

Ante, p. 788.

"(1) Each member of the Board of Education elected from a ward shall at the time of his nomination (A) be a qualified elector (as that term is defined in section 2 of the District of Columbia Election Act) in the school election ward from which he seeks election, (B) have, for the ninety-day period immediately preceding his nomination, resided in the school election ward from which he is nominated, and (C) have, during the ninety-day period next preceding his nomination, been an actual resident of the District of Columbia and have during such period claimed residence nowhere else. A member shall forfeit his office upon failure to maintain the qualifications required by this paragraph.

"(2) Each member of the Board of Education elected at large shall at the time of his nomination (A) be a qualified elector (as that term is defined in section 2 of the District of Columbia Election Act) in the District of Columbia, and (B) have, during the ninety-day period next preceding his nomination, been an actual resident of the District of Columbia and have during such period claimed residence nowhere else. A member shall forfeit his office upon failure to maintain the qualifications required by this paragraph.

"(3) No individual may hold the office of member of the Board of Education and (A) hold another elective office other than delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or (B) also be an officer or employee of the District of Columbia government or of the Board of Education. A member will forfeit his office upon failure to maintain the qualifications required by this paragraph."

Effective date.

SEC. 4. The provisions of this Act and the amendments made thereby shall take effect as of January 1, 1972.

Approved December 23, 1971.

Public Law 92-221

AN ACT

December 23, 1971
[H. R. 9961]

To provide Federal credit unions with two additional years to meet the requirements for insurance, and for other purposes.

Federal Credit
Union Act,
amendments.
84 Stat. 994.

Temporary
insurance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Paragraph (2) of subsection (c) of section 201 of the Federal Credit Union Act (12 U.S.C. 1781(c)(2)) is amended by striking out "reject" and inserting in lieu thereof "disapprove".

(b) Subsection (d) of such section 201 (12 U.S.C. 1781(d)) is amended to read as follows:

"(d) In the case of any Federal credit union whose application for insurance is disapproved, if such Federal credit union has annually transferred such a percentage of its gross income to its reserves as is required under section 116(a) and notwithstanding any reserving requirements established under section 116(b) of this Act, the Administrator shall nonetheless issue to such Federal credit union a certificate of insurance which shall be valid for a period of two years. The Administrator shall suspend or revoke the charter of any Federal credit union which has failed, upon the expiration of such two-year period of insurance, to file an application for insurance which is approved by the Administrator in accordance with subsection (c). A Federal credit union which is insured under this subsection for a

84 Stat. 1017.
12 USC 1762.

period of two years is an insured credit union under the provisions of this title for such period of two years. The Administrator shall, having regard to the purposes of this subsection, make every reasonable effort to prevent the closing of any Federal credit union which is insured for a period of two years under this subsection and is found to be in financial difficulties, if he determines that with the technical assistance and management training and counseling authorized to be provided under this subsection there is reasonable assurance that such difficulties can be sufficiently resolved within such two-year period so as to minimize the expenses of the Fund. The Administrator shall offer technical assistance, management training, and management counseling to all credit unions whose application for insurance has been disapproved so as to enable the maximum number of such credit unions to meet the standards for insurance required by this title. In furnishing such technical assistance, management training, and management counseling, the Administrator may utilize moneys in the National Credit Union Share Insurance Fund as provided under section 203(a) of this title. The Administrator shall also encourage to the maximum extent feasible, that such technical assistance, management training, and management counseling be made available through State stabilization funds, similar funds, or similar State credit union organizations. The Administrator shall also encourage State Credit Union Stabilization Funds or similar funds to reimburse the Credit Union Share Insurance Fund for any insurance payments made on behalf of accounts at insured credit unions whose applications for insurance have been disapproved."

84 Stat. 999.
12 USC 1783.

SEC. 2. Subsection (c) of section 201 of the Federal Credit Union Act (12 U.S.C. 1781(c)) is amended by adding at the end thereof the following new paragraph:

State credit
unions.

"(3) With respect to State credit unions which are authorized by State law to receive demand deposits, the Administrator shall approve the application of any such State credit union for insurance of its member accounts if (A) such State credit union otherwise meets the requirements for insurance established under this Act, and (B) in the event of liquidation of such State credit union, the claims with respect to demand deposit accounts shall be subordinate to the claims with respect to member accounts. For purposes of this paragraph and for purposes of determining the extent of insurance coverage under this Act, demand deposit accounts shall not be considered member accounts and shall not be insured under the provisions of this Act."

SEC. 3. Section 208(a) (2) of the Federal Credit Union Act (12 U.S.C. 1788(a) (2)) is amended by—

Loans.

(1) striking out "assumption of its liability by another insured credit union" and inserting in lieu thereof "assumption of its liability by another person";

(2) striking out "may guarantee any other insured credit union against loss by reason of its" and inserting in lieu thereof "may guarantee any person against loss by reason of his"; and

(3) adding at the end thereof the following new sentence: "For purposes of this paragraph, the term 'person' means any credit union, individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity."

"Person."

Approved December 23, 1971.