager shall review, or cause to be reviewed, all lines of credit at least once every three years.

Idaho
Silent

Illinois
(205 ILCS 305/31) (from Ch. 17, par. 4432) Sec. 31. Supervision of loans.
The credit committee shall have the general supervision of all loans and lines of credit to members. If no credit committee has been appointed, the credit manager shall have the general supervision of all loans and lines of credit to members.

(205 ILCS 305/32) (from Ch. 17, par. 4433) Sec. 32. Meetings of credit committee.
If a credit committee has been appointed by the board, the provisions of this Section shall apply. The credit committee shall meet as often as the operations of the credit union require and not less frequently than once a month to consider applications for loans and lines of credit. Unless a greater percentage is required in the credit union's bylaws, a majority of the credit committee shall constitute a quorum. No loan shall be made unless it is approved, in writing, by a majority of the committee who are present at a meeting at which a quorum is present and at which the application is considered. The credit committee shall report to the directors at each board meeting on all meetings held and actions taken since the last board meeting.

(205 ILCS 305/33) (from Ch. 17, par. 4434) Sec. 33. Credit manager.
(1) The credit committee may or, if no credit committee has been appointed, the board of directors shall appoint a credit manager who shall be empowered to approve or disapprove loans and lines of credit under conditions prescribed by the board of directors. The credit committee or credit manager may appoint one or more loan officers with the power to approve loans and lines of credit, subject to such limitations or conditions as may be prescribed by the board of directors. The credit manager and any loan officers appointed by the credit committee or the credit manager shall keep written records of all transactions and shall report, in writing, to the credit committee if a credit committee has been appointed, otherwise to the directors at each board meeting.

(2) Applications for loans or lines of credit not approved by a loan officer shall be reviewed and acted upon by the credit committee or credit manager.
(3) The loan officers must keep written records of all loans or lines of credit granted or refused and any other transactions and submit a report to the credit committee or credit manager at least once each month.

Indiana
IC 28-7-1-17.1
Loans to directors and committee members; terms and conditions; lines of credit; application of federal regulation; delinquent loans.
(a) A credit union may make a loan to the credit union's individual directors and committee members under the following terms and conditions:
(1) The loan must comply with all requirements under this chapter that apply to loans made to other borrowers.
(2) The loan may not be on terms more favorable than those extended to other borrowers.
(3) The borrower may not:
(A) take part in the consideration of; or
(B) vote on;
the borrower's loan application.
(4) Except as provided in subsection (b), a credit union may not make a loan under this section to an individual, the individual's immediate family, or the individual's related interests if the amount of the loan, either by itself or when added to the amounts of all other loans made under this section to the individual, the individual's immediate family, or the individual's related interests, exceeds the greater of:
(A) five percent (5%) of the credit union's capital and surplus; or
(B) twenty-five thousand dollars ($25,000);
unless the loan is first approved by the credit union's board of directors.
(5) A credit union may not make a loan under this section to an individual, the individual's immediate family, or the individual's related interests if the amount of the loan, either by itself or when added to the amounts of all other loans made under this section to the individual, the individual's immediate family, or the individual's related interests, exceeds the lending limits set forth in IC 28-7-1-39.
(6) The total amount of all loans made under this section may not exceed the credit union's capital and surplus. However, the limit set forth in this subdivision does not apply to either of the following:
(A) A loan, in any amount, secured by a perfected security interest in bonds, notes, certificates of indebtedness, or treasury bills of the United States or in other obligations fully guaranteed as to principal and interest by the United States.
(B) A loan, in any amount, secured by a perfected security interest in a segregated deposit account in the lending credit union.
(b) Approval by the board of directors under subsection (a)(4) is not required for an extension of credit made under a line of credit approved under subsection (a)(4) if the extension of credit

is made not later than fourteen (14) months after the line of credit was approved.
(c) The department may apply the provisions of 12 CFR 215 (Regulation O) in applying and administering this section.
(d) If a loan made to or cosigned, endorsed, or guaranteed by a director or a member of the supervisory, credit, or other committee is more than three (3) months delinquent, the individual:
(1) is automatically removed from the individual's position as director or committee member; and
(2) is ineligible to serve as a director or committee member for two (2) years.
The director may waive the application of this subsection if the director determines that it is in the best interests of the credit union.

Iowa
Silent

Kansas
Silent

Kentucky
286.6-495 Line of credit.
Upon written application by a member, the credit committee or credit manager may approve a self-replenishing line of credit, and loan advances may be granted to the member within the limit of such line of credit. Where a line of credit has been approved, no additional loan application is required as long as the aggregate indebtedness does not exceed the approved limit.

Louisiana
§656. Loans.
A. A credit union may make loans, under terms and conditions specified in the bylaws, to its members, and extend lines of credit to its members, to other credit unions, and to credit union organizations, and to participate with other credit unions, credit union organizations, or financial organizations to credit union members in accordance with the following:
(2) A self-replenishing line of credit to a borrower may be established to a stated maximum amount on certain terms and conditions which may be different from the terms and conditions established for another borrower.

§656. Loans.
D. A credit union may make loans to its members on a revolving credit, open-end credit, or line of credit loan plan in conformity to Regulation Z of the Truth-in-Lending Act. The terms and aturities of this type of loan shall be the same as in Subsection A of this Section.

Maine
§857-A. Lines of credit.
1. Authorization; limitations. Subject to the limitations set forth in sections 854 and 855, the credit committee of a credit union may approve a line of credit to a member upon written application by the member, and advances may be made to that member within the limits of that extension of credit. A line of credit given pursuant to this section must be reviewed periodically by a loan officer or the credit committee in accordance with the policy established under section 854.
2. Repayment. Repayment of advances made pursuant to a line of credit shall be on such terms as shall be mutually agreed upon by the member and the credit union.

Maryland
§ 6-601. Power to make loans.
(a) In general. -- Subject to the provisions of this subtitle, a credit union may make loans and extend lines of credit to its members in accordance with written policies established by the board.

Massachusetts
Chapter 171, Section 65A. (a). Mortgage loans by credit unions authorized; types; comprehensive written loan policies.
Credit unions may make or acquire loans and mortgage loans as specified in sections 65 to 65E, inclusive. A credit union may also subsequently revise or modify any terms or conditions of such loans subject to agreement of the parties.
(b) The following categories of mortgage loans are specifically authorized:
(1) residential mortgage loans secured by a first mortgage lien on a dwelling with 4 or less separate households and occupied or to be occupied by the borrower;
(2) residential mortgage loans secured by a subordinate mortgage lien on a dwelling with 4 or less separate households and occupied, or to be occupied, by the borrower including home improvement loans, home equity lines of credit and second mortgage loans;

Michigan
490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.

(6) A domestic credit union may provide open-end or closed-end credit arrangements for its members if the credit union board has established a policy for those credit arrangements. Unless prohibited by the agreement for the open-end credit arrangement, a domestic credit union may under an open-end credit arrangement unilaterally increase the approved limit or may increase the approved limit on the request of the member.

Minnesota
52.16 LENDING; CONDITIONS.
Subdivision 2. Self-replenishing line of credit.
Upon application by a member, the credit committee may approve in advance a self-replenishing line of credit, and advances may be granted to a member within the limit of the extension of credit. Where a self-replenishing line of credit has been approved, additional loan applications may be required.

Mississippi
Silent

Missouri
Silent

Montana
32-3-606. Line of credit.
Upon their own motion or upon application by a member, the credit committee or credit manager may approve a line of credit in advance, and advances may be granted to each member within the limit of such extension of credit. Where a line of credit has been approved, no additional loan applications are required as long as the aggregate obligation does not exceed the limit of such extension of credit.

Nebraska
21-1793. Line of credit.
(1) Upon application by a member, the credit union may approve a self-replenishing line of credit, either on an unsecured basis or secured by real or personal property, and loan advances may be granted to the member within the limit of such line of credit. When a line of credit has been approved, no additional credit application shall be required as long as the aggregate indebtedness of the line of credit with the credit union does not exceed the approved limit. The credit union may, at its option, require reapplication for a line of credit either periodically or as circumstances warrant.
(2) A line of credit shall be subject to a periodic review by the credit union in accordance with the written policies of the board of directors.

Nevada
Silent

New Hampshire
Silent

New Jersey
17:13-105. Manner of payment of loans to members.
c. A line of credit to be made available to the member by the credit union, whereby funds may be advanced to the member pursuant to the member's written authorization and repaid upon terms as established by the board.

New Mexico
58-11-49. Loan policies.
H. Upon written application by a member, the board of directors or any person or committee to which it has delegated authority to extend credit may approve a self-replenishing line of credit, and advances may be granted to the member within the limit of such line of credit. Whenever a line of credit has been approved, no additional credit application is required as long as the aggregate indebtedness does not exceed the approved limit; provided, however, each line of credit shall be reviewed in accordance with the credit union's policy governing extensions of credit.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:
7. (a) To issue credit cards, debit cards, and similar devices to allow members to make purchases and to access their loans, lines of credit, shares and deposits;

North Carolina
§ 54-109.70. Line of credit.
A line of credit and advances may be granted to each member within guidelines established by the board of directors. Where a line of credit has been approved, no additional loan applications are required as long as the aggregate obligation does not exceed the limit of such line of credit.
North Dakota

Silent

Ohio
1733.253 Permissible charges under a revolving credit agreement.
(A) As used in this section:
(1) "Revolving credit agreement" means an agreement pursuant to which a credit union contemplates repeated transactions and the amount of credit that may be extended pursuant to the agreement is made available to the extent that any outstanding balance is repaid. "Revolving credit agreement" does not include an agreement secured by a residential mortgage.
(2) "Residential mortgage" has the same meaning as in section 1109.181 of the Revised Code.
(B) Notwithstanding any limitations contained in sections 1733.25, 1733.251, or any other section of the Revised Code, a credit union may charge interest, fees, and other charges under a revolving credit agreement at the same or lower rates or amounts that a credit union located in another state may charge its revolving credit customers in this state.

Oklahoma
§6-2006. Succession - Powers.
A credit union shall have succession in its corporate name during its existence and shall have power:
5. To make loans to its members for provident or productive purposes, the maturities of which shall not exceed fifteen (15) years, except as otherwise provided herein and except as otherwise approved by the State Credit Union Board, and extend lines of credit to its members, to other credit unions and to credit union organizations and to participate with other credit unions, credit union organizations or financial organizations in making loans to credit union members, other credit unions and credit union organizations in accordance with the following:
d. no loan or line of credit may be made to or established for a credit union member if the amount of such loan or line of credit, when aggregated with all other outstanding loans and lines of credit made to or established for such credit union member, will cause the credit union member to be indebted to the lending credit union in an amount exceeding six percent (6%) of the greater of either (i) the paid-in and unimpaired capital and surplus of the lending credit union or (ii) an amount which is six percent (6%) of the total assets of the lending credit union,
e. a self-replenishing line of credit may be established by a credit union for any eligible borrower to a stated maximum amount on terms and conditions which may differ from the terms and conditions established for other eligible borrowers,

Oregon
723.522 Line of credit. The credit committee, credit manager, or loan officer may approve in advance upon their own motion or upon application by a member, a line of credit, and advances may be granted to such member within the limit of such extension of credit. Where a

line of credit has been approved, no additional loan applications are required as long as the aggregate obligation does not exceed the limit of such extension of credit.

Pennsylvania
Silent

Rhode Island
§ 19-5-13 Loan applications.
. . . If written approval of the credit committee or loan officer is obtained, nothing contained in this section shall prevent a credit union from extending credit to a member in any manner in which it sees fit; provided that no extension of credit shall be made upon an unsecured revolving credit plan, line of credit, or letter of credit in which the credit authorization exceeds five thousand dollars ($5,000), unless the credit authorization is reviewed at least annually by the credit committee, if one exists, or by the board of directors.

South Carolina
SECTION 34-26-850. Limitation on loan advances by approved line of credit; periodic review.
(1) Upon application by a member, the credit committee, or loan officer may approve a line of credit, and loan advances may be granted to the member within the limit of such line of credit. Where a line has been approved, no additional credit application is required as long as the aggregate indebtedness does not exceed the approved limit.

(2) Lines of credit shall be subject to periodic review by the credit union, in accordance with the written policies of the board of directors.

Tennessee
Silent

Texas
Sec. 124.051. OPEN-END CREDIT PLAN. A credit union may enter into a written agreement with a member under which:
(1) the member is allowed to borrow money from time to time; and
(2) interest may from time to time be computed on the unpaid balance.

Sec. 124.052. LINE OF CREDIT. A credit union may approve in advance a line of credit and grant advances to a member within the limit of the extension of credit.

Sec. 124.053. ADDITIONAL LOAN APPLICATION NOT REQUIRED. An additional loan application is not required under an open-end credit plan under Section 124.051 or line of credit under Section 124.052 if the aggregate obligation does not exceed a limit of the extension of credit the credit union establishes.

Utah
Silent

Vermont
Silent

Virginia
§ 6.2-1374. Lines of credit.
Notwithstanding the requirements of § 6.2-1354, the credit committee or a loan officer may approve an application for a line of credit. When a line of credit has been approved, advances may be made as requested without further loan application or approval if the aggregate outstanding balance on all advances does not exceed the limit specified.

Washington
Silent

West Virginia
§31C-7-6. Line of credit.
(a) Upon written application by a member, the credit committee or loan officer may approve a line of credit, and loan advances may be granted to the member within the limit of such line of credit. Access to the line of credit may be by use of a lender credit card. Where a line has been approved, no additional credit application is required as long as the aggregate indebtedness does not exceed the approved limit.
(b) Lines of credit shall be subject to periodic review by the credit union, in accordance with the written policies of the credit union's board of directors, and approved or disapproved as to the granting of further loan advances.

Wisconsin
Silent

Chapter 6

Comparative Digest of Credit Union Acts: Participation Loans

2011 Model Credit Union Act:

Section 7.60. Participation Loans.
(1) A credit union may participate in loans to credit union members jointly with other credit unions, credit union organizations or other organizations pursuant to written policies established by the board of directors.

(2) If the aggregate amount of participation loans exceeds the credit union's lending limitations, the credit union may originate such participation loans only on a non-recourse basis. An interest in a participation loan may be negotiated to another credit union, credit union organization or other approved organization.

(3) The member benefiting from the proceeds of the loan need not be a member of every credit union participating in the loan.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Participation Loans

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
Silent

Alaska
Sec. 06.45.060. Powers of a credit union; remedy for interest violations.
(5) make loans, the maturities of which may not exceed 20 years except as provided in this chapter, and extend lines of credit to its members, to other credit unions, and to credit union organizations and participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members in accordance with the following:
(E) participation loans with other credit unions, credit union associations, or financial organizations shall be made in accordance with written policies of the board of directors of the credit union, except that a credit union that originates a loan for which participation arrangements are made in accordance with this section shall retain an interest not less than 10 percent of the face amount of the loan;

Arizona
6-563. Other loan programs.
A. A credit union may participate in loans to its members jointly with other credit unions, credit union organizations or other organizations pursuant to written policies established by the board of directors. A credit union which originates such a loan shall retain an interest of at least ten per cent of the outstanding principal balance of the loan. Before participating in a loan transaction, each credit union shall perform its own independent evaluation of the creditworthiness of the borrower.

Arkansas
Silent

California
14959.
(a) A credit union may participate in loans made to its members jointly with other credit unions, corporations or financial organizations.
(b) A credit union may participate in a loan originated by another credit union which is made to a member of the originating credit union even though the member is not also a member of the credit union participating in the loan. A loan participation that is authorized by this subdivision shall not be deemed to be an obligation or a participation in an obligation with a nonmember within the meaning of Section 14750.

Colorado
11-30-104. Powers.
(1) A credit union has the following powers to:
(n) Participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members when the borrower is a member of either the credit union originating the loan or the credit union purchasing a participation interest in the loan;

Connecticut
Sec. 36a-437a. Organization.
(f) Seven or more individuals may organize a Connecticut credit union that provides basic services in accordance with this section, except a Connecticut credit union the membership of which is limited to persons within a well-defined community, neighborhood or rural district. In order to expedite the issuance of a certificate of authority, the commissioner shall provide, without charge, to such organizers: . . . As used in this section, "basic services" means the issuance of regular shares, the making of signature loans not exceeding amounts predetermined by the commissioner, the making of participation loans as a participant in an amount specified by the commissioner, the sale of money orders and travelers checks, and the issuance and redemption of savings bonds.

Florida
657.038 Loan powers.—
(11) A credit union may participate in extensions of credit jointly with other credit unions, corporations, or financial institutions.

Georgia
Silent

Hawaii
§412:10-412 Participation loans.
Participation loans to credit union members jointly with other credit unions, credit union service organizations, or financial organizations shall be in accordance with written policies of the board of directors. A credit union which originates a loan for which participation arrangements are made in accordance with this section shall retain an interest of at least ten per cent of the face amount of the loan.

Idaho
Silent

Illinois
(205 ILCS 305/51) (from Ch. 17, par. 4452) Sec. 51. Other loan programs.
(1) Subject to such rules and regulations as the Secretary may promulgate, a credit union may participate in loans to credit union members jointly with other credit unions, corporations, or financial institutions. An originating credit union may originate loans only to its own members. A participating credit union that is not the originating lender may participate in loans made to its own members or to members of another participating credit union. "Originating lender" means the participating credit union with which the member contracts. A master participation agreement must be properly executed, and the agreement must include provisions for identifying, either through documents incorporated by reference or directly in the agreement, the participation loan or loans prior to their sale.

Indiana
IC 28-7-1-9 Version b
Powers; maintenance of files; authority to purchase and hold life insurance.
(a) A credit union has the following powers:
(25) To participate in community investment initiatives under the administration of organizations:
(A) exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; and
(B) located or conducting activities in communities in which the credit union does business.
Participation may be in the form of either charitable contributions or participation loans. In either case, disbursement of funds through the administering organization is not required to be limited to members of the credit union. Total contributions or participation loans may not exceed one-tenth of one percent (0.1%) of total assets of the credit union. A recipient of a contribution or loan is not considered qualified for credit union membership. A contribution or participation loan made under this subdivision must be approved by the board of directors.

IC 28-7-1-17
Loans to members; application; terms and conditions; loans secured by real estate; participation loans; indemnifying or second mortgage on real estate.
6) As used in this subdivision, "originating lender" means the participating lender with which the member contracts. A credit union may participate with other state and federal depository financial institutions (as defined in IC 28-1-1-6) or credit union service organizations in making loans to credit union members and may sell a participating interest in any of its loans under written participation loan policies established by the board of directors. However, the credit union may not sell more than ninety percent (90%) of the principal of participating loans outstanding at the time of sale. A participating credit union that is not the originating lender may participate only in loans made to the credit union's own members or to members of another participating state or federal credit union. A master participation agreement must be properly executed. The agreement must include provisions for identifying, either through documents incorporated by reference or directly in the agreement, the participation loan or loans before the sale of the loans.

Iowa
Silent

Kansas
17-2245. Credit union may participate in loan with another credit union, financial organization or national cooperative bank.
(a) A credit union may agree to participate in the risk liability and income of loans to credit union members jointly with other credit unions, credit union organizations, financial institutions or financial organizations. Such participation loans shall be in accordance with written policies of the board of directors. A credit union which originates a loan for which participation agreements are made in accordance with this subsection shall retain an interest of at least 10% of the face amount of the loan.

(b) A credit union may agree to participate in the risk liability and income of loans or guarantees with the national cooperative bank established pursuant to the act of congress known as the national consumer cooperative bank act of 1978, and any amendments thereto. Such loans may be made to any eligible borrower under such act of congress and may be made jointly with any financial institution, agency, instrumentality or foundation authorized to do so under such act.

Kentucky
Silent

Louisiana
§656. Loans.
(5) Participation loans with other credit unions, credit union organizations, or financial organizations shall be in accordance with written policies of the board of directors; provided that a credit union which originates a loan for which participation arrangements are made in accordance with this Subsection, shall retain an interest of at least ten per centum of the face amount of the loan.

Maine
Silent

Maryland
§ 6-607. Participation with other institutions.
(a) Authorized. -- Subject to the provisions of subsection (b) of this section, a credit union may participate with a depository financial institution or a credit union service organization for purposes of making a loan to a credit union member in accordance with the lending policies of the board.

(b) Retention of 10% interest. -- A credit union may participate in a loan under subsection (a) of this section provided that the credit union that originates the loan retains an interest of at least 10% of the face amount of the loan.

Massachusetts
Chapter 171, Section 65E. Powers of credit unions.
Every credit union, subject to limitations imposed by section 65 to section 65E, inclusive, or other general law, shall have the following powers and whatever further incidental or complementary powers that may fairly be implied from those expressly conferred and such as are reasonably necessary to enable it to exercise fully those powers according to common customs and usages:
(3) to buy, sell or make loans as participation loans with any other federally-insured credit union, bank or insurance company and to service any loans sold by it.

Michigan
490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.
(7) A domestic credit union may participate in loans to credit union members jointly with other credit unions, credit union service organizations, or other financial institutions.

Minnesota
Silent

Mississippi
Silent

Missouri
Silent

Montana
32-3-607. Other loan programs.
(1) A credit union may participate in loans to credit union members jointly with other credit unions, corporations, or financial organizations.

Nebraska
21-1794. Participation loans.
A credit union may participate in loans to credit union members jointly with other credit unions, credit union organizations, or other organizations pursuant to written policies established by the board of directors. A credit union which originates such a loan shall retain an interest of at least ten percent of the face amount of the loan.

Nevada
NRS 678.710 Loans to members: Application; approval; limitations; participation loans; payment.
4. A credit union may participate with other credit unions, corporations or financial institutions in making loans to credit union members.

New Hampshire
Silent

New Jersey
17:13-89 Powers.
11. A credit union's powers shall include, but not be limited to, the power to:
o. Participate in loans to credit union members jointly with other credit unions, credit union organizations, or financial institutions, provided that the originating credit union retains an interest of at least 10% of the face amount of the loan;

New Mexico
58-11-49. Loan policies.
I. A credit union may participate in extensions of credit to credit union members jointly with other credit unions or other financial organizations pursuant to written policies established by the board of directors.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:

35. To participate in loans to credit union members jointly with other credit unions, credit union organizations, or other banking organizations pursuant to written policies established by the board of directors; provided that a credit union which originates a loan for which participation arrangements are made shall retain an interest in at least ten percent of the face amount of the loan. The member of the originating credit union benefiting from the proceeds of the loan need not be within the field of membership of the other credit unions participating in the loan.

North Carolina
§ 54-109.71. Other loan programs.
(a) A credit union may participate in loans to credit union members jointly with other credit unions, corporations, or financial organizations.

North Dakota
Silent

Ohio
Silent

Oklahoma
Section 2006 - Succession – Powers.
5. loans to credit union members shall be made in conformity with criteria established by the board of directors of the lending credit union; provided that:
A credit union shall have succession in its corporate name during its existence and shall have power:

h. participation loans with other credit unions, credit union organizations or other financial organizations shall be in accordance with written policies adopted by the board of directors of the lending credit union and shall be approved by the board of directors of the lending credit union. However, a credit union which originates a loan for which participation arrangements are made in accordance with this subsection shall retain an interest of at least ten percent (10%) of the face amount of such loan,

Oregon
723.526 Other loan programs**.**
(1) Loans to credit union members may be shared with other credit unions, corporations or financial organizations.

Pennsylvania
(b) Special powers.—
A credit union shall have the following special powers:
(2) To make loans to members and to participate in loans to credit union members, including members of any Federal credit union or credit union chartered under the laws of any state, jointly with such other credit unions, credit union organizations or State or Federally chartered and regulated depository institutions, if the institution which originates such a loan shall be legally required to retain an interest of at least 10% of the outstanding balance of the loan. No loan may be made to any member if, upon the making of that loan, the member would be indebted to the credit union upon loans made to him in an aggregate amount which would exceed 10% of the credit union's unimpaired capital.

Rhode Island
Silent

South Carolina
SECTION 34-26-870. Credit union participation in joint loan with other credit union.
A credit union may participate in loans to credit union members jointly with other credit unions pursuant to written policies established by the board of directors. A credit union which originates such a loan shall retain an interest of at least ten percent of the face amount of the loan.

Tennessee
Silent

Texas
Sec. 124.301. PARTICIPATION LOANS.
A credit union may market and sell participations in loans to members originated by the credit union to another credit union, corporation, or financial organization.

Utah
7-9-5. Powers of credit unions.
In addition to the powers specified elsewhere in this chapter and subject to any limitations specified elsewhere in this chapter, a credit union may:
(12) (a) subject to Subsection (12)(b), make co-lending arrangements, including loan participation arrangements, in accordance with written policies of the board of directors with one or more:
(i) other credit unions;
(ii) credit union service organizations; or
(iii) other financial organizations; and
(b) make co-lending arrangements, including loan participation arrangements, in accordance with Subsection (12)(a) subject to the following:
(i) the credit union or credit union service organization that originates a loan for which co-lending arrangements are made shall retain an interest of at least 10% of the loan;
(ii) on or after May 5, 2003, the originating credit union or credit union service organization may sell to a credit union an interest in a co-lending arrangement that involves a member-business loan only if the person receiving the member-business loan is a member of the credit union to which the interest is sold;
(iii) on or after May 5, 2003, the originating credit union or credit union service organization may sell to a credit union service organization an interest in a co-lending arrangement that involves a member-business loan only if the person receiving the member-business loan is a member of a credit union that holds an interest in the credit
union service organization to which the interest is sold; and
(iv) a nonexempt credit union may not originate, participate in, or obtain any
interest in a co-lending arrangement, including a loan participation arrangement, in
violation of Section 7-9-58;

7-9-3. Definitions.
As used in this chapter: (8) (a) "Member-business loan" means any loan, line of credit, or letter of credit, the proceeds of which will be used for:
(i) a commercial purpose;
(ii) other business investment property or venture purpose; or
(iii) an agricultural purpose.
(b) "Member-business loan" does not include an extension of credit:
(i) that is fully secured by a lien on a one- to four- family dwelling that is the
primary residence of a member;

(ii) that is fully secured by:
(A) shares or deposits in the credit union making the extension of credit; or
(B) deposits in other financial institutions;
(iii) the repayment of which is fully insured or fully guaranteed by, or where there is an advance commitment to purchase in full by, an agency of:
(A) the federal government;
(B) a state; or
(C) a political subdivision of a state; or
(iv) that is granted by a corporate credit union to another credit union.

Vermont
§ 32501. Participation loans.
(a) Subject to the provisions of this section, a credit union may participate in loans to credit union members jointly with other state or federally chartered credit unions, credit union organizations, or other federally insured financial institutions pursuant to written policies established by the credit union's governing body. For purposes of this section, "credit union organization" means any organization established primarily to serve the daily operational needs of its member credit unions. The term does not include trade associations, membership organizations principally composed of credit unions, or corporations or other businesses that principally provide services to credit union members as opposed to corporations or businesses whose business relates to the daily in-house operations of credit unions.
(b) No credit union shall obtain an interest in a participation loan if the sum of that interest and any other indebtedness owing to the credit union by the borrower exceeds the limitations set forth in this title and in rules adopted by the commissioner.
(c) The credit union shall execute a written master participation agreement and shall retain the written master agreement in the credit union's office. The master agreement shall include provisions for identifying, either through a document that is incorporated by reference into the master agreement or directly in the master agreement, the participation loan or loans prior to their sale.
(d) A credit union may sell to or purchase from any participant the servicing of any loan in which it owns a participation interest.
(e) The credit union originating the loan shall:
(1) Originate loans only to its members.
(2) Retain an interest of at least ten percent in the face amount of the loan.
(3) Retain the original or copies of the loan documents.
(4) Require the credit committee or loan officer to use the same underwriting standards for participation loans as are used for loans that are not being sold in a participation agreement, unless there is a participation agreement in place prior to the disbursement of the loan. Where a participation agreement is in place prior to disbursement, either the credit union's loan policies or the participation agreement shall address any variance from nonparticipation loan underwriting standards.
(f) A participant credit union that is not the originating lender shall:

(1) Participate only in loans it is empowered to grant, and shall have a participation policy in place that sets forth the loan underwriting standards prior to entering into a participation agreement.
(2) Participate in participation loans only if made to its own members or members of another participating credit union; however, this subdivision shall not apply if the originating lender is a federally insured financial institution that is not a credit union.
(3) Retain the original or a copy of the written participation loan agreement and a schedule of the loans covered by the agreement.
(4) Obtain the approval of the governing body, such person or persons or such committee authorized by the governing body to act on participation loans, or the investment committee for the disbursement of proceeds to the originating lender in accordance with the credit union's loan participation policy.

Virginia
§ 6.2-1375. Cooperative loans.
A credit union may originate loans to credit union members jointly with other credit unions, credit union organizations, or other financial institutions pursuant to written policies established by the board of directors. The policies shall include the limitation set forth in § 6.2-1372. A credit union that originates such a loan shall retain at least a 10 percent interest in such loan.

Washington
Silent

West Virginia
§31C-7-7. Participation loans.
A credit union may participate in loans to credit union members jointly with other credit unions, credit union organizations or other organizations pursuant to written policies established by the credit union's board of directors. A credit union which originates such a loan shall retain an interest of at least ten percent of the face amount of the loan.

Wisconsin
186.098 Loans.
(9m) Participation loans. Subject to rules prescribed by the office of credit unions, a credit union may participate with other lenders in a loan of any type that the credit union may otherwise make.

Chapter 7

Comparative Digest of Credit Union Acts: Other Loan Programs

2011 Model Credit Union Act:

Section 7.70. Other Loan Programs.
(1) A credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law under which such a program is provided.

(2) A credit union may purchase the conditional sales contracts, notes and similar instruments which evidence the indebtedness of its members, persons within its field of membership, or members of another credit union.

(3) A credit union may finance for any person, the sale of the credit union's property, including property obtained as a result of defaults on obligations owed to it.

(4) A credit union may make student loans to its members in accordance with state law or scholarship programs which are subject to a federal or state law providing a 100 percent repayment guarantee.

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Other Loan Programs

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
Silent

Alaska
Sec. 06.45.060. Powers of a credit union; remedy for interest violations.
(5) make loans, the maturities of which may not exceed 20 years except as provided in this chapter, and extend lines of credit to its members, to other credit unions, and to credit union organizations and participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members in accordance with the following:

(A) loans to members shall be made in conformity with regulations adopted by the commissioner, except that

(i) a residential real estate loan that is made to finance the acquisition of a one- to four-family dwelling for the principal residence of a credit union member that is secured by a first lien on the dwelling may have a maturity not exceeding 30 years;

(ii) a loan to finance the purchase of a manufactured home that is secured by a first lien on the manufactured home, to be used as the residence of a credit union member, or for the repair, alteration, or improvement of a residential dwelling that is the residence of a credit union member must have a maturity not to exceed 20 years unless the loan is insured or guaranteed under (iii) of this subparagraph;

(iii) a loan secured by the insurance or guarantee of the federal government, of a state government, or an agency of either may be made for the maturity and under the terms and conditions specified in the law under which the insurance or guarantee is provided;

Arizona
6-563. Other loan programs.
B. In making loans to its members a credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law or rules under which such a program is provided.
C. A credit union may finance for any person the sale of the credit union's property, including property obtained as a result of defaults in obligations owed to it, under the terms, conditions and rates provided by this chapter.

Arkansas
23-35-603. Loans and extensions of credit in advance.
(h) (1) A credit union may make any loan insured by any federal program on terms set out in the applicable federal legislation, and that insurance shall be deemed adequate security.

California
14958.
A credit union may participate in guaranteed loan programs of the federal or state governments, subject to the limitations on loans set forth in this division.

Colorado
Silent

Connecticut
Silent

Florida
657.038 Loan powers.—
(12) A credit union may participate in guaranteed loan programs of the federal and state governments, provided the borrower is a member of the credit union.
(13) If approved by the board of directors, a credit union may extend credit to other credit unions in an amount not greater than 25 percent of the capital of the lending credit union.
(14) A credit union may purchase the conditional sales contracts, notes, and similar instruments of its members, provided that the credit union could have originally made the loan.

Georgia
Silent

Hawaii
§412:10-411 Loans to other credit unions.
A credit union may make loans to other credit unions, central credit unions, corporate credit unions or a central liquidity facility established under federal or state law; provided that the loans shall be approved by the board of directors and that the aggregate of all loans to such credit unions and a central liquidity facility shall not exceed twenty-five per cent of the lending credit union's capital.

§412:10-413 Other loan programs.
(a) A credit union may loan to members under any government guaranteed or insured loan program and such insurance on these loans shall be deemed adequate security. The terms of such loans shall be as defined by the board of directors under the provisions of the loan program.
(b) A credit union may purchase the conditional sales contracts, notes and similar instruments of its members.
(c) A credit union may finance for any person the sale of the credit union's personal property, including property obtained as a result of defaults in obligations owed to the credit union, under the terms, conditions and rates provided by this article.

Idaho
26-2120. Loans to other credit unions who are members.
A credit union may make loans to other credit unions who are its members with a maximum maturity of one (1) year and in an amount that shall not in total exceed ten percent (10%) of the shares and certificates of deposit of the credit union.

Illinois
(205 ILCS 305/51) (from Ch. 17, par. 4452) Sec. 51. Other loan programs.
(1) Subject to such rules and regulations as the Secretary may promulgate, a credit union may participate in loans to credit union members jointly with other credit unions, corporations, or financial institutions. An originating credit union may originate loans only to its own members. A participating credit union that is not the originating lender may participate in loans made to its own members or to members of another participating credit union. "Originating lender" means the participating credit union with which the member contracts. A master participation agreement must be properly executed, and the agreement must include provisions for identifying, either through documents incorporated by reference or directly in the agreement, the participation loan or loans prior to their sale.
(2) Any credit union with assets of $500,000 or more may loan to its members under scholarship programs which are subject to a federal or state law providing 100% repayment guarantee.
(3) A credit union may purchase the conditional sales contracts, notes and similar instruments which evidence an indebtedness of its members. In the management of its assets, liabilities, and liquidity, a credit union may purchase the conditional sales contracts, notes, and other similar instruments that evidence the consumer indebtedness of the members of another credit union. "Consumer indebtedness" means indebtedness incurred for personal, family, or household purposes.

(4) With approval of the board of directors, a credit union may make loans, either on its own or jointly with other credit unions, corporations or financial institutions, to credit union organizations; provided, that the aggregate amount of all such loans outstanding shall not at any time exceed the greater of 3% of the paid-in and unimpaired capital and surplus of the credit union or the amount authorized for federal credit unions.

(205 ILCS 305/53) (from Ch. 17, par. 4454) Sec. 53. Loans to credit unions.
A credit union may make loans to other credit unions if so provided and within the limits set forth in its bylaws.

(205 ILCS 305/54) (from Ch. 17, par. 4455) Sec. 54. Loans to associations.
A credit union may make loans to any credit union association or corporation, of which the credit union is a member or shareholder, except that the aggregate of all such loans shall not exceed 5% of the assets of the credit union.

Indiana
Silent

Iowa
533.315 Loans.
6. Other loans. Loans that are not secured by real property shall be subject to the following conditions:
a. Loans to any one member that in the aggregate exceed the unsecured loan limit established by the board of directors of a state credit union shall be secured by one or more cosigners or guarantors, or by a first lien on collateral having a value that is approximately equal to the amount in excess of such unsecured loan limit. Every cosigner or guarantor shall furnish the state credit union with evidence of financial responsibility.
b. This subsection shall not be deemed to preclude a credit committee or loan officer from requiring security for any loan.
c. A state credit union may make loans according to any or all of the following:
(1) Loans insured under the provisions of 20 U.S.C. § 1071 – 1087 or similar state programs.
(2) Loans insured by the federal housing administration under 12 U.S.C. § 1703.
(3) Loans to families of low or moderate income as a part of programs authorized in chapter 16.
d. The restrictions and limitations contained in this subsection do not apply to loans made to a member credit union by a corporate central credit union.

Kansas
Silent

Kentucky
286.6-515 Other loan programs.
(1) A credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law under which such a program is provided.
(2) A credit union may purchase the conditional sales contracts, notes and similar instruments of its members.

Louisiana
Silent

Maine
§855. Real estate mortgage loans.
1. Limitations. A credit union may make loans to its members secured by a mortgage on real estate located within this State, subject to the following conditions and limitations.
A. The total liability of any member upon loans within this section shall be as established in section 854, subsection 1.
B. No loan made pursuant to this section may exceed 90% of the appraised value of the property mortgage, as determined by the credit committee. Loans pursuant to this section may be made in an amount not exceeding 100% of the appraised value of the mortgage property if at least the top 20% of the loan is insured by a mortgage guarantee insurer licensed to do business in this State or if the loan is insured or guaranteed by the Federal Housing Administration or any other state or federal agency.
C. The note or other obligation evidencing a first mortgage loan shall require monthly payment of the interest and principal thereon sufficient to repay the entire loan within a period not exceeding 30 years, except that this provision does not apply to real estate loans insured by the Federal Housing Administration.
D. The note or other obligation evidencing a loan other than a first mortgage loan shall require monthly payment of the interest and principal thereon sufficient to repay the entire loan within a period not exceeding 15 years.
2. Loans to secure future advances. An interest in real estate that may be mortgaged to a credit union pursuant to this section may be mortgaged in the manner set forth in section 436 or in the manner set forth in Title 33, section 505 subject to the terms and conditions set forth in that section. An interest in real estate that may be mortgaged to a credit union organized under the laws of the United States may be mortgaged in the manner set forth in section 436 or in the manner set forth in Title 33, section 505 subject to the terms and conditions set forth in that

section. The maximum loan terms established in subsection 1, paragraphs C and D, apply to each loan or advance secured by a mortgage under section 436 or Title 33, section 505.
3. Aggregate mortgage loan limitation.
4. Loan policy. The board of directors shall establish a policy addressing real estate mortgage loans, including home equity loans. At a minimum, this policy must address the following:
A. Aggregate limitation on total real estate mortgage loans as a percentage of total loans and total assets;
B. Maximum loan-to-value standards;
C. Types of property eligible for loans
D. Guidelines for selecting real estate appraisers;
E. Maximum debt-to-income ratios for borrowers; and
F. All other standards essential to the prudent management of real estate lending including the responsibility of 3rd-party contractors who prepare documentation for loans on behalf of the credit union.
This policy must be reviewed and ratified by the board of directors at least annually.

§858. Federal funds loans or sales.
A credit union may lend or sell to any member bank of the Federal Reserve System, or to any bank, savings bank or savings and loan association whose deposits are insured by the Federal Deposit Insurance Corporation.

Maryland
§ 6-608. Government guarantees.
A credit union may make a loan that is insured or guaranteed by the federal government, a state government or local government, or a unit of the federal government or of any state or local government.

§ 6-609. Purchase of certain obligations and loans authorized.
(a) Definitions. --
(1) In this section the following words have the meanings indicated.
(2) "Eligible obligation" means a loan or a group of loans made to a member of a credit union by a lender other than the credit union to which the member belongs.
(3) "Student loan" means a loan that is:
(i) Granted to finance the borrower's attendance at an institution of higher education or at a vocational school; and
(ii) Secured by, and on which payment of the outstanding principal and interest has been deferred in accordance with, the insurance or guarantee of the federal government, a state government, or a unit of the federal government or of a state government.
(b) Purchase of eligible obligations, student loans, real estate loans; prerequisites. --

(1) Subject to the provisions of paragraph (2) of this subsection, a credit union may purchase, in whole or in part, in accordance with the board's purchase policies:
(i) Eligible obligations of its members;
(ii) Eligible obligations of the individual members of a liquidating credit union, from the liquidating credit union;
(iii) Student loans if the credit union is granting student loans on an ongoing basis and if the purchase will facilitate the credit union's packaging of a pool of the loans to be sold or pledged on the secondary market; and
(iv) Real estate loans if the credit union is granting real estate loans under this subtitle on an ongoing basis and if the purchase will facilitate the credit union's packaging of a pool of the loans to be sold or pledged on the secondary mortgage market.
(2) A credit union may make a purchase under paragraph (1) of this subsection if:
(i) The board or investment committee approves the purchase;
(ii) A written agreement and a schedule of the eligible obligations covered by the agreement are retained by the credit union for inspection;
(iii) The aggregate of the unpaid balance of eligible obligations purchased under paragraph (1)(i) and (ii) of this subsection does not exceed 5% of the total assets of the credit union; and
(iv) For purchases of real estate loans under paragraph (1)(iv) of this subsection, the pool of loans to be sold or pledged on the secondary mortgage market:
1. Includes a substantial portion of the credit union's members' real estate loans, but no less than 20% of the aggregate principal amount of the loans purchased; and
2. Is sold promptly, but no later than 6 months after the purchase.
(c) Sale or pledge of obligations or loans purchased. -- A credit union may sell or pledge, in whole or in part, the eligible obligations or loans purchased under subsection (b)(1) of this section if:
(1) The board or investment committee approves the sale or pledge; and
(2) The written agreement covering the sale or pledge and a schedule of the eligible obligations or loans covered by the agreement are retained by the credit union for inspection.
(d) Service. -- A credit union may agree to service any eligible obligation the credit union purchases or sells in whole or in part.

Massachusetts
Chapater 171, Section 60. Loans for improvement of real estate.
A credit union may make loans to the owner of improved real estate for the purpose of financing the improvement, repair, alteration, rehabilitation thereof, or fuel for supplying the energy needs of such real estate or the purchase and installation of fixtures to be affixed thereto including, but not limited to, the purchase and installation of a solar or wind-powered system or heat pump system. Such loan shall not exceed forty thousand dollars exclusive of interest or discount from the date of the note, with respect to any one parcel of such real estate. The loan shall be payable within fifteen years from the date of the note. The terms of the note or mortgage shall require that, commencing not later than two months after the date of the note (a) payments shall be made on account of the principal in equal monthly

installments in amounts which, at the maturity of the note, shall equal the original amount of the loan or (b) fixed monthly payments shall be made in approximately the same amount during the term of the loan, which payments shall first be applied to interest and the balance to principal. The aggregate balance of principal of such loans outstanding at any one time shall not exceed twenty-five percent of the assets of a credit union. Loans made under this paragraph may be secured by a first or subordinate mortgage on the real estate to be improved.

Chapter 171, Section 61. Loans for purchase of manufactured homes.
A credit union may make a loan for the purpose of financing the purchase of a movable dwelling, hereinafter called a manufactured home, containing living facilities suitable for year-round occupancy by one family, including permanent provision for eating, sleeping, cooking and sanitation; provided, however, that (a) such manufactured home is to be maintained as a residence of the purchaser; (b) such manufactured home will, within ninety days after purchase, be located at a manufactured housing community or other semipermanent site within the commonwealth or within a radius of thirty-five miles of the credit union office without regard to geographical location; (c) the principal amount of such loan, including interest and other costs, shall not exceed eighty percent of the purchase price of such manufactured home, excluding any taxes, transportation expenses, insurance premiums, registration fees and other costs paid or required to be paid by the purchaser in connection with such purchaser in connection with such purchase, or thirty-five thousand dollars, whichever is less; (d) such loan is required to be repaid in substantially equal monthly installments within a period of not more than twenty-five years after the date of such purchase; and (e) the note or other instrument evidencing such loan shall expressly grant to such credit union a security interest in such manufactured home and shall include such provisions as the credit committee may deem necessary for the protection of such credit union's security interest including, specifically, provisions with respect to insurance, taxes, maintenance and repairs.
The aggregate balance of principal of such loans outstanding at any one time shall not exceed ten percent of the assets of a credit union.
Such credit union shall, promptly upon making any such loan, take all action necessary to perfect its security interest, including the filing of a financing statement with the appropriate filing office, as provided in article nine of chapter one hundred and six.

Chapter 171, Section 62. Loans for purchase of boats, campers or trailers.
A credit union may make a loan for the purpose of financing the purchase of a boat, camper or trailer to an amount not exceeding, on each loan, one percent of its assets, or fifty-five thousand dollars, whichever is less. Loans on such vehicles shall be required to be repaid in substantially equal weekly or monthly installments within a period of not more than fifteen years from the date of such purchase and such loans shall be secured by a security interest on such recreational vehicle.

The credit union shall promptly, upon making any such loan, take all action necessary to perfect its security interest.
The aggregate balance of principal of such loans outstanding at any one time shall not exceed ten percent of the assets of a credit union.

Chapter 171, Section 63. Education loans.
A credit union may make loans to aid and assist students to fulfill a program of higher education as provided herein.
Any student who has not attained the age of eighteen and has been admitted to an institution of higher learning or attends such an institution shall have full legal capacity to act in his own behalf in the matter of contracts and other transactions with respect to financing his education under any federal, state or private financing plan, and with respect to such acts done by any such student, he shall have the rights, powers and privileges and be subject to the obligations of persons of full age.
A credit union may make loans to aid and assist students to fulfill a program of higher education if such loans are guaranteed in whole or in part by the Massachusetts Higher Education Assistance Corporation as follows:
1. A student shall be eligible for a loan in a credit union if a member of his family is a member of the credit union.
2. The provisions of section fifty-nine shall not be applicable to loans made under this section.
Subject to such regulations as the commissioner may deem necessary, a credit union may make and acquire such loans and advances of credit to qualified students as are insured by the federal commissioner of education under Part B of Title IV of the Higher Education Act of 1965 (Public Law 89-329), and may obtain and receive such insurance, commitments for such loans, lines of credit and certificates of individual or comprehensive insurance coverage for such loans, as are provided by said act and may pay the premiums for such insurance fixed by the federal commissioner of education pursuant to said act and may receive payments of interest and principal on such loans pursuant to said act and regulations made thereunder.

Chapter 171, Section 64. Installment loans.
Notwithstanding any prior provisions of the law to the contrary, a credit union may make a loan or a series of loans to its members evidenced by a note, loan agreement or other instrument, with or without security, at such rates of interest and subject to such lawful charges as its credit committee may determine. Such loan or loans shall be payable in installments at intervals not exceeding one month.
The total obligation of any one member to the credit union, outstanding at any one time on this class of loans, shall not exceed that amount which the credit union is legally permitted to extend to any one member on his own signature exclusive of interest.
The aggregate balance of principal of such loans outstanding at any one time shall not exceed twenty percent of the assets of a credit union.

Michigan
490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.
(8) A domestic credit union may participate in a guaranteed loan program of the federal or state government under the terms and conditions specified in the law establishing that program.
(9) A domestic credit union may offer reduced rate loans and other extensions of credit to its employees, other than employees who are directors, supervisory committee members, credit committee members, or members of any other committee that performs significant ongoing functions relating to the ongoing operations of the domestic credit union, under a policy adopted by its credit union board.

Minnesota
52.165 GRADUATED PAYMENT HOME LOAN.
Subdivision 1. Definition.
As used in this section, "graduated payment home loan" means a real estate loan made pursuant to section 52.16, whereunder initial periodic repayments are lower than those under the standard real estate loan having equal periodic repayments, and gradually rise to a predetermined point after which they remain constant.
Subd. 2.Authorization.
Notwithstanding the provisions of section 334.01, subdivision 1, and subject to the provisions of section 47.201, subdivisions 4 to 6, a credit union may make graduated payment home loans and purchases representing graduated payment home loans pursuant to such rules as the commissioner of commerce finds to be necessary and proper, if any, at an interest rate not in excess of the rate prescribed in section 52.14. Notwithstanding the provisions of section 334.01, subdivision 1, where initial repayments of a graduated payment home loan are less than the total accrued outstanding interest, the excess accrued and unpaid interest may be added to the outstanding loan balance on which interest accrues at the contracted rate.

Mississippi
Silent

Missouri
Silent

Montana
32-3-607. Other loan programs.
(1) A credit union may participate in loans to credit union members jointly with other credit unions, corporations, or financial organizations.
(2) A credit union may participate in guaranteed loan programs of the federal and state government.
(3) A credit union may purchase the conditional sales contracts, notes, and similar instruments of its members.

Nebraska
21-1795. Other loan programs.
(1) A credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law under which such a program is provided.
(2) A credit union may purchase the conditional sales contracts, notes, and similar instruments of its members.

Nevada
Silent

New Hampshire
394-B:23 Loan of Securities. –
In order to increase income from investment securities, any credit union may loan to brokerage firms which are members of the New York Stock Exchange any stocks, bonds or other securities in which such credit union has invested under this chapter provided that:
I. Every such loan shall be executed through a correspondent bank having assets of not less than $500,000,000;
II. At the inception of any such loan of securities at least 100 percent of the market value of the securities lent shall be secured by cash or debt obligations of the United States or debt obligations for which the faith and credit of the United States is pledged for the payment of the principal and interest thereof;
III. At all times during the term of any such loan the collateral securing the same shall be equal in value to not less than 95 percent of the market value of the securities lent;
IV. The market value of the securities loaned by any credit union under the authority of this action shall not, at any one time, exceed 10 percent of the aggregate market value of all stocks, bonds or other securities then held by such credit union as investments under this chapter; and
V. No such loan of securities shall be made to any brokerage firm which is then listed for and under special surveillance by the New York Stock Exchange in the belief that such brokerage firm is in or is approaching financial difficulty, and which is, at the time, the subject of any pending notice given by the New York Stock Exchange to the Securities Investor Protection

Corporation and the Securities and Exchange Commission pursuant to 15 U.S.C. section 78eee(a)(1).
VI. Every brokerage firm receiving a loan of securities under this section shall be registered, and every agent soliciting such a loan of securities shall be licensed, with the securities division of the New Hampshire insurance department pursuant to RSA 421.

New Jersey
17:13-89 Powers.
11.A credit union's powers shall include, but not be limited to, the power to:

p.Participate in any guaranteed loan program of the federal or state government;

q.Purchase the conditional sales contracts, notes, and similar instruments of its members;

New Mexico
58-11-49. Loan policies.
J. A credit union may:
(1) participate in any guaranteed loan program of the federal government or of this state under the terms and conditions specified by the law under which such a program is provided; and
(2) purchase the conditional sales contracts, notes and similar instruments of its members.

New York
§ 454. General powers.
In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:

6. (c) (i) No credit union may make any member business loan that would result in a total amount of such loans outstanding at that credit union at any one time equal to more than the lesser of 1.75 times the actual net worth of the credit union, or 1.75 times the minimum net worth required under 12 U.S.C. 1790d(c)(1)(A) for a credit union to be well capitalized.

(ii) Subparagraph (i) of this paragraph does not apply in the case of: (A) a credit union chartered for the purpose of making, or that has a history of primarily making, member business loans to its members, as determined by the superintendent; or (B) a credit union that serves predominantly low-income members, as defined by the superintendent, or which is a community development financial institution as defined in 12 U.S.C. 4702; or (C) a credit union excepted from the requirements of such subparagraph (i) by the

superintendent where such credit union is seeking an exception from any federal limits on member business loans to the same extent as permitted to federally-insured state credit unions pursuant to the Federal Credit Union Act and regulations related thereto, provided that such credit union demonstrates to the satisfaction of the superintendent that such exception would be consistent with the declaration of policy as set forth in section ten of this chapter.

(iii) For purposes of this paragraph the term "member business loan" and the term "net worth" shall have the same meaning as such terms are defined in 12 U.S.C. 1757a.

14. Subject to the limitations contained in subdivision seven of section four hundred fifty-six of this article, to hold shares in and make loans to other credit unions, whether state or federally chartered.

19. Subject to regulations and restrictions of the superintendent of financial services, a credit union may invest its funds in and make loans to credit union organizations; provided that such loans or investments shall be approved by the board of directors. No such loan or investment shall be made by a credit union pursuant to this subdivision if the amount of such loan or investment exceeds three per centum of the total sum due to the members on shares and deposits. For the purpose of this subdivision, a credit union organization is any organization established primarily to serve the needs of its member state and federal credit unions, and whose business relates to the daily operations of the credit unions it serves.

33. Notwithstanding any other provision of this article to the contrary, to participate in the minority - and women-owned business development and lending program, as established in section 16-c of section 1 of chapter 174 of the laws of 1968, constituting the urban development corporation act, to the extent that such program allows participation by credit unions.

North Carolina
§ 54-109.71. Other loan programs.
(a) A credit union may participate in loans to credit union members jointly with other credit unions, corporations, or financial organizations.
(b) A credit union may participate in guaranteed loan programs of the federal and State government.
(c) A credit union may purchase the conditional sales contracts, notes and similar instruments of its members.

North Dakota
Silent

Ohio
1733.25 Loans - interest.
(B) Upon the approval of the board of directors, a credit union may make loans or other extensions of credit to other credit unions, provided that loans or other extensions of credit made to other credit unions need not have the approval of the board of directors on a per case basis. The total of all such loans or other extensions of credit, including the aggregate of all money paid into any trust established by one or more credit unions for the purpose of making loans or other extensions of credit to other credit unions, shall not exceed twenty-five per cent of the shares and undivided earnings of the lending credit union, except that this percentage limitation does not apply to corporate credit unions.

Oklahoma
Section 2006 - Succession – Powers.
i. a credit union may participate in any guaranteed loan program of the federal government or of this state under the terms and conditions specified in the laws under which such program is provided,
j. a credit union may finance for any person, whether or not such person is a member of the credit union, the purchase from the credit union of any real or personal property owned and held by the credit union, including any property obtained by the credit union as a result of defaults in obligations owed to the credit union, and

Oregon
723.526 Other loan programs. (1) Loans to credit union members may be shared with other credit unions, corporations or financial organizations.

(2) A credit union may participate in guaranteed loan programs of the federal government, the State of Oregon or any other state.

(3) A credit union may purchase the conditional sales contracts, notes and similar instruments of its members.

(4) A credit union may purchase the leases of its members if the leases satisfy the requirements of ORS 723.152 (9).

Pennsylvania
§ 501. Powers.
(b) Special powers.--A credit union shall have the following special powers:

(3) To make loans to any cooperative society or societies, or other organization or organizations, which have membership in the credit union.

(4) To make purchase money mortgage loans to members secured by mortgages which are first liens on improved real property situated within the United States, the improvement being an

established dwelling house for not more than four families which is owned by the member of the credit union making the mortgage and occupied or to be occupied, in whole or in part, by such member. Purchase money mortgages shall not exceed 90% of the fair market value of the property, except as provided in paragraph (4.1).

(4.1) The department may grant prior approval of a purchase money mortgage loan policy submitted to the department by the credit union which complies with paragraph (4) and additionally provides for private mortgage insurance for each purchase money mortgage and directs that purchase money mortgages shall be written according to secondary market standards, in which case purchase money mortgage loans shall not exceed 100% of the fair market value of the property.

(4.2) Shares of the credit union owned by the mortgagor may be assigned or pledged as additional collateral security for the mortgage loan and, in such event, the mortgage loan granted upon such property may be increased by the withdrawal value of the additional pledged shares to an amount not to exceed a maximum total mortgage loan of 100% of the fair market value of such real property, and the credit union may release this additional collateral whenever the mortgage loan meets all of the requirements of this title and could be made legally at the time of release without the requirement of additional collateral. Purchase money mortgage loans shall be amortized by approximately equal payments sufficient in amount to pay all interest and effect full repayment of principal within a period not in excess of 30 years. Except as otherwise provided in this section, purchase money mortgage loans on any one property shall not exceed 90% of the fair market value of the property or 5% of the unimpaired capital of the credit union, whichever is lesser. The aggregate total of mortgage loans shall not exceed 50% of the unimpaired capital of the credit union. Without regard to the limitations as to the amount and term of a purchase money mortgage loan or the aggregate amount of all mortgage loans set forth in this paragraph, a credit union may grant any mortgage loan which is insured or guaranteed, in whole or in part, by the United States or any instrumentality thereof, or if there is a commitment to so insure or guarantee.

(5) To make loans to credit unions organized under the laws of this Commonwealth or under the laws of any state or under the laws of the United States. In the case of central or corporate credit unions, the aggregate amount outstanding on all such loans shall not exceed 25% of the unimpaired capital of the lending credit union.

Rhode Island

§ 19-5-15.1 Purchase, sale and pledge of eligible obligations and assets.
(a) For purposes of this section:
(1) "Eligible Obligation" means a loan or group or portfolio of loans and includes a participation interest in a loan or group or portfolio of loans.

(2) "Participation Interest" means a loan where one or more federally-insured financial institutions or federally-insured credit unions participate pursuant to a written agreement with the originating lender.
(3) "Student loan" means a loan granted to finance the borrower's attendance at an institution of higher education or at a vocational school, which is secured by and on which payment of the outstanding principal and interest has been deferred in accordance with the insurance or guarantee of the federal government, of a state government, or any agency of either.
(1) A credit union may purchase, in whole or in part, within the limitations of the board of directors' written purchase policies:
(i) Eligible obligations of its members, from any source, if either:
(A) They are loans it is empowered to grant; or
(B) They are refinanced with the consent of the borrowers, within sixty (60) days after they are purchased, so that they are loans it is empowered to grant;
(ii) Eligible obligations of a liquidating credit union's individual members, from the liquidating credit union;
(iii) Student loans, from any source, if the purchaser is granting student loans on an ongoing basis and if the purchase will facilitate the purchasing credit union's packaging of a pool of such loans to be sold or pledged on the secondary market;
(iv) Real estate-secured loans, from any source, if the purchaser is granting real estate- secured loans on an ongoing basis and if the purchase will facilitate the purchasing credit union's packaging of a pool of such loans to be sold or pledged on the secondary mortgage market. A pool must include a substantial portion of the credit union's members' loans and must be sold promptly;
(v) Participation interests in loans made by federally-insured financial institutions or federally-insured credit unions; and
(vi) An indirect lending or indirect leasing arrangement shall be classified as a loan and is not the purchase of an eligible obligation because the credit union makes the final underwriting decision and the sales or lease contract is assigned to the credit union very soon after it is signed by the member and the dealer or leasing company.
(2) A credit union may make purchases in accordance with this section (b), provided:
(i) The board of directors approves the purchase;
(ii) A written agreement and schedule of the eligible obligations covered by the agreement are retained in the purchaser's office;
(iii) For purchases under paragraph (b)(1)(ii) of this section, any advance written approval required by the National Credit Union Administration is obtained before consummation of such purchase; and
(iv) For purchases under paragraph (b)(1)(v) of this section, fifteen (15) business days prior written notice is given to the director or the director's designee. Such notice shall set forth such information as the director or the director's designee shall from time to time require. In the event the director or the director's designee fails to object to the proposed purchase within the fifteen (15) business day notice period, the purchase shall be deemed approved.

(3) The aggregate of the unpaid balance of eligible obligations purchased under paragraph (b) of this section shall not exceed five percent (5%) of the unimpaired capital and surplus of the purchaser. The following may be excluded in calculating this five percent (5%) limitation:
(i) Student loans purchased in accordance with paragraph (b)(1)(iii) of this section;
(ii) Real estate loans purchased in accordance with paragraph (b)(1)(iv) of this section; and
(iii) Eligible obligations purchased in accordance with paragraph (b)(1)(i) of this section that are refinanced by the purchaser so that it is a loan it is empowered to grant;

South Carolina
SECTION 34-26-880.
Credit union participation in federal or state loan programs; other powers.
(1) A credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law under which such a program is provided.

(2) A credit union may purchase conditional sales contracts, notes, and similar instruments of its members.

(3) A credit union may finance for any person by way of installment sales contract the sale of the credit union's property, including property obtained as a result of defaults in obligations owed to it.

(4) A credit union may engage in the leasing of personal property to its members.

Tennessee
45-4-606. Agricultural loans.
A member who needs funds with which to purchase necessary supplies for growing crops may receive a loan in fixed monthly installments instead of one (1) sum.

Texas
Sec. 124.302. GOVERNMENT LOAN PROGRAMS.
A credit union may participate in:
(1) a guaranteed loan program of the United States government or a state government; and
(2) another government loan program approved by the commission.

Utah
7-9-5. Powers of credit unions.
In addition to the powers specified elsewhere in this chapter and subject to any

limitations specified elsewhere in this chapter, a credit union may: (11) extend credit secured by real estate;

Vermont

§ 32302. Real estate loans.

(a) Clear title. All loans secured by mortgages on real estate shall be supported by written evidence satisfactory to the credit union that title to the security is marketable, and the lien is valid and enforceable. A mortgage on lands subject to lease under which rents are reserved to the owner, with all of the owner's rights and options under the lease collaterally assigned to the credit union as security or a mortgage upon lands impressed with a public use, sometimes known as lease, society, or glebe lands, but held under a durable lease, shall not be deemed to be subordinate to such lease or public use.

(b) Appraised value. The appraisal of real estate securing a real estate related transaction entered into by a credit union shall comply with Part 722 of the National Credit Union Administration rules and regulations, as amended from time to time.

(c) Servicing of loans. A credit union may contract with another credit union, corporation, or association whose transactions are in whole or in part the handling and servicing of mortgage loans to handle and service loans in its behalf. Whenever such a contract is made, the credit union shall not lose or suffer any impairment of any right of deduction or offset it might have against anyone liable for the mortgage debt.

(d) Home loan escrow accounts. Any credit union which requires a home loan escrow account to be established and maintained by a borrower shall follow the provisions of section 10404 of this title.

(e) Loans insured or guaranteed by federal law. Any mortgage on real estate given to secure a loan insured or guaranteed by the federal housing commissioner, the administrator of veterans' affairs, or the administrator of the Small Business Administration under the National Housing Act, the Servicemen's Readjustment Act of 1944, or the Small Business Act, respectively, as amended, shall not be subject to the provisions of any law of this state prescribing the nature, amount, or form of security, or manner of repayment, or requiring security upon which loans or advances of credit may be made, or prescribing or limiting the period or principal amount of which loans may be made, or prescribing or limiting the interest which may be charged or other charges which may be made or taken upon any loan or advance of credit.

§ 32401. Authority.

No credit union shall make member business loans unless it has complied with the provisions of this subchapter and such rules adopted by the commissioner.

§ 32402. Commissioner approval.

A credit union shall obtain the written approval of the commissioner prior to engaging in the business of making member business loans.

Virginia
Silent

Washington
Silent

West Virginia
§31C-7-8. Other loan programs.
(a) A credit union may participate in any guaranteed loan program of the federal or state government under the terms and conditions specified in the law under which such a program is provided.
(b) A credit union may purchase the conditional sales contracts, notes and similar instruments of its members.
(c) A credit union may finance for any person the sale of its personal property, including property obtained as a result of defaults in obligations owed to it, under the terms, conditions and rates provided by this chapter.

Wisconsin
186.098 Loans.
(10) Loans to members secured by mortgages. Loans to members secured by mortgages on real estate may be made subject to the rules prescribed by the office of credit unions. Such loans may provide for additional advances, but any additional advance made to a member, if the mortgage and mortgage note so provide, may not exceed an amount specified in the mortgage.
(11) Guaranteed loans. A credit union may make loans to members that are guaranteed or insured by the federal government, any state or any federal or state agency. Loans under this subsection may be made under the conditions required for the insurance or guarantee.
(12) Loans to members. A credit union may make loans to members secured by assignment or transfer of stock certificates or other evidence of the borrower's ownership interest in a corporation formed for the cooperative ownership of real estate. Sections 846.10 and 846.101, as they apply to a foreclosure of a mortgage involving a one-family residence, apply to a proceeding to enforce the lender's rights in security given for a loan under this subsection. The office of credit unions shall promulgate joint rules with the division of banking that establish procedures for enforcing a lender's rights in security given for a loan under this subsection.

Chapter 8

Comparative Digest of Credit Union Acts: Loans to Officials

2011 Model Credit Union Act:

Section 7.80. Loans to Officials.
(1) A credit union may make loans to its officers, directors, and members of its committees, provided that the loan complies with all requirements of this Act and is not on terms or conditions more favorable than those extended to other borrowers.

(2) A credit union may permit officers, directors, and members of its committees to act as co-makers, cosigners, or guarantors of loans to other members, subject to the requirements of subsection (1).

Comparative Digest of Credit Union Acts*: Loans
Provisions from State Credit Union Acts

Loans to Officials

*There are 47 state credit union acts. Delaware, South Dakota and Wyoming do not have a state credit union act.

Alabama
§ 5-17-17. Loans to members, directors, officers, etc.

Provided that loans to directors, officers or members of a committee are not prohibited in the bylaws, it shall be the duty of the board of directors to establish a written policy concerning loans to a director, office or member of a committee. If it is the policy of the credit union to make directors, officers and members of a committee eligible for loans, such loans will be made under the same terms, conditions and rules as similar loans to other members. In no case may the credit committee make a loan to a director, officer or member of a committee under the terms more favorable than the terms of similar loans to other members. The credit committee shall at least monthly submit to the board of directors a listing of all loans made to directors, officers and credit committee members.

Unless it is the policy of the credit union to make loans to directors, officers and members of a committee:

(1) No such person may borrow or guarantee any loan from that credit union in an amount in excess of his shares and deposits in that credit union; and

(2) No loan or endorsement made more than 90 days prior to his election shall prohibit any person from being elected as a director, officer or member of a committee, but a new or additional loan or guaranty in excess of such person's shares and deposits shall not be made after such person's election and during his term of office; and

(3) Any person who has, less than 90 days prior to election, borrowed or guaranteed loans from the credit union in excess of his shares and deposits shall, within 15 days after his election, fully pay or secure such loans with shares and deposits, including any shares and deposits held by such person.

Alaska
Sec. 06.45.060. Powers of a credit union; remedy for interest violations.
(a) A credit union has succession in its corporate name during its existence and may
(5) make loans, the maturities of which may not exceed 20 years except as provided in this chapter, and extend lines of credit to its members, to other credit unions, and to credit union organizations and participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members in accordance with the following:

(iv) a loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan that exceeds $20,000 plus pledged shares shall be approved by the board of directors;
(v) loans to other members for which directors or members of the supervisory or credit committee act as guarantor or endorser shall be approved by the board of directors when the loans standing alone or when added to an outstanding loan or loans of the guarantor or endorser exceed $20,000;

Arizona
6-564. Loans to officials.
A. A credit union may make loans to an officer, director or member of its supervisory and credit committees if both of the following conditions are met:
1. The loan complies with all requirements of this chapter and is not on terms more favorable than those extended to other borrowers.
2. The aggregate of loans to all such officials, excepting those fully secured by share or deposit accounts, does not exceed twenty per cent of the credit union's capital.
B. A credit union may permit officers, directors and members of its supervisory and credit committees to act as comakers, guarantors or endorsers of loans to other members, subject to the requirements of subsection A.
C. All applications for loans in the aggregate of twenty thousand dollars or a greater amount as determined by the superintendent on which an official will be either a direct obligor or an endorser, cosigner or guarantor shall be initially acted on by the board of directors as provided in the bylaws.

Arkansas
23-35-603. Loans and extensions of credit in advance.
(2) A loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan which exceeds six thousand dollars ($6,000) plus pledged shares shall be approved by a majority of the credit committee and a majority of the board members present. No member of the board or the credit committee may take part in the consideration of his or her loan application.
(k) No director, member of the credit or supervisory audit committee, or credit union employee shall cosign, endorse, or act as a guarantor for any borrower from the credit union.

California
15050.
(a) For purposes of this section, the following definitions shall apply:
(1) "Credit manager" means any individual, regardless of title, designated pursuant to Section 14600 to fulfill the duties of a credit manager.

(2) "Obligation" means any loan or approved line of credit, including both used and unused portions, on which the official is a borrower, coborrower, cosigner, endorser, or guarantor.
(3) "Official" means a director, officer, or member of the supervisory committee, or member of the credit committee of a credit union.
(b) No credit union shall enter into any obligation with any official, directly or indirectly, unless (1) the obligation complies with all lawful requirements of this division with respect to obligations permitted for other members of the credit union, (2) the obligation is not on terms more favorable than those extended to other members of the credit union, and (3) the obligation is entered into in accordance with a written policy adopted by the directors establishing that all officials shall have an equal opportunity to enter into obligations with the credit union.
(c) No credit union shall enter into any obligation with any official, directly or indirectly, unless all of the following requirements are satisfied:
(1) Upon the making of the obligation, the aggregate amount of obligations outstanding to all officials, except obligations fully secured by shares, shall not exceed 20 percent of the aggregate dollar amount of all savings capital of the credit union.
(2) The obligation, except any portion of an obligation fully secured by shares, shall not exceed the maximum obligation to the credit union set forth in subdivisions (b) and (c) of Section 15100.
(3) Any obligation that would cause the aggregate amount of obligations outstanding to the official to exceed fifty thousand dollars ($50,000), excluding any portion fully secured by shares, shall be approved by the credit committee or the credit manager, and by the board of directors. An official shall not take part in any credit decision, directly or indirectly, for his or her benefit and shall not be present during any portion of any committee or board meeting where his or her credit application is under consideration.
(4) The names of members of the credit committee, the credit manager, and board of directors who voted to authorize or ratify the obligation shall be entered in their respective minutes.
(d) No credit union shall permit an official to become surety for any obligation created by the credit union for anyone other than a member of his or her immediate family.
(e) No credit union shall enter into any obligation with any credit manager or any officer employed by the credit union unless the obligation is in compliance with all requirements of this division with respect to obligations permitted for other nonemployee members, and not on terms more favorable than those extended to other employees, and approved by the board of directors.

15100.
(3) Any obligation that would cause the aggregate amount of obligations outstanding to the official to exceed fifty thousand dollars ($50,000), excluding any portion fully secured by shares, shall be approved by the credit committee or the credit manager, and by the board of directors. An official shall not take part in any credit decision, directly or indirectly, for his or her benefit and shall not be present during any portion of any committee or board meeting where his or her credit application is under consideration.

(4) The names of members of the credit committee, the credit manager, and board of directors who voted to authorize or ratify the obligation shall be entered in their respective minutes.
(d) No credit union shall permit an official to become surety for any obligation created by the credit union for anyone other than a member of his or her immediate family.
(e) No credit union shall enter into any obligation with any credit manager or any officer employed by the credit union unless the obligation is in compliance with all requirements of this division with respect to obligations permitted for other nonemployee members, and not on terms more favorable than those extended to other employees, and approved by the board of directors.

15051.
The board of directors shall declare the office of any director, officer, committee member, or the credit manager vacant if the person fails to reduce any obligation to the credit union for which he or she is liable in a timely manner according to the terms of the obligation.

Colorado
A credit union may make loans to its own directors, credit officers, or members of its own supervisory committee or credit committee, but no such loan or aggregate of loans to any one director, credit officer, or committee member that exceeds twenty thousand dollars plus pledged shares may be made unless approved by the board of directors.

Connecticut
Sec. 36a-457a. Loan policy.
(a) A Connecticut credit union shall adopt and implement a written loan policy that requires written applications for all extensions of credit, and addresses the categories and types of secured and unsecured extensions of credit offered by the credit union, the manner in which mortgage loans, member business loans and insider loans will be made and approved, underwriting guidelines and collateral requirements, and which addresses, in accordance with safety and soundness, acceptable standards for title review, title insurance and appraiser qualifications, procedures for the approval and selection of appraisers, appraisal and evaluation standards, and the credit union's administration of the appraisal and evaluation process. The commissioner may review a Connecticut credit union's loan policy and may order changes to be made to ensure safe and sound lending practices.

Florida
657.039 Loan powers; extension of credit to directors and certain others.—
(1) A credit union may extend credit to its executive officers, directors, credit manager, members of its supervisory, audit, and credit committees, provided:

(a) The extension of credit complies with all requirements under this chapter with respect to credit extended to other borrowers and is not on terms more favorable than those extended to other borrowers.
(b) The loan or aggregate of loans to any person or any related interest of any person covered by this section which exceeds $20,000, except for share-secured or deposit-secured credit, is approved in advance by the board of directors with any interested person abstaining from voting.
(c) Approved lines of credit, such as open-end loans, may be funded without further approval by the board, but all extensions of credit over $20,000 to such persons must be reviewed at least annually by the board of directors. Closed-end loans which have been fully funded do not require annual review.
(2) As used in this section, the term "related interest" means a person's interest in a partnership as a general partner, and any limited partnership, corporation, or other business organization controlled by that person. A limited partnership, corporation, or other business organization is controlled by a person who:
(a) Owns, controls, or has the power to vote 25 percent or more of any class of its voting securities;
(b) Controls in any manner the election of a majority of its directors; or
(c) Has the power to exercise a controlling influence over its management or policies.
(3) In computing the total liabilities of any person, all loans endorsed or guaranteed as to repayment by such person and by any related interest of such person must be included.
(4) The limitations stated in this section shall not be enlarged by the provision of any other section of this chapter.

Georgia
7-1-658. Loans.
(c) Loans may be made to officers, directors, and committee members of the credit union under the same general terms and conditions as to other members of the credit union; provided, however, that no officer, director, committee member, or employee shall participate in approving any loan in which he or she has a direct or indirect financial interest. The approval of all loans to officers, directors, committee members, and employees of the credit union shall be reported to the board of directors at its next meeting.

Hawaii
§412:10-408 Loans to officials.
Loans may be made to officers, directors and members of the credit and supervisory committees of the credit union, provided that:
(1) The loan complies with all lawful requirements under this article with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;
(2) The loan shall be approved by the board of directors if the aggregate amount of all loans outstanding to the applicant including the loan amount applied for exceeds $10,000. Loans that

are fully secured by shares and deposits in the credit union need not be approved by the board of directors and need not be included in determining the aggregate amount of loans outstanding to the applicant. Acting as a co-borrower, guarantor, or endorser of any loan to other members made by the same credit union shall be counted as a loan in determining the aggregate amount of loans made by the credit union to any applicant; and
(3) The loan applicant takes no part in and is not present during the consideration of the application.

Idaho
Silent

Illinois
205 ILCS 305/52) (from Ch. 17, par. 4453) Sec. 52. Loans to directors, officers, credit committee, credit manager, and supervisory committee members.
A credit union may make loans to its directors, officers, credit committee members, credit manager, and supervisory committee members, provided that the loan complies with all lawful requirements under this Act with respect to loans to other borrowers. No loan may be made to or cosigned by any director, officer, credit committee member, credit manager if no credit committee has been appointed, or supervisory committee member which would cause the aggregate amount of all loans then outstanding to or cosigned by all directors, officers, credit committee members, credit manager if no credit committee has been appointed, or supervisory committee members to exceed 20% of the unimpaired capital and surplus of the credit union.

Indiana
IC 28-7-1-17.2
Loans to officers; terms and conditions; loans exempt from limits.
(a) A credit union may make a loan to the credit union's individual officers under the following terms and conditions:
(1) The loan must comply with all requirements under this chapter that apply to loans made to other borrowers.
(2) The loan may not be on terms more favorable than those extended to other borrowers unless the loan is made in connection with a benefit or compensation plan that:
(A) is widely available to employees of the credit union; and
(B) does not give preference to any officers of the credit union over other employees of the credit union.
(3) The loan must be promptly reported to the credit union's board of directors.
(4) A loan to the officer, the officer's immediate family, or the officer's related interests, either by itself or when added to the amounts of all other loans made under this section to the officer, the officer's immediate family, or the officer's related interests, for any purpose, may not

exceed, at any given time, the greater of:
(A) two and one-half percent (2.5%) of the credit union's capital and unimpaired surplus; or
(B) twenty-five thousand dollars ($25,000);
but in no event more than one hundred thousand dollars ($100,000).
(b) The limits set forth in subsection (a)(4) do not apply to any of the following:
(1) An extension of credit made under a line of credit approved under this section if the extension of credit is made not later than fourteen (14) months after the line of credit was approved.
(2) A loan, in any amount, to finance the education of an officer's child.
(3) A loan, in any amount, to finance or refinance the purchase, construction, maintenance, or improvement of a residence of an officer, if:
(A) the loan is secured by a first lien on the residence and the residence is owned, or will be owned after the loan is made, by the officer; and
(B) in the case of a refinancing, the loan includes only the amount used to repay the original loan, plus any closing costs and any additional amount used for any purpose described in this subdivision.
(4) A loan, in any amount, secured by a perfected security interest in bonds, notes, certificates of indebtedness, or treasury bills of the United States or in other obligations fully guaranteed as to principal and interest by the United States.
(5) A loan, in any amount, secured by a perfected security interest in a segregated deposit account in the lending credit union.
(c) A credit union may not make a loan under this section to an officer, the officer's immediate family, or the officer's related interests if the amount of the loan, either by itself or when added to the amounts of all other loans made under this section to the officer, the officer's immediate family, or the officer's related interests, exceeds the lending limits set forth in IC 28-7-1-39.
(d) The department may apply the provisions of 12 CFR 215 (Regulation O) in applying and administering this section.
IC 28-7-1-17.3
Quarterly report of outstanding indebtedness of officers, directors, and committee members; retention; contents.
Sec. 17.3. At least quarterly, the president or manager shall prepare and deliver to the board of directors a report listing the outstanding indebtedness of all officers, directors, and committee members. A report prepared under this subsection must be retained at the credit union for three (3) years and shall not be filed with the department unless specifically requested. A report required by this section must include:
(1) the amount of each indebtedness; and
(2) a description of the terms and conditions of each loan, including:
(A) the interest rate;
(B) the original amount and date of the loan;
(C) the maturity date;
(D) payment terms;
(E) security, if any; and
(F) any unusual term or condition of a particular extension of credit.

Iowa
533.315 Loans.
3. Lending to a credit union director. A director of a state credit union may borrow from that state credit union under the provisions of this chapter, but the rates, terms, and conditions of a loan or line of credit either made to or endorsed or guaranteed by the director shall not be more favorable than the rates, terms, or conditions of comparable existing loans or lines of credit provided to other members. The aggregate amount of all director loans and lines of credit shall not exceed twenty-five percent of the assets of the state credit union.

Kansas
17-2216a. Loans to directors or members of credit or supervisory committees; conditions. Subject to rules and regulations of the administrator, a credit union may make loans to its directors, credit committee members and supervisory committee members or other members for which the director or committee member acts as guarantor or endorser who are not employees only if: (a) Such a loan complies with all lawful requirements under the credit union law with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers; (b) in the case where, upon the making of the loan, the aggregate of loans outstanding to the borrower exceeds by $20,000 the total amount of shares, share certificates and other shareholdings in any credit union, not otherwise encumbered or pledged, which are pledged as security for the loans of the borrower, the loan is approved by the credit committee or duly authorized loan officer and the board of directors; and (c) the borrower takes no part in the consideration of the application and does not attend any committee or board meeting while the application is under consideration. All such loans shall be reported to the administrator at least semiannually.

Kentucky
286.6-525 Loans to credit union officials.
(1) A credit union may make loans to its officers, directors, employees, loan officers, credit manager, and to members of its supervisory and credit committees, provided that:
(a) The loan complies with all lawful requirements under this subtitle with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers; and
(b) Any loan or aggregate of loans to any official which exceeds twenty-five thousand dollars ($25,000) plus pledged shares shall be approved by the board of directors.
(2) A credit union may permit officers, directors, employees, loan officers, credit manager, and members of its supervisory and credit committees to act as comakers, guarantors or endorsers of loans to other members, except that when any such loan standing alone or when added to any outstanding loan or loans to the comaker, guarantor or endorser exceeds ten thousand dollars ($10,000), approval of the board of directors is required.

Louisiana
§656. Loans.
(d) A loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan, including direct obligors, endorsers, cosigners, or guarantors, which exceeds twenty thousand dollars, plus pledged shares, shall be reviewed and approved or denied by the board of directors.
(e) Loans to other members for which directors or members of the supervisory or credit committee act as guarantor or endorser shall be approved or rejected by the board of directors when such loans standing alone or when added to any outstanding loan or loans of the guarantor or endorser exceeds twenty thousand dollars.

Maine
Silent

Maryland
§ 6-610. Loans to officials of credit union.
(a) Authorized. --
(1) A credit union may make a loan to an official of the credit union if the official takes no part in consideration of the loan application.
(2) A loan authorized under paragraph (1) of this subsection requires approval of the board if:
(i) The official is the debtor in the loan or is the guarantor, endorser, or cosigner of the loan; and
(ii) The loan, standing alone or when added to the aggregate of all outstanding loans for which the official is the debtor or acts as guarantor, endorser, or cosigner, or both, exceeds $ 25,000 plus pledged shares.
(b) More favorable terms prohibited. -- The rates, terms, and conditions on any loan from a credit union to, or guaranteed, endorsed, or cosigned by, an official or officer of the credit union may not be more favorable than the rates, terms, and conditions for a comparable loan to another member of the credit union.

Massachusetts
Chapter 171, Section 20 Compensation and expense reimbursement; restrictions on loans to directors.
. . . No member of said board shall borrow from the corporation, by means of a personal loan upon his note, to an amount in excess of the total of his shares and deposits in said credit union, and the accumulated earnings standing to his credit thereon on the books of the corporation or with sufficient collateral pledged to secure the same made up of negotiable bonds or notes of the United States valued at not more than eighty percent of their market value or by the assignment of his passbook in a savings bank, cooperative bank or a federal savings and loan association, all doing business in the commonwealth or policies issued by life

insurance companies authorized to transact business in this commonwealth valued at not more than their cash surrender value, unless approved by vote of two-thirds of the other members of said board.

Michigan

490.423 Loan conditions; repayment; costs; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction.

(4) Except as provided in subsection (9), a domestic credit union shall not agree to rates, terms, or conditions on any loan or line of credit made to or endorsed or guaranteed by an official or an immediate family member of an official that are more favorable than the rates, terms, and conditions for comparable loans or lines of credit to other credit union members. A domestic credit union shall not agree to rates, terms, and conditions on any loan or line of credit to any person that has a common ownership, investment, or other pecuniary interest in a business with an official or immediate family member of an official that are more favorable than the rates, terms, and conditions for comparable loans or lines of credit to other credit union members.

(5) A domestic credit union shall process a loan to an official or employee in the same manner as a loan to other members, except that the applicant shall not participate in the approval process for his or her loan.

(10) The credit union board, or the credit committee if the domestic credit union has a credit committee that does not include any credit union employees, must approve of any loan or other extension of credit to or purchase of an obligation of the general manager.

(11) A domestic credit union shall not make a loan or extend a line of credit if an official or senior management employee will receive a commission, fee, or compensation other than salary if the loan or line of credit is approved.

Minnesota

52.10 CREDIT COMMITTEE; CREDIT MANAGER; POWERS.

Subdivision 1. Authority of Credit Committee.

. . . The credit committee and the board of directors, meeting jointly and acting collectively as a whole, shall have the general supervision of all loans to a member who is a director, officer, or a member of the credit or supervisory committee whenever the application exceeds the amount of the member's holdings in shares and deposits. Application for these loans shall be in similar form as may be required to be furnished to the credit committee for a loan in the case of any other member. At least a majority of the members of the credit committee and of the board of directors at a joint meeting and acting collectively as a whole, shall pass on all such loans in the absence of the applicant, and the approval of the loan must be in writing and by unanimous

vote of all members present. The credit committee and the board of directors shall meet for this purpose as often as may be necessary after due notice to each member of the board and credit committee.

Mississippi
Silent

Missouri
Limitations on loans--installment loans--repayment--loans to directors and committee members, report required.
370.310. 4. All loans to directors, credit and supervisory committee members of the credit union shall comply with all the requirements in this chapter and the credit union bylaws with respect to loans to other members and may not be on terms more favorable than those of loans extended to other member-borrowers and such loans shall also be reported at the next regularly scheduled meeting of the board of directors; and further, all such loans shall be reported to the director of the division of credit unions annually.

Montana
32-3-608. Loans to officials.
(1) A credit union may make loans to its directors, employees, loan officers, and credit manager and to members of its supervisory and credit committees if:
(a) the loan complies with the requirements of this chapter with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers, except that employees may receive low-interest or no-interest loans for job-related expenses under an employee assistance program approved by the department of administration; and
(b) the loan or aggregate of loans to any one director or committee member that exceeds $20,000 plus pledged shares must be reported to the board of directors. Loans to directors and committee members may not exceed an aggregate of 20% of unimpaired capital of the credit union.
(2) A credit union may permit directors, employees, loan officers, the credit manager, and members of its supervisory and credit committees to act as comakers, guarantors, or endorsers of loans to other members. If the loan standing alone or when added to any outstanding loan or loans to the comaker, guarantor, or endorser exceeds $20,000, a report to the board of directors is required.

Nebraska
21-1796. Loans to officials.
(1) A credit union may, if permitted by its bylaws, make loans to its officials, employees, and loan officers if the loan complies with all lawful requirements under the Credit Union Act with

respect to other members and is not on terms more favorable than those extended to other members.
(2) If permitted in its bylaws, a credit union may permit its officials, employees, and loan officers to act as comakers, guarantors, or endorsers of loans to members of their immediate families, but not otherwise.
(3) No loan applicant may pass on his or her own loan. In the case of a loan to the chief executive officer, the loan must be approved by the board of directors, an executive committee, or the credit committee, if the credit union has a credit committee, as specified in the bylaws.
(4) The board of directors shall establish a policy on loans to officials and employees of a credit union if such loans are permitted in the bylaws.

Nevada
NRS 678.730 Loans to and guaranties by directors and members of committees.
1. A credit union may make loans to its directors and to members of its committees, except that any loan or aggregate of loans to any one director or member of a committee which is more than $30,000 plus pledged shares must be approved by the board.
2. A credit union may permit its directors and members of its committees to act as guarantor or endorser of loans to other members, except that when such a loan standing alone or when added to any outstanding loan to the guarantor is more than $30,000, approval of the board is required.

New Hampshire
394-B:46 Loans to Officials. –
Members of the board of directors, credit committee, or supervisory committee may borrow from the credit union. Members of the board of directors, credit committee, and supervisory committee may borrow or become surety for loans in excess of their holdings in such credit union provided such loans are approved by a majority of the members of the board of directors and ratified by a majority of the members of the supervisory committee; provided, that no member of a credit committee or supervisory committee shall have a vote concerning his or her own loan application, or be entitled to participate in the deliberations regarding said loan. No loan to any such official shall receive terms more favorable than those extended to other persons borrowing from said credit union.

New Jersey
17:13-106. Credit to director, officer, employee, or committee member; participation in determination of question of interest.
a. No credit union may extend credit to any member of the board, any officer, or member of a committee or to any related interest of that person unless the extension of credit is made on substantially the same terms, including interest rates and collateral, as those prevailing at the

time for comparable transactions by the credit union with other members, and does not involve more than normal risk of repayment or present other unfavorable features.

b. No director, committee member, officer, agent, or employee of the credit union shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his pecuniary interest or the pecuniary interest of any corporation, partnership, or association other than the credit union, in which he has a direct or indirect interest.

New Mexico

58-11-49. Loan policies.

K. A credit union may make an extension of credit to any of its executive officers, board members and members of its supervisory and other committees; provided that:

(1) the extension of credit complies with all lawful requirements under the Credit Union Act with respect to loans to other members, is not on terms more favorable than those extended to other borrowers and is in compliance with loan policies established by the board for other borrowers;

(2) the following provisions have been met:

(a) the extension of credit is approved by the board of directors or any person or committee to which it has delegated authority to extend credit; and

(b) the applicant takes no part in the consideration of his application and does not attend any committee or board meeting while his application is under consideration; and

(3) if the aggregate extension of credit to the applicant, including the extension applied for and excluding share or deposit secured loans, exceeds the limits set for the total asset size of the credit union as provided in this paragraph, the extension of credit shall be submitted to the board of directors for approval. The board shall require, at a minimum, a completed loan application and a detailed current financial statement of the applicant; provided that submission to the board of directors of an application of an executive officer shall only be required for an applicant serving the credit union as chief executive officer, chief operating officer, chief financial officer or chief lending supervisor. The set limits for the total asset size of the credit union are as follows:

Credit Union Total Assets	Aggregate Credit Exceeding
less than $5,000,000	$20,000
$5,000,000 - $10,000,000	$30,000
$10,000,001 - $50,000,000	$40,000
$50,000,001 or greater	$50,000.

L. A credit union may permit executive officers, board members and members of its committees to act as co-makers, guarantors or endorsers of extensions of credit to other members, subject to the requirements of Subsection K of this section.

New York
§ 474. Loan reports to directors.
1. The credit committee shall prepare and submit written reports to the board of directors of all loans approved or disapproved. If there is no credit committee, the board of directors shall designate, by resolution, a loan officer or officers whose duty it shall be to prepare and submit such written reports to the board.
2. These written reports shall be submitted to the board of directors at every regular monthly meeting of the board. Such written reports shall include a detailed description of any collateral securing these loans.
3. The superintendent may promulgate regulations relating to the provisions of these loan reports.

North Carolina
§ 54-109.39. Conflicts of interest.
No director, committee member, officer, agent or employee of the credit union shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his pecuniary interest or the pecuniary interest of any corporation, partnership, or association (other than the credit union) in which he is directly or indirectly interested.

North Dakota
6-06-14. Loans - How made - Security - Meetings and duties of credit committee - Preferential loans.
. . . Every loan by a credit union to, or guaranteed by, its directors, officers, managers, and committee members shall be current as outlined on the terms of the loan agreement and must be made on substantially the same terms, including interest rates, fee structure, and collateral, as those prevailing at the time for comparable transactions with other persons and shall be in strict conformity with the credit union's policies, rules, and regulations.

6-06-20. Borrowings of directors and committee members limited - Repayment of loans.
A director or member of any committee may not borrow from the credit union in which the director or member holds office more than one hundred thousand dollars plus pledged shares and deposits less any loan balance therein, unless the application is approved by three-fourths of the other members of the board of directors. The director or member may guarantee or endorse paper for other borrowers. A borrower may repay the borrower's loan in whole or in part on any day that the office of the credit union is open for business.

Ohio
Silent

Oklahoma
Section 2006 - Succession – Powers.
k. a credit union may make loans to its officers and directors and to members of its supervisory and credit committees. However, such loans shall not be made on terms more favorable than those extended to other members of the credit union. A credit union may permit officers, directors and members of its supervisory and credit committees to act as co-makers, guarantors or endorsers of loans to other credit union members;

Oregon
723.532 Loans to credit union officials; waiver; rules.

(1) For the purposes of this section, "management team" means the president or chief executive officer of a credit union or an individual who holds a position in a credit union of vice president or higher who has policymaking authority or authority to approve loans.

(2) A credit union may make a loan to a director, a member of the credit union's management team, the chief credit officer or a member of the credit union's supervisory and credit committees if the credit union makes the loan under the following conditions:

(a) The loan complies with the provisions of this chapter that apply to loans to other borrowers and is not on terms more favorable than terms extended to other borrowers.

(b)(A) Except as provided in subparagraph (B) of this paragraph, if the combined aggregate amount of loans to an individual described in this subsection exceeds five percent of the credit union's equity or $100,000, whichever is less, the board of directors must approve making the loans in excess of the specified aggregate amount.

(B) The aggregate amount of loans specified in subparagraph (A) of this paragraph does not include a loan that is:

(i) For an amount that is equal to or less than the conforming loan limit that the Federal Housing Finance Agency specifies, or $400,000, whichever is greater; and

(ii) Secured by a first lien on the borrower's principal residence.

(c) The combined aggregate amount of loans to all individuals described in this subsection may not exceed 10 percent of the credit union's assets.

(d) If a loan to a director, a member of the credit union's management team, the chief credit officer or a member of the credit union's supervisory or credit committee is not subject to approval by the board of directors under paragraph (b) of this subsection, after the loan is approved, the loan must be reported to the board of directors at the next meeting of the board of directors.

(3)(a) Except as provided in paragraph (b) of this subsection, a director, officer or committee member may not become a surety or guarantor for a loan or advance made by the credit union unless the board of directors approves.

(b) A director, officer or committee member may become a surety or guarantor for the spouse or children of the director, officer or committee member without the approval of the board of directors.

(4) The Director of the Department of Consumer and Business Services may waive the requirements of this section by rule or order at a credit union's request. The Director of the

Department of Consumer and Business Services may establish by rule a higher amount than the amount set in subsection (2)(b) of this section and may specify by rule the type of loans to directors, officers or committee members that the board of directors of the credit union must approve.

(5) A director, a member of the credit union's management team, the chief credit officer or a member of the credit union's supervisory or credit committee may not participate in approving or disbursing a loan in which the director, member of the credit union's management team, chief credit officer or member of the credit union's supervisory or credit committee has a direct or indirect financial interest.

Pennsylvania

§ 512. Loans.

No director, officer or member of any committee may obtain or guarantee a loan from the credit union in which he holds office on terms, rates or conditions more favorable than those granted to any other member.

Rhode Island

§ 19-5-17 Compensation or loans to officers.

(a) No member of the board of directors or member of either the credit or supervisory committee shall directly or indirectly borrow from or become surety for any loan or advance made by the credit union, except that any member of the board of directors or any member from either of the committees may borrow from the credit union up to the amount of shares and deposits pledged for the loan or upon prior authorization and approval by the board of directors.

(c) The director or the director's designee shall promulgate regulations relating to loans to officers and directors of credit unions. The regulations shall provide for limitations and requirements similar to federal regulations governing loans to officers and directors of financial institutions.

South Carolina

SECTION 34-26-890. Limitation on loans to directors and members of supervisory and credit committees.

(1) A credit union may make loans to its directors and members of its supervisory and credit committees, provided that:

(a) the loan complies with all requirements of this chapter and is not on terms more favorable than those extended to other borrowers; and

(b) the aggregate of loans to such officials, excepting those secured by shares or deposits, may

not exceed fifteen percent of the credit union's reserves and undivided earnings.

(2) A credit union may permit officers, directors, and members of its supervisory and credit committees to act as comakers, guarantors, or endorsers of loans to family members, subject to the requirements of subsection (1) above. Officials may secure loans for other members with shares on deposit.

(3) A credit union may make loans to its employees.

Tennessee

45-4-608. Loans to directors and committee members.
Subject to the limitations on loans contained in § 45-4-203 and as specified in written loan policies established by the board of directors, a director or member of the credit or supervisory committee shall be allowed to borrow from the corporation.

Texas

Sec. 124.201. AUTHORIZATION.
Only if done in accordance with limitations imposed by Section 124.202, a credit union may make a loan or extend a line of credit to:
(1) a director, senior management employee, or member of the credit committee; or
(2) the immediate family of the director, senior management employee, or member of the credit committee.

Sec. 124.202. CONDITIONS OF LOANS.
A loan or extension of a line of credit under Section 124.201:
(1) must comply with this subtitle and rules adopted under this subtitle with respect to loans to other borrowers;
(2) may not be on terms more favorable than those extended to other borrowers; and
(3) must be approved by the board before the credit union makes or agrees to make the loan if the aggregate amount of the loan and other outstanding loans to the person, the person's business interests, and the person's immediate family is greater than the sum of:
(A) $10,000 or a higher amount established by commission rule; and
(B) the amount of the shares and deposits pledged for the loan.

Sec. 124.203. AUTHORIZATION TO ACT AS COMAKER, GUARANTOR, OR ENDORSER.
A credit union may permit a director, senior management employee, or member of the credit committee to act as comaker, guarantor, or endorser of a loan to a member only in accordance with limitations imposed by Section 124.204.

Sec. 124.204. PRIOR APPROVAL REQUIRED.
The board must give its approval before the credit union permits a director, senior management employee, or member of the credit committee to act as comaker, guarantor, or endorser of a loan to a member if the amount of the loan or aggregate of outstanding loans to the comaker, guarantor, or endorser is greater than the sum of:
(1) $10,000 or a higher amount established by commission rule; and
(2) the amount of the shares and deposits pledged for the loan.

Utah
7-9-28. Loan to credit union official.
The board of directors shall review and either approve or deny a loan application on which a member of the board of directors, credit committee, supervisory committee, president, or credit manager is a direct obligor, or endorser, cosigner, or guarantor.

Vermont
§ 31313. Conflict of interest.
(a) The governing body of a credit union shall adopt a written conflict of interest policy that includes provisions addressing transactions with insiders, employees, volunteers, and their immediate family members, and other persons having a common ownership, investment, or other pecuniary interest in a business enterprise with such insiders and immediate family members of such persons.
(b) An extension of credit to an insider, other than a residential real estate loan secured by a first lien on property that is owned or will be owned by the insider as a primary residence, shall require the approval of the governing body if such insider is the debtor, guarantor, endorser, or cosigner of the extension of credit. If the insider is a member of the governing body, an extension of credit shall require the approval of the supervisory committee as well as the approval of the noninterested members of the governing body. Notwithstanding the foregoing, a loan to an insider that, when aggregated with the amount of all other extensions of credit to such insider and to all related interests and all related persons of such insider, would not exceed five percent of the credit union's unimpaired capital and surplus or $25,000.00, whichever is less, may be approved solely by a majority of the noninterested members of any one of the following committees:
(1) the credit committee, if any;
(2) the supervisory committee; or
(3) the governing body.
(c) An insider of a credit union, or a professional retained by a credit union, shall not, directly or indirectly, participate in any decision affecting such person's pecuniary interest or the pecuniary interest of any immediate family member, or any corporation, partnership, or association other than the credit union in which such person is directly or indirectly interested.
(d) An insider, an immediate family member of such insider, or any other person having a common ownership, investment, or other pecuniary interest in a business enterprise with an

insider or immediate family member of such insider shall not obtain an extension of credit from the credit union with preferential rates, terms, or conditions, or act as guarantor or endorser thereon, and shall not be involved in the appraisal or valuation of assets which are to be used as collateral for an extension of credit to such person.

Virginia

6.2-1373. Loans to members of credit committee; nonmember loans.

A. If the borrower or endorser on a loan by a credit union is a member of the credit committee, or a member of the board of directors if the board is serving as the credit committee, the loan shall be approved by the supervisory committee or a loan officer instead of by the credit committee. If the loan is fully secured by shares, such loan may be approved by the credit committee.

Washington

RCW 31.12.365 Directors and members of committees — Compensation — Reimbursement — Loans.

(1) Directors and members of committees shall not receive compensation for their service as directors and committee members. However, this subsection does not prohibit directors or committee members from receiving:

(3) Loans to directors and supervisory and credit committee members may not be made under more favorable terms and conditions than those made to members generally.

West Virginia

§31C-7-9. Loans to officials.

(a) A credit union may permit officers, directors, and members of its supervisory and credit committees to act as comakers, guarantors or endorsers of loans to other members, subject to the requirements of subsection (b) of this section.

(b) A credit union may make loans to its officers, directors and members of its supervisory and credit committees: *Provided,* That:

(1) The loan complies with all requirements of this chapter and is not on terms more favorable than those extended to other borrowers; and

(2) The aggregate of loans to or guaranteed by all such officials combined, excepting those secured by shares or deposits, may not exceed twenty percent of the credit union's assets, and shall be shown in aggregate as a separate item in the reports rendered by the credit union and filed with the commissioner pursuant to section seven, article one of this chapter.

(c) No credit union officer, director, or member of its supervisory or credit committee may participate in making a credit approval of a loan in which they have a self-interest. If any member of the credit committee makes an application to borrow money from the 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 place of that member, during the consideration of the application.

Wisconsin

186.098 Loans.

(4) Board approval. The board of directors or its designee shall act on the applications of credit committee members and loan officers.

(6) Policies. The board of directors shall determine policy regarding all of the following:

(c) Loan approval if a director, officer, credit committee member or employee provides security as a comaker, guarantor, endorser or other form of surety.

APPENDIX A

Purpose and Conditions of Loans

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Subject to conditions in the bylaws	•		•			•	•			•	•		•	•	•	•	•			•	•	•		
Cannot exceed 20 years		•																						
Subject to board policies			•		•			•		•	•							•	•					
Cannot exceed 10% of credit union's capital or $200 (whichever is greater) - with exceptions			•																					
For "provident and productive" purposes				•							•			•								•		
Subject to written policies - with specific requirements							•																	
Subject to credit committee approval								•	•		•	•	•		•			•		•				•
Subject to loan officer approval								•			•	•	•		•									
Subject to credit manager approval								•				•												•
Subject to prudent practices										•														
In compliance with law										•													•	
Subject to rules and regulation of the administrator															•									
Cannot exceed $500 or 10% of the credit union's assets (whichever is greater)															•									
Subject to the executive committee																		•						
Extensive/detailed limitations and restrictions																				•				
Subject to written lending policy																								
Cannot exceed 10% of credit union's assets																								
Subject to superintendent of financial services																								
Cannot exceed 15 years - with exceptions																								
Subject to credit union approval																								
Cannot exceed $10,000 or 25% of credit union's capital (whichever is greater)																								

APPENDIX A

Purpose and Conditions of Loans

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Subject to conditions in the bylaws		•	•			•							•	•		•		•	•	•		•		
Cannot exceed 20 years																								
Subject to board policies	•				•		•	•		•	•			•					•	•	•	•	•	
Cannot exceed 10% of credit union's capital or $200 (whichever is greater) - with exceptions																								
For "provident and productive" purposes		•								•	•													
Subject to written policies with specific requirements																								
Subject to credit committee approval										•	•	•		•		•							•	
Subject to loan officer approval											•	•		•									•	
Subject to credit manager approval											•	•												
Subject to prudent practices																								
In compliance with law										•					•									
Subject to rules and regulation of the administrator										•							•							
Cannot exceed $500 or 10% of the credit union's assets (whichever is greater)																								
Subject to the executive committee																								
Extensive/detailed limitations and restrictions											•													
Subject to written lending policy		•		•																				
Cannot exceed 10% of credit union's assets					•																			
Subject to superintendent of financial services							•																	
Cannot exceed 15 years, with exceptions											•													
Subject to credit union approval																	•							
Cannot exceed $10,000 or 25% of credit union's capital (whichever is greater)																					•			

APPENDIX B

Interest Rate

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Determined by the board		•	•		•	•		•	•	•	•	•	•			•				•				
Subject to state law	•			•																				•
Subject to the bylaws and the regulator																	•							
Subject to the bylaws																								
Cannot exceed greater of 15% or the legal interest rate		•																						
Cannot exceed 18% (with exceptions)										•														
Cannot exceed 18%																								
Cannot exceed 2% per month on unpaid balances																•			•					
Cannot exceed 6%, in absence of agreement otherwise (with exceptions)																		•						
Cannot exceed 1% per month (with exceptions)																						•		
Cannot exceed 1 3/4% per month on unpaid balances																							•	
Cannot exceed 1 1/2% per month on unpaid balances (with alternative)																								
Cannot exceed 1 1/2% per month on unpaid balances unless authorized by law																								
Cannot exceed 15% per annum on unpaid balances (with exceptions)																								
Cannot be less than $1 per month																								•
Must be agreed to by credit union and member																								
Depends on type of loan														•										
12% per annum																								

APPENDIX B

Interest Rate

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Determined by the board		•	•	•		•		•	•		•	•			•			•	•			•		
Subject to state law																			•			•		
Subject to the bylaws and the regulator							•																	
Subject to the bylaws																		•						
Cannot exceed grater of 15% or the legal interest rate																								
Cannot exceed 18% (with exceptions)								•																
Cannot exceed 18%		•																						
Cannot Exceed 2% per month on unpaid balances																								
Cannot exceed 6%, in absence of agreement otherwise (with exceptions)																								
Cannot exceed 1% per month (with exceptions)																								
Cannot exceed 1 3/4% per month on unpaid balances																								
Cannot exceed 1 1/2% per month on unpaid balance (with alternative)										•														
Cannot exceed 1 1/2% per month on unpaid balance unless authorized by law																	•					•		
Cannot exceed 15% per annum on unpaid balance (with exceptions)													•											
Cannot be less than $1 per month																								
Must be agreed to by credit union and member					•		•																	
Depends on type of loan																•			•					
12% per annum																			•					

APPENDIX C

Other Loan-Related Charges

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Reasonable fees and expenses related to the loan			•							•												•		
Reasonable late fees																	•							
Subject to board policy			•		•																			
Subject to the bylaws										•						•	•							
Subject to regulator's rules																						•		
Subject to regulator's approval																	•							
Subject to law																								
Expressly prohibited				•																				
Specific fees permissible for real estate loans				•																				
Late fees may only be assessed once per late payment					•																			
Fees must be consistent with federal laws and regulations																			•					
Third party costs related to the loan																					•			
Enumerated expenses																								•
Finance and late fees																								
Subject to the rates charged by credit unions in another state																								
Collection fees limited to 20% of the loan balance																								
Actual cost of services																								
Late payments cannot exceed 5% of the principal and interest due on a payment that is more than 15 days late																								

APPENDIX C

Other Loan-Related Charges

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Reasonable fees and expenses related to the loan		•					•								•	•	•			•		•		
Reasonable late fees																								
Subject to board policy																								
Subject to the bylaws		•	•			•	•								•		•			•		•		
Subject to regulator's rules							•																	
Subject to regulator's approval																								
Subject to law																						•		
Expressly prohibited																								
Specific fees permissible for real estate loans																								
Late fees may only be assessed once per late payment																	•							
Fees must be consistent with federal laws and regulations																								
Third party costs related to the loan																								
Enumerated expenses																			•					
Finance and late fees							•																	
Subject to the rates charged by credit unions in another state										•														
Collection fees limited to 20% of the loan balance													•											
Actual cost of services													•											
Late payments cannot exceed 5% of the principal and interest due on a payment that is more than 15 days late													•											

APPENDIX D

Loan Limit

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Determined by the board	•				•	•					•	•						•				•	•	
Cannot exceed 10% of the credit union's assets				•															•					
Cannot exceed 10% of the credit union's assets (with exceptions)																		•						
Cannot exceed 10% of the credit union's capital & surplus		•															•							
Cannot exceed 10% of the credit union's capital (with exceptions)										•						•								
Cannot exceed 10% of the credit union's assets plus the member's balance																								
Cannot exceed 15% of the credit union's reserves & undivided earnings (with exceptions)																								
Cannot exceed $3,000 if unsecured				•																				
Cannot exceed $5,000 (with exceptions)																								
Cannot exceed the greater of $200 or 10% of the credit union's assets							•																	
Cannot exceed the greater of $200 or 10% of the credit union's capital & surplus												•												
Cannot exceed the greater of $500 or 10% of the credit union's assets															•									
Cannot exceed the greater of $500 or 15% of the credit union's equity								•																
Cannot exceed the greater of $2,000 or 10% of credit union's assets																								•
Cannot exceed the greater of $10,000 or 25% of the credit union's capital																								
Cannot exceed the greater of $15,000 or 15% of the credit union's equity (with exceptions)																								
Cannot exceed the greater of $20,000 or 25% of the credit union's net worth																					•			
Cannot exceed the greater of 1% of the credit union's assets or 20% of its unimpaired capital (with exceptions)																								

APPENDIX D

Loan Limit

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Cannot exceed the lesser of 10% of the credit union's share accounts & reserve fund or the maximum amount authorized by law																								
Cannot exceed 25% of the credit union's shares & earnings (with exceptions)																								
Cannot exceed an amount determined by multiple factors									•											•				
Cannot take the credit union's liquidity reserve below 5% of its assets																				•				
Subject to law																								
Subject to the bylaws												•												•
Subject to the regulator												•												
Subject to approval by credit committee or credit manager																								•
Subject to approval by credit committee or loan officer																								
Loans above the limit must be approved by credit committee or loan officer																								
If unsecured, cannot exceed 15% of the credit union's capital & surplus (with exceptions)													•											
If secured, cannot exceed 10% of the credit union's capital & surplus (with exceptions)													•											
Cannot Exceed 10% of the member's savings														•										
Cannot exceed 15 years (with exceptions)																								
Loans to other credit unions must be approved by the board and cannot exceed 25% of the capital & surplus of the lending institution																								
Loans to CUSOs must be approved by the board and cannot exceed 1% of the capital & surplus of the lending institutions (with exceptions)																								
Credit union must retain at least 10% interest in the loan balance																								

APPENDIX D

Loan Limit

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Determined by the board				•				•		•			•					•	•					
Cannot exceed 10% of the credit unions assets	•				•	•											•							
Cannot exceed 10% of the credit union's assets (with exceptions)		•																				•		
Cannot exceed 10% of the credit union's capital & surplus																								
Cannot exceed 10% of the credit union's capital (with exceptions)													•											
Cannot exceed 10% of the credit union's assets plus the member's balance																							•	
Cannot exceed 15% of the credit union's reserves & undivided earnings (with exceptions)															•									
Cannot exceed $3,000 if unsecured																								
Cannot exceed $5,000 (with exceptions)														•										
Cannot exceed the greater $200 or 10% of the credit union's assets																			•					
Cannot exceed the greater $200 or 10% of the credit union's capital & surplus			•					•																
Cannot exceed the greater of $500 or 10% of the credit union's assets																								
Cannot exceed the greater of $500 or 15% of the credit union's equity																								
Cannot exceed the greater of $2,000 or 10% of credit union's assets																								
Cannot exceed the greater of $10,000 or 25% of the credit union's capital																					•			
Cannot exceed the greater of $15,000 or 15% of the credit union's equity (with exceptions)												•												
Cannot exceed the greater of $20,000 or 25% of the credit union's net worth																								
Cannot exceed the greater of 1% of the credit union's assets or 20% of its unimpaired capital (with exceptions)														•										

APPENDIX D

Loan Limit

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Cannot exceed the lesser of 10% of the credit union's share accounts & reserve fund or the maximum amount authorized by law																				•				
Cannot exceed 25% of the credit union's shares & earnings (with exceptions)										•														
Cannot exceed an amount determined by multiple factors							•		•									•						
Cannot take the credit union's liquidity reserve below 5% of its assets																								
Subject to law																				•				
Subject to the bylaws								•											•					
Subject to the regulator								•																
Subject to approval by credit committee or credit manager																								
Subject to approval by credit committee or loan officer														•										
Loans above the limit must be approved by credit committee or loan officer			•																					
If unsecured, cannot exceed 15% of the credit union's capital & surplus (with exceptions)																								
If secured, cannot exceed 10% of the credit union's capital & surplus (with exceptions)																								
Cannot exceed 10% of the member's savings																								
Cannot exceed 15 years (with exceptions)											•													
Loans to other credit unions must be approved by the board and cannot exceed 25% of the capital & surplus of the lending institution											•													
Loans to CUSOs must be approved by the board and cannot exceed 1% of the capital & surplus of the lending institutions (with exceptions)											•													
Credit union must retain at least 10% interest in the loan balance													•											

APPENDIX E

Lines of Credit

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Explicitly permitted		•			•								•			•	•	•	•	•	•	•		
	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Explicitly permitted	•	•			•	•	•	•		•	•	•		•	•		•			•		•		

APPENDIX F

Participation Loans

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Explicitly permissible		•	•		•	•	•	•		•		•	•		•		•		•	•	•			
Subject to board policies		•	•							•			•				•							
Originating institution must retain at least 10% interest in the loan		•	•							•			•		•		•		•					
Loan amount subject to regulator's approval							•																	
Cannot exceed 0.1% of the total assets of credit union													•											
Cannot exceed the greater of $200 or 10% of the credit unions' assets																								

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Explicitly permissible	•	•	•		•	•	•	•			•	•	•		•		•	•	•	•	•	•	•	
Subject to board policies						•	•				•				•			•	•	•		•		
Originating institution must retain at least 10% interest in the loan		•			•		•				•		•		•			•	•	•		•		
Loan amount subject to regulator's approval																								
Cannot exceed 0.1% of the total assets of credit union																								
Cannot exceed the greater of $200 or 10% of the credit unions' assets																			•					

APPENDIX G

Other Loan Programs

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Residential real estate loans		•																•	•			•		
Loans secured by real estate																								
Loans secured by stock in real estate																								
Manufactured home loans		•																		•				
Boats, campers or trailers																				•				
Home improvement loans		•																		•				
Loans secured by federal or state government		•	•	•	•			•		•				•		•			•		•			
Loans to purchase credit union property			•							•														
Loans to other credit unions (with conditions)								•		•	•	•												
Loans to CUSOs																								
Loans to minority and women-owned businesses (with conditions)																								
Loans to purchase members' notes (and similar instruments)								•		•		•				•			•					
Loans to purchase obligations of liquidating credit union's members																								
Student loans (with conditions)												•						•	•					
Low/moderate income loans														•										
Loans to banks (with conditions)																		•						
Loans to credit union employees																					•			
Loans to brokerage firms (with conditions)																								
Business loans																								
Leasing arrangement (with conditions)																								
Agricultural loans																								

APPENDIX G

Other Loan Programs

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Residential real estate loans													•	•					•					
Loans secured by real estate																		•					•	
Loans secured by stock in real estate																							•	
Manufactured home loans																								
Boats, campers or trailers																								
Home improvement loans																								
Loans secured by federal or state government	•	•			•	•		•			•	•		•	•		•					•	•	
Loans to purchase credit union property											•				•							•		
Loans to other credit unions (with conditions)							•			•			•											
Loans to CUSOs							•																	
Loans to minority and women-owned businesses (with conditions)							•																	
Loans to purchase members' notes (and similar instruments)	•	•			•	•		•				•		•	•							•		
Loans to purchase obligations of liquidating credit union's members														•										
Student loans (with conditions)														•										
Low/moderate income loans																								
Loans to banks (with conditions)																								
Loans to credit union employees																								
Loans to brokerage firms (with conditions)				•																				
Business loans							•												•					
Leasing arrangement (with conditions)														•	•									
Agricultural loans																•								

APPENDIX H

Loans to Officials

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Subject to board policy	•				•																			
Subject to board approval																								
Subject to board or supervisory committee approval (with conditions)																								
Subject to bylaws																								•
Subject to written loan policy							•																	
Subject to the credit union's policy, rules and regulations																								
Cannot have terms more favorable than those to other members	•		•		•			•	•	•		•	•	•	•	•			•		•			•
Cannot exceed shares and deposits	•																							
Cannot exceed 10% of credit union's assets																								
Cannot exceed shares, deposits, and earnings unless secured (with conditions)																				•				
Cannot exceed holdings unless approved by board and ratified by supervisory committee																								
Cannot exceed shares and deposits pledged unless approved by board																								
Cannot exceed an amount based on formula tied to credit union's assets																								
Cannot exceed 15% of credit union's reserves and earnings (with exceptions)																								
Cannot exceed $50,000 (with conditions)					•																			
Subject to board approval if more than $20,000 (plus pledged shares)		•				•		•																
Subject to board approval if more than $25,000 (plus pledged shares)																•	•				•			
Subject to board approval if more than $30,000 (plus pledged shares)																								
Subject to board approval if more than the sum of (i) $10,000 or a higher amount set by regulator and (ii) the amount of shares and deposits pledged																								

APPENDIX H

Loans to Officials

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
Subject to board approval if more than 5% of credit union's equity or $100,000 (whichever is less) (with exceptions)																								
Subject to credit committee, supervisory committee or board approval (with conditions) if more than 5% of credit union's capital and surplus or $25,000 (whichever is less)																								
Subject to credit committee or loan officer and board approval if more than $20,000 (plus pledged shares)															•									
Subject to credit committee or board approval if loan is for general manager																					•			
Subject to credit committee, executive committee or board approval if loan is for CEO																								
Subject to board approval if more than $10,000 (plus pledged shares)										•														
Subject to board and credit union committee approval if more than $6,000 (plus pledged shares)				•																				•
Subject to board approval if more than $100,000 (plus pledged shares)																								
Subject to credit committee and board approval if loan exceeds shares and deposits																						•		
Cannot exceed 20% of credit union's capital (without board approval)			•																					
Cannot exceed 20% of credit union's capital					•																			
Cannot exceed 20% of credit union's capital and surplus												•												
Cannot exceed 20% of credit union's assets																								
Cannot exceed 25% of credit union's assets														•										
Cannot act as guarantor				•																				

APPENDIX H

Loans to Officials

	AL	AK	AZ	AR	CA	CO	CT	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
May act as guarantor with board approval if loan(s) exceeds $10,000																•								
May act as guarantor with board approval if loan(s) exceeds $10,000 (or higher amount set by regulator) plus shares and deposits pledged																								
May act as guarantor with board approval if loan(s) exceeds $20,000																	•							
May act as guarantor with board approval if loan(s) exceed $30,000																								
May act as guarantor with board reporting if loan(s) exceed $20,000																								
May act as guarantor (with conditions)																								
May act as guarantor if permitted by bylaws																								
May act as guarantor with board approval																								
May act as guarantor																								
Cannot receive a commission on loans to others																					•			
Must be reported to the board if more than $20,000 (plus pledged shares)																								
Must be reported to the board									•				•											•
Must be reported to the regulator															•									
Must be reported to board if not subject to board approval																								
Cannot exceed the greater of 2.5% of the credit union's capital and surplus or $250,000 (with exceptions)													•											

APPENDIX H

Loans to Officials

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI	
Subject to board policy		•				•								•		•			•					
Subject to board approval																		•					•	
Subject to board or supervisory committee approval (with conditions)																			•					
Subject to bylaws		•																						
Subject to written loan policy																								
Subject to the credit union's policy, rules and regulations									•															
Cannot have terms more favorable than those to other members	•	•		•	•	•			•		•	•	•		•		•					•		
Cannot exceed shares and deposits																								
Cannot exceed 10% of credit union's assets												•												
Cannot exceed shares, deposits, and earnings unless secured (with conditions)																								
Cannot exceed holdings unless approved by board and ratified by supervisory committee				•																				
Cannot exceed shares and deposits pledged unless approved by board														•										
Cannot exceed an amount based on formula tied to credit union's assets						•																		
Cannot exceed 15% of credit union's reserves and earnings (with exceptions)															•									
Cannot exceed $50,000 (with conditions)																								
Subject to board approval if more than $20,000 (plus pledged shares)																								
Subject to board approval if more than $25,000 (plus pledged shares)																								
Subject to board approval if more than $30,000 (plus pledged shares)			•																					
Subject to board approval if more than the sum of (i) $10,000 or a higher amount set by regulator and (ii) the amount of shares and deposits pledged																	•							

APPENDIX H

Loans to Officials

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI
Subject to board approval if more than 5% of credit union's equity or $100,000 (whichever is less) (with exceptions)												•											
Subject to credit committee, supervisory committee or board approval (with conditions) if more than 5% of credit union's capital and surplus or $25,000 (whichever is less)																			•				
Subject to credit committee or loan officer and board approval if more than $20,000 (plus pledged shares)																							
Subject to credit committee or board approval if loan is for general manager																							
Subject to credit committee, executive committee or board approval if loan is for CEO		•																					
Subject to board approval if more than $10,000 (plus pledged shares)																							
Subject to board and credit union committee approval if more than $6,000 (plus pledged shares)																							
Subject to board approval if more than $100,000 (plus pledged shares)									•														
Subject to credit committee and board approval if loan exceeds shares and deposits																							
Cannot exceed 20% of credit union's capital (without board approval)																							
Cannot exceed 20% of credit union's capital	•																						
Cannot exceed 20% of credit union's capital and surplus																							
Cannot exceed 20% of credit union's assets																						•	
Cannot exceed 25% of credit union's assets																							
Cannot act as guarantor																							

APPENDIX H

Loans to Officials

	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	TN	TX	UT	VT	VA	WA	WV	WI
May act as guarantor with board approval if loan(s) exceeds $10,000																							
May act as guarantor with board approval if loan(s) exceeds $10,000 (or higher amount set by regulator) plus shares and deposits pledged																	•						
May act as guarantor with board approval if loan(s) exceeds $20,000																							
May act as guarantor with board approval if loan(s) exceed $30,000			•																				
May act as guarantor with board reporting if loan(s) exceed $20,000	•																						
May act as guarantor (with conditions)				•		•									•								
May act as guarantor if permitted by bylaws		•																					
May act as guarantor with board approval												•					•	•					
May act as guarantor									•		•												
Cannot receive a commission on loans to others																							
Must be reported to the board if more than $20,000 (plus pledged shares)	•																						
Must be reported to the board																							
Must be reported to the regulator																						•	
Must be reported to board if not subject to board approval												•											
Cannot exceed the greater of 2.5% of the credit union's capital and surplus or $250,000 (with exceptions)																							