

Transfer of funds.

(d) transfer or cause to be transferred by the appropriate disbursing officer to the Grand River Dam Authority all, or such part as the Secretary may in his discretion determine to be just and equitable, of the balance of funds remaining in the special trust account in the Treasury of the United States used by the United States for deposits and disbursements on account of the Grand River Dam project during the period of Federal control thereof.

Retention of lands by Secretary.

SEC. 3. In connection with and as a part of the adjustment and settlement authorized to be made by this Act, the Secretary shall retain all lands or interests therein of the United States above elevation seven hundred and fifty feet mean sea level necessary or desirable for operation of the Grand River Dam project at a pool elevation of seven hundred and fifty-five feet above mean sea level at the Grand River Dam, and the Authority shall grant to the Secretary on behalf of the United States flowage rights on all lands or interests therein of the Authority above elevation seven hundred and fifty feet mean sea level which are necessary or desirable for such operation. Elevations herein stated are referred to the sea level datum in use at the time the Grand River Dam project was started, known as Grand River Dam datum, which is one and one-tenth feet below the sea level datum now in use at said location.

Payment of annual charges.

SEC. 4. The Grand River Dam Authority shall not be required to pay any annual charges under its license issued by the Federal Power Commission for the operation of the project during the period of Federal control thereof.

Termination of authority.

SEC. 5. The authority and power conferred herein shall cease and terminate thirty days after approval of this Act unless an adjustment and settlement shall have been agreed to by the Authority and the Secretary prior thereto.

Reduction of interest rate.

SEC. 6. The Administrator of the Federal Works Agency or his successor in interest is hereby authorized to reduce the rate of interest to 2½ per centum on all power bonds held by such Agency issued by States, public authorities, counties, municipalities, and other subdivisions of State governments for power projects financed by the Public Works Administration.

Approved July 31, 1946.

[CHAPTER 711]

AN ACT

To amend the Federal Credit Union Act.

July 31, 1946
[H. R. 6372]

[Public Law 574]

Federal Credit Union Act, amendments.

48 Stat. 1218.
12 U. S. C. § 1757 (5).
Usurious transactions.

48 Stat. 1219.
12 U. S. C. § 1759.

Issuance of shares in joint tenancy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Credit Union Act, as amended, is hereby further amended as follows: Paragraph (5) of section 7 is amended by adding at the end thereof the following: "The taking, receiving, reserving, or charging a rate of interest greater than is allowed by this subsection, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid the person by whom it has been paid, or his legal representatives, may recover back, in an action in the nature of an action of debt, the entire amount of interest thus paid from the credit union taking or receiving the same: *Provided,* That such action is commenced within two years from the time the usurious transaction occurred."

SEC. 2. Section 9 of such Act is amended by adding at the end thereof the following:

"Shares may be issued in joint tenancy with right of survivorship with any person designated by the credit union member, but no joint

tenant shall be permitted to vote, obtain loans, or hold office, unless he is within the field of membership and is a qualified member."

SEC. 3. Subsection (c) of section 11 of such Act is amended by striking out the clause "fix the amount and character of the surety bond required of any officer having custody of funds" and inserting in lieu thereof the following: "require any officer or employee having custody of or handling funds to give bond with good and sufficient surety in an amount and character to be determined, from time to time, by the board and authorize the payment of the premium or premiums therefor from the funds of the Federal credit union".

48 Stat. 1220.
12 U. S. C. § 1761 (c).

Furnishing of surety bond.

SEC. 4. Subsection (d) of section 11 of such Act is amended by striking out in the first sentence thereof the following: "(by the treasurer)".

48 Stat. 1220.
12 U. S. C. § 1761 (d).

SEC. 5. The fourth sentence of subsection (d) of section 11 of such Act is amended to read as follows: "No loan shall be made to any member which shall cause such member to become indebted to the Federal credit union in the aggregate, upon loans made to such member, in excess of \$200 or 10 per centum of the Federal credit union's paid-in and unimpaired capital and surplus, whichever is greater, or in excess of \$300 unless such excess over \$300 is adequately secured."

Maximum indebtedness.

SEC. 6. Subsection (e) of section 11 of such Act is amended by adding at the end thereof the following:

48 Stat. 1220.
12 U. S. C. § 1761 (e).

"As used in this subsection the term 'passbook' shall include any book, statement of account, or other record approved by the Governor for use by Federal credit unions."

"Passbook."

SEC. 7. At the end of such Act a new section is added as follows:

"SEC. 22. The provisions of this Act shall be extended to and include the Panama Canal Zone."

Panama Canal Zone.

SEC. 8. Subsection (b) of section 16 of such Act is amended to read as follows:

48 Stat. 1221.
12 U. S. C. § 1766 (b).

"(b) (1) The Governor may suspend or revoke the charter of any Federal credit union, or place the same in involuntary liquidation and appoint a liquidating agent therefor, upon his finding that the organization is bankrupt or insolvent or has violated any provisions of its charter, its bylaws, or of this chapter, or of any regulations issued thereunder.

Revocation of charter.

"(2) The Governor, through such persons as he shall designate, may examine any Federal credit union in voluntary liquidation and, upon his finding that such voluntary liquidation is not being conducted in an orderly or efficient manner or in the best interests of its members, may terminate such voluntary liquidation and place such organization in involuntary liquidation and appoint a liquidating agent therefor.

Involuntary liquidation.

"(3) Such liquidating agent shall have power and authority, subject to the control and supervision of the Governor and under such rules and regulations as the Governor may prescribe, (i) to receive and take possession of the books, records, assets, and property of every description of the Federal credit union in liquidation, to sell, enforce collection of, and liquidate all such assets and property, to compound all bad or doubtful debts, and to sue in his own name or in the name of the Federal credit union in liquidation, and defend such actions as may be brought against him as liquidating agent or against the Federal credit union; (ii) to receive, examine, and pass upon all claims against the Federal credit union in liquidation, including claims of members on shares; (iii) to make distribution and payment to creditors and members as their interests may appear; and (iv) to execute such documents and papers and to do such other acts and things which he may deem necessary or desirable to discharge his duties hereunder.

Authority of liquidating agent.

- Notice to creditors. “(4) Subject to the control and supervision of the Governor and under such rules and regulations as the Governor may prescribe, the liquidating agent of a Federal credit union in involuntary liquidation shall (i) cause notice to be given to creditors and members to present their claims and make legal proof thereof, which notice shall be published once a week in each of three successive weeks in a newspaper of general circulation in each county in which the Federal credit union in liquidation maintained an office or branch for the transaction of business on the date it ceased unrestricted operations: *Provided*, That whenever the aggregate book value of the assets and property of a Federal credit union in involuntary liquidation is less than \$1,000, unless the Governor shall find that its books and records do not contain a true and accurate record of its liabilities, he shall declare such Federal credit union in liquidation to be a ‘no publication’ liquidation, and publication of notice to creditors and members shall not be required in such case; (ii) from time to time, make a ratable dividend on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction and, after the assets of such organization have been liquidated, shall make further dividends on all claims previously proved or adjudicated; and the liquidating agent may accept in lieu of a formal proof of claim on behalf of any creditor or member the statement of any amount due to such creditor or member as shown on the books and records of the credit union: *Provided*, That all claims not filed before payment of the final dividend shall be barred and claims rejected or disallowed by the liquidating agent shall be likewise barred unless suit be instituted thereon within three months after notice of rejection or disallowance; (iii) in a ‘no publication’ liquidation, determine from all sources available to him, and within the limits of available funds of the Federal credit union, the amounts due to creditors and members, and after sixty days shall have elapsed from the date of his appointment, shall distribute the funds of the Federal credit union to creditors and members ratably and as their interests may appear.
- “No publication” liquidation.
- Dividend on claims.
- Barring of claims.
- Determination of amounts due to creditors, etc.
- Cancellation of charter. “(5) Upon certification by the liquidating agent in the case of an involuntary liquidation, and upon such proof as shall be satisfactory to the Governor in the case of a voluntary liquidation, that distribution has been made and that liquidation has been completed, as provided herein, the Governor shall cancel the charter of such Federal credit union: *Provided*, That the corporate existence of the Federal credit union shall continue for a period of three years from the date of such cancellation of its charter, during which period the liquidating agent, or his duly appointed successor, or such persons as the Governor shall designate, may act on behalf of the Federal credit union for the purpose of paying, satisfying, and discharging any existing liabilities or obligations, collecting and distributing its assets, and doing all other acts required to adjust and wind up its business and affairs, and it may sue and be sued in its corporate name.
- Continuance of Federal credit union.
- Destruction of records, etc. “(b) After the expiration of five years from the date of cancellation of the charter of a Federal credit union the Governor may, in his discretion, destroy any or all books and records of such Federal credit union in his possession or under his control.”

Approved July 31, 1946.