

Section 2. Shares Held in the Name of a Minor.—Any such Federal credit union, having issued shares standing on its books in the name of any minor not less than twelve years of age, may pay the dividends or earnings thereon, as well as the withdrawal value of such shares, to such minor, without the assent of his parent or guardian. The receipt, acquittance, or other action required by the Federal credit union to be taken by the minor shall be binding upon such minor with like effect as if such minor were of full age and shall be a valid release to the Federal credit union. The parent or guardian of such minor shall not, in his capacity as parent or guardian, have the power to attach or in any manner transfer any shares issued to or standing in the name of such minor.

Section 3. Shares Held as Trustee.—Whenever shares of such a Federal credit union shall be issued to any person, describing himself, in subscribing for such shares, as trustee for any person or persons, and no other notice of the existence and terms of a valid trust than such description shall have been given to the Federal credit union, the dividends or earnings on such shares, as well as the withdrawal value of such shares, shall, in the event of the death of the person so described as trustee, be paid to the person or persons for whose benefit the shares were stated to have been subscribed if, at the time of payment, such beneficiary is not less than sixteen years of age. Payment may be made to any such beneficiary who is not less than sixteen years of age under the same conditions as if such shares had been originally subscribed for by him. If there are two or more beneficiaries named on any such shares, the Federal credit union shall, in the absence of written notice to the contrary, make payment to such of the beneficiaries as may survive the trustee, in equal portions. The receipt or acquittance of any such beneficiary or beneficiaries for payments, made in accordance with this section, shall be a full, complete and valid release of the Federal credit union from any further liability for the amounts so paid.

APPROVED—The 14th day of December, A. D. 1967.

RAYMOND P. SHAFER

No. 342

AN ACT

HB 1367

Amending the act of September 20, 1961 (P. L. 1548), entitled "An act to provide for the organization, incorporation, operation and supervision of cooperative savings and credit associations, to be termed credit unions; designating such credit unions as corporations and defining their powers and duties; conferring certain powers and duties on the Department of Banking; and providing penalties," further regulating

the approval of loans.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 13, act of September 20, 1961 (P. L. 1548), known as the "Credit Union Act," is amended to read:

Section 13. Credit Committee.—The credit committee shall have the supervision of all loans to members other than mortgage loans and loans to other credit unions and Federal credit unions. Applications for loans shall be in writing on a form prepared for that purpose by the credit committee, and all applications shall set forth the purpose for which the loan is desired, the security, if any, offered, and such other data as may be required. Within the meaning of this section, a pledge of shares in the credit union or the endorsement of a note may be deemed security. At least a majority of the members of the credit committee shall pass on all loans, and no loan shall be approved unless it is approved unanimously by the members of the credit committee present: Provided, That the credit committee may [, with the approval of the board of directors, authorize one of its members acting individually to approve on behalf of the committee only loans which are fully secured by the pledge of shares] appoint one or more loan officers, and delegate to him or them the power to approve unsecured loans up to seven hundred fifty dollars (\$750) or lesser amount established by the board of directors for this purpose, and in excess of such limit if such excess is fully secured by unpledged shares. Each loan officer shall furnish to the credit committee a record of each loan approved or not approved by him within seven days of the date of the filing of the application therefor. All loans not approved by a loan officer shall be acted upon by the credit committee. No individual shall have authority to disburse funds of the credit union for any loan which has been approved by him in his capacity as loan officer. Not more than one member of the credit committee may be appointed as loan officer. The credit committee shall meet as often as may be necessary after due notice to each member.

APPROVED—The 14th day of December, A. D. 1967.

RAYMOND P. SHAFER