

"AN ACT TO AMEND VARIOUS SECTIONS OF ACT 132 OF 1971, AS AMENDED BY ACT 530 OF 1975, TO CORRECT CERTAIN OMISSIONS AND ERRORS CONTAINED IN ACT 530 OF 1975; TO REQUIRE INSURANCE OF ACCOUNTS THROUGH THE NATIONAL CREDIT UNION ADMINISTRATION FOR STATE-CHARTERED CREDIT UNIONS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 2 of Act 132 of 1971, as amended by act 530 of 1975, is hereby amended to add subsection (7) to read as follows:

"(7) Not later than January 1, 1977, each credit union organized under this Act shall obtain insurance of member share and deposit accounts under the provisions of Title II of the Federal Credit Union act. A credit union which has been denied a commitment for insurance of its share and deposit accounts shall either dissolve, merge with another credit union which is insured under Title II of the Federal Credit Union act or make application in writing to the Supervisor within thirty (30) days of denial of said insurance application, requesting a hearing to demonstrate why an extension of time to obtain an insurance commitment should be granted. An extension shall be granted only upon a showing by the credit union to the satisfaction of the Supervisor that the reason(s) for denial of the application can be remedied within a reasonable time and an insurance commitment procured within the time allotted by the Supervisor. In any event, no extension for obtaining such insurance commitment shall be granted beyond December 31, 1978."

SECTION 2. Subsection (3) of Section 16 of Act 132 of 1971, the same being Arkansas Statutes Section 67-916(3), is hereby amended to read as follows:

"(3) 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 \$6,000.00 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 their loan application."

SECTION 3. Subsection (1) of Section 19 of Act 132 of 1971, the same being Arkansas Statutes Section 67-919(1), is hereby amended to read as follows:

"(1) A share is defined as a term applied to each five dollars (\$5.00) but not more than twenty-five dollars (\$25.00), standing to the share account of a member. The shares of stock of a credit union shall all be common shares of one class and shall have a par value of five dollars (\$5.00) multiples of not less than five dollars (\$5.00) nor more than twenty-five dollars (\$25.00) per share. No certificate shall be issued to denote ownership of a share in a credit union. Shares may be subscribed, paid for, and transferred in such manner as the by-laws may prescribe."

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without

the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 6. EMERGENCY. It is hereby found and determined by the General Assembly that because of the case *Ricarte v. State*, CR 86-31, a question has arisen over the validity of Act 1182 of the Extended Session of 1976; that this Act is a reenactment of the former law; and that the immediate passage of this Act is necessary to clarify the state of the law on this issue. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: April 14, 1987
