

ability to the Federal credit union. The amount to be paid a withdrawing or expelled member by a Federal credit union shall be determined and paid in a manner specified in the bylaws.

(e) No authority to expel classes of members

An expulsion of a member pursuant to this section shall be done individually, on a case-by-case basis, and neither the Board nor any Federal credit union may expel a class of members.

(June 26, 1934, ch. 750, title I, § 118, formerly § 14, 48 Stat. 1221; renumbered § 19, Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 634; renumbered title I, § 118, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 97-320, title V, § 525, Oct. 15, 1982, 96 Stat. 1534; Pub. L. 100-86, title VII, § 706, Aug. 10, 1987, 101 Stat. 653; Pub. L. 117-103, div. T, § 102, Mar. 15, 2022, 136 Stat. 824.)

Editorial Notes

AMENDMENTS

2022—Subsec. (a). Pub. L. 117-103, § 102(1), substituted “subsections (b) and (c)” for “subsection (b)” and “to the member” for “him”.

Subsec. (c). Pub. L. 117-103, § 102(3), added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 117-103, § 102(2), (4), redesignated subsec. (c) as (d) and substituted “subsection (a), (b), or (c)” for “either subsection (a) or (b)” and “the member” for “him”.

Subsec. (e). Pub. L. 117-103, § 102(5), added subsec. (e). 1987—Subsec. (a). Pub. L. 100-86, § 706(1), substituted “Except as provided in” for “Subject to”.

Subsec. (b). Pub. L. 100-86, § 706(2), inserted “and enforce” after “adopt”.

1982—Pub. L. 97-320 designated existing provisions as subsecs. (a) and (c) and added subsec. (b).

§ 1765. Minors

Shares may be issued in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. When shares are issued in trust, the name of the beneficiary shall be disclosed to the Federal credit union.

(June 26, 1934, ch. 750, title I, § 119, formerly § 15, 48 Stat. 1221; renumbered § 20, and amended Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 634; renumbered title I, § 119, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994.)

Editorial Notes

AMENDMENTS

1959—Pub. L. 86-354 substituted “When shares are issued in trust, the” for “The” in second sentence.

§ 1766. Powers of Board

(a) The Board may prescribe rules and regulations for the administration of this chapter (including, but not by way of limitation, the merger, consolidation, and dissolution of corporations organized under this chapter). Any central credit union chartered by the Board shall be subject to such rules, regulations, and orders as the Board deems appropriate and, except as otherwise specifically provided in such rules, regulations, or orders, shall be vested with or subject to the same rights, privileges, duties, restrictions, penalties, liabilities, conditions, and limitations that would apply to all Federal credit unions under this chapter.

(b)(1) The Board 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 its finding that the organization is bankrupt or insolvent, or has violated any of the provisions of its charter, its bylaws, this chapter, or any regulations issued thereunder.

(2) The Board, through such persons as it shall designate, may examine any Federal credit union in voluntary liquidation and, upon its 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.

(3) Such liquidating agent shall have power and authority, subject to the control and supervision of the Board and under such rules and regulations as the Board may prescribe, (A) 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; (B) to receive, examine, and pass upon all claims against the Federal credit union in liquidation, including claims of members on member accounts; (C) to make distribution and payment to creditors and members as their interests may appear; and (D) 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.

(4) Subject to the control and supervision of the Board and under such rules and regulations as the Board may prescribe, the liquidating agent of a Federal credit union in involuntary liquidation shall (A) 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; except 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 Board 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; (B) 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, make further dividends on all claims previously proved or adjudicated, and he 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; but 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; and (C) 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 distribute the funds of the Federal credit union to creditors and members ratably and as their interests may appear.

(5) Upon certification by the liquidating agent in the case of an involuntary liquidation, and upon such proof as shall be satisfactory to the Board in the case of a voluntary liquidation, that distribution has been made and that liquidation has been completed, as provided herein, the Board shall cancel the charter of such Federal credit union; but 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 Board 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.

(c) After the expiration of five years from the date of cancellation of the charter of a Federal credit union the Board may, in its discretion, destroy any or all books and records of such Federal credit union in its possession or under its control.

(d) The Board is authorized and empowered to execute any and all functions and perform any and all duties vested in it hereby, through such persons as it shall designate or employ; and it may delegate to any person or persons, including any institution operating under the general supervision of the Administration, the performance and discharge of any authority, power, or function vested in it by this chapter.

(e) All books and records of Federal credit unions shall be kept and reports shall be made in accordance with forms approved by the Board.

(f)(1) The Board is authorized to make investigations and to conduct researches and studies of the problems of persons of small means in obtaining credit at reasonable rates of interest, and of the methods and benefits of cooperative saving and lending among such persons. It is further authorized to make reports of such investigations and to publish and disseminate the same.

(2)(A) The Board is authorized to conduct directly, or to make grants to or contracts with colleges or universities, State or local educational agencies, or other appropriate public or private nonprofit organizations to conduct, programs for the training of persons engaged, or preparing to engage, in the operation of credit

unions, and in related consumer counseling programs, serving the poor. It is authorized to establish a program of experimental, developmental, demonstration, and pilot projects, either directly or by grants to public or private nonprofit organizations, including credit unions, or by contracts with such organizations or other private organizations, designed to promote more effective operation of credit unions, and related consumer counseling programs, serving the poor.

(B) In carrying out its authority under this paragraph, the Board shall consult with officials of the Office of Economic Opportunity and other appropriate Federal agencies responsible for the administration of projects or programs concerned with problems of the poor. The development and operation of programs and projects under this paragraph shall involve maximum feasible participation of residents of the areas and members of the groups served by such programs and projects, with community action agencies established under the provisions of the Economic Opportunity Act of 1964 [42 U.S.C. 2701 et seq.] serving, to the extent feasible, as the means through which such participation is achieved.

(C) In order to carry out the purposes of this paragraph, there is authorized to be appropriated, as a supplement to any funds that may be expended by the Board pursuant to sections 1755 and 1756 of this title for such purposes, not to exceed \$300,000 for the fiscal year ending June 30, 1970, and not to exceed \$1,000,000 for the fiscal year ending June 30, 1971.

(g) Any officer or employee of the Administration is authorized, when designated for the purpose by the Board, to administer oaths and affirmations and to take affidavits and depositions touching upon any matter within the jurisdiction of the Administration.

(h) The Board is authorized, empowered, and directed to require that every person appointed or elected by any Federal credit union to any position requiring the receipt, payment, or custody of money or other personal property owned by a Federal credit union, or in its custody or control as collateral or otherwise, give bond in a corporate surety company holding a certificate of authority from the Secretary of the Treasury under chapter 93 of title 31, as an acceptable surety on Federal bonds. Any such bond or bonds shall be in a form approved by the Board with a view to providing surety coverage to the Federal credit union with reference to loss by reason of acts of fraud or dishonesty including forgery, theft, embezzlement, wrongful abstraction, or misapplication on the part of the person, directly or through connivance with others, and such other surety coverages as the Board may determine to be reasonably appropriate or as elsewhere required by this chapter. Any such bond or bonds shall be in such an amount in relation to the money or other personal property involved or in relation to the assets of the Federal credit union as the Board may from time to time prescribe by regulation for the purpose of requiring reasonable coverage. In lieu of individual bonds the Board may approve the use of a form of schedule or blanket bond which covers all of the officers and employ-

ees of a Federal credit union whose duties include the receipt, payment, or custody of money or other personal property for or on behalf of the Federal credit union. The Board may also approve the use of a form of excess coverage bond whereby a Federal credit union may obtain an amount of coverage in excess of the basic surety coverage.

(i) In addition to the authority conferred upon it by other sections of this chapter, the Board is authorized in carrying out its functions under this chapter—

(1) to appoint such personnel as may be necessary to enable the Administration to carry out its functions;

(2) to expend such funds, enter into such contracts with public and private organizations and persons, make such payments in advance or by way of reimbursement, acquire and dispose of, by lease or purchase, real or personal property, without regard to the provisions of any other law applicable to executive or independent agencies of the United States, and perform such other functions or acts as it may deem necessary or appropriate to carry out the provisions of this chapter, in accordance with the rules and regulations or policies established by the Board not inconsistent with this chapter; and

(3) to pay stipends, including allowances for travel to and from the place of residence, to any individual to study in a program assisted under this chapter upon a determination by the Board that assistance to such individual in such studies will be in furtherance of the purposes of this chapter.

(j) STAFF.—

(1) APPOINTMENT AND COMPENSATION.—The Board shall fix the compensation and number of, and appoint and direct, employees of the Board. Rates of basic pay for employees of the Board may be set and adjusted by the Board without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5.

(2) ADDITIONAL COMPENSATION AND BENEFITS.—The Board may provide additional compensation and benefits to employees of the Board if the same type of compensation or benefits are then being provided by any other Federal bank regulatory agency or, if not then being provided, could be provided by such an agency under applicable provisions of law, rule, or regulation. In setting and adjusting the total amount of compensation and benefits for employees of the Board, the Board shall seek to maintain comparability with other Federal bank regulatory agencies.

(3) FUNDING.—The salaries and expenses of the Board and employees of the Board shall be paid from fees and assessments (including income earned on insurance deposits) levied on insured credit unions under this chapter.

(June 26, 1934, ch. 750, title I, § 120, formerly § 16, 48 Stat. 1221; Dec. 6, 1937, ch. 3, § 3, 51 Stat. 4; July 31, 1946, ch. 711, § 8, 60 Stat. 745; 1947 Reorg. Plan No. 1, § 401, eff. July 1, 1947, 12 F.R. 4534, 61 Stat. 952; June 29, 1948, ch. 711, §§ 1, 2, 62 Stat. 1091; June 30, 1954, ch. 426, § 2, 68 Stat. 336; Aug. 24, 1954, ch. 905, § 3, 68 Stat. 792; renumbered § 21 and amended Pub. L. 86-354, § 1, Sept. 22, 1959, 73

Stat. 635; Pub. L. 90-375, § 2(a), July 5, 1968, 82 Stat. 285; Pub. L. 91-206, §§ 2(1), (3), 4, Mar. 10, 1970, 84 Stat. 49, 50; renumbered title I, § 120, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 95-22, title III, § 306, Apr. 19, 1977, 91 Stat. 52; Pub. L. 95-630, title V, § 502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 97-320, title V, § 526, Oct. 15, 1982, 96 Stat. 1535; Pub. L. 100-86, title VII, § 707, Aug. 10, 1987, 101 Stat. 653; Pub. L. 101-73, title XII, § 1203, Aug. 9, 1989, 103 Stat. 520; Pub. L. 101-144, title III, Nov. 9, 1989, 103 Stat. 864; Pub. L. 103-325, title I, § 120(a), Sept. 23, 1994, 108 Stat. 2188; Pub. L. 109-351, title VII, § 726(10), Oct. 13, 2006, 120 Stat. 2002.)

Editorial Notes

REFERENCES IN TEXT

The Economic Opportunity Act of 1964, referred to in subsec. (f)(2)(B), is Pub. L. 88-452, Aug. 20, 1964, 78 Stat. 508, which was classified generally to chapter 34 (§ 2701 et seq.) of Title 42, The Public Health and Welfare, prior to repeal, except for titles VIII and X, by Pub. L. 97-35, title VI, § 683(a), Aug. 13, 1981, 95 Stat. 519. Titles VIII and X of the Act are classified generally to subchapters VIII (§ 2991 et seq.) and X (§ 2996 et seq.) of chapter 34 of Title 42. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

2006—Subsec. (h). Pub. L. 109-351 substituted “chapter 93 of title 31” for “the Act approved July 30, 1947 (6 U.S.C., secs. 6-13)”.

1994—Subsec. (k). Pub. L. 103-325 struck out subsec. (k) which read as follows: “Notwithstanding any other provision of law, the Board may exercise the authority granted it by the Community Development Credit Union Revolving Loan Fund Transfer Act (Public Law 99-609, sec. 1, Nov. 6, 1986, 100 Stat. 3475) subject only to the rules and regulations prescribed by the Board.”

1989—Subsec. (j). Pub. L. 101-73 added subsec. (j).

Subsec. (k). Pub. L. 101-144 added subsec. (k).

1987—Subsec. (i)(2). Pub. L. 100-86 inserted “acquire and dispose of, by lease or purchase, real or personal property, without regard to the provisions of any other law applicable to executive or independent agencies of the United States,” after “reimbursement,” and “, in accordance with the rules and regulations or policies established by the Board not inconsistent with this chapter” after “this chapter”.

1982—Subsec. (a). Pub. L. 97-320 inserted provisions relating to the special authority of the Board over a central credit union, and such a union’s general prerogatives and liabilities.

1978—Pub. L. 95-630 substituted “Board” for “Administrator” wherever appearing; and “it”, “them”, and “its” for “he”, “him”, and “his”, respectively, where appropriate.

1977—Subsec. (b)(3)(B). Pub. L. 95-22 substituted “member accounts” for “shares”.

1970—Subsecs. (a) to (h). Pub. L. 91-206, § 2(1), (3), substituted “Administrator” for “Director” and “Administration” for “Bureau” wherever appearing.

Subsec. (i). Pub. L. 91-206, § 4, added subsec. (i).

1968—Subsec. (f). Pub. L. 90-375 redesignated existing provisions as par. (1) and added par. (2).

1959—Pub. L. 86-354 made capitalization, punctuation and phraseological changes throughout text; redesignated, in subsec. (b)(3), cls. (i) to (iv) as (A) to (D) and corrected in cl. (A) the final “credit” to read “creditor”; redesignated, in subsec. (b)(4), cls. (i) to (iii) as cls. (A) to (C); and redesignated the second subsec. (b) and subsecs. (c) to (g) as (c) to (h), respectively.

1954—Subsec. (f). Act June 30, 1954, added subsec. (f).

Subsec. (g). Act Aug. 24, 1954, added subsec. (g).

1946—Subsec. (b). Act July 31, 1946, provided a more adequate statutory procedure for the administration of

this chapter by expressly authorizing the liquidation of a Federal credit union and setting up a procedure which will achieve more orderly and complete liquidation.

1937—Subsec. (e). Act Dec. 6, 1937, added subsec. (e).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

Pub. L. 90-375, §2(b), July 5, 1968, 82 Stat. 285, provided that: "The amendments made by subsection (a) [amending this section] shall become effective July 1, 1968."

§ 1767. Fiscal agents and depositories; authorization to secure deposits by governmental bodies

(a) Each Federal credit union organized under this chapter, when requested by the Secretary of the Treasury, shall act as fiscal agent of the United States and shall perform such services as the Secretary of the Treasury may require in connection with the collection of taxes and other obligations due the United States and the lending, borrowing, and repayment of money by the United States, including the issue, sale, redemption, or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States; and to facilitate such purposes the Board shall furnish to the Secretary of the Treasury from time to time the names and addresses of all Federal credit unions with such other available information concerning them as may be requested by the Secretary of the Treasury. Any Federal credit union organized under this chapter, when designated for that purpose by the Secretary of the Treasury, shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary of the Treasury.

(b) Any Federal credit union, upon the deposit with it of any funds by the Federal Government, an Indian tribe, or any State or local government or political subdivision thereof as otherwise authorized by this chapter, is authorized to pledge any of its assets securing the payment of the funds so deposited.

(June 26, 1934, ch. 750, title I, §121, formerly §17, 48 Stat. 1222; 1947, Reorg. Plan No. 1, §401, eff. July 1, 1947, 12 F.R. 4534, 61 Stat. 952; June 29, 1948, ch. 711, §§1, 2, 62 Stat. 1091; renumbered §22, Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 637; amended Pub. L. 91-206, §2(1), Mar. 10, 1970, 84 Stat. 49; renumbered title I, §121, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 95-630, title V, §502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 100-86, title VII, §716, Aug. 10, 1987, 101 Stat. 656.)

Editorial Notes

AMENDMENTS

1987—Pub. L. 100-86 designated existing provisions as subsec. (a) and added subsec. (b).

1978—Pub. L. 95-630 substituted "Board" for "Administrator".

1970—Pub. L. 91-206 substituted "Administrator" for "Director".

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

Executive Documents

TRANSFER OF FUNCTIONS

Transfer of functions of Farm Credit Administration and Governor thereof, generally, see notes set out under section 1751 of this title.

Functions of Governor of Farm Credit Administration under this section transferred to Federal Deposit Insurance Corporation by Reorg. Plan No. 1 of 1947.

§ 1768. Taxation

The Federal credit unions organized hereunder, their property, their franchises, capital, reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; except that any real property and any tangible personal property of such Federal credit unions shall be subject to Federal, State, Territorial, and local taxation to the same extent as other similar property is taxed. Nothing herein contained shall prevent holdings in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders thereof in assessing taxes imposed by authority of the State or political subdivision thereof in which the Federal credit union is located; but the duty or burden of collecting or enforcing the payment of such a tax shall not be imposed upon any such Federal credit union and the tax shall not exceed the rate of taxes imposed upon holdings in domestic credit unions.

(June 26, 1934, ch. 750, title I, §122, formerly §18, 48 Stat. 1222; Dec. 6, 1937, ch. 3, §4, 51 Stat. 4; renumbered §23 and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 637; renumbered title I, §122, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994.)

Editorial Notes

AMENDMENTS

1959—Pub. L. 86-354 substituted "but" for "Provided, however, That" and inserted "a" before "tax".

1937—Act Dec. 6, 1937, inserted tax exemption provision, the real and tangible personal property proviso, provided that responsibility of tax collection would not be imposed upon Federal credit unions, and that tax rate would not exceed that of domestic credit unions.

§ 1769. Separability; right to alter, amend, or repeal chapter

(a) If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provision to other persons or circumstances, shall not be affected thereby.

(b) The right to alter, amend, or repeal this chapter or any part thereof, or any charter