

February 28, 1963.

Passed on File. *Banks, Bllyo Loan 3/11*

House File 446

By MENSING and HIRSCH.

Passed House, Date.....

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Vote: Ayes..... Nays.....

Approved.....

A BILL FOR

An Act relating to the declaration of interest refunds by
the board of directors of credit unions.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section five hundred thirty-three point nine
- 2 (533.9) subsection four (4), Code 1962, is hereby amended
- 3 by adding the following after the word "dividends" in line
- 4 one (1): "interest refunds".

EXPLANATION OF HOUSE FILE 446

Many credit unions now make a refund of interest to the borrowers in ratio to the amount of interest paid. The board of directors now declare dividends and therefore interest refund declarations will be consistent with their other responsibilities. At the present time it is necessary to secure approval from the members at the annual meeting one year prior to the time of the interest refund and is also dependent on the decision of the board of directors.