

§ 1771. Conversion from Federal to State credit union and from State to Federal credit union

(a) A Federal credit union may be converted into a State credit union under the laws of any State, the District of Columbia, the several Territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, by complying with the following requirements:

(1) The proposition for such conversion shall first be approved, and a date set for a vote thereon by the members (either at a meeting to be held on such date or by written ballot to be filed on or before such date), by a majority of the directors of the Federal credit union. Written notice of the proposition and of the date set for the vote shall then be delivered in person to each member, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. Approval of the proposition for conversion shall be by the affirmative vote of a majority of the members of the credit union who vote on the proposal. The written notice of the proposition shall in boldface type state that the issue will be decided by a majority of the members who vote.

(2) A statement of the results of the vote, verified by the affidavits of the president or vice president and the secretary, shall be filed with the Administration within ten days after the vote is taken.

(3) Promptly after the vote is taken and in no event later than ninety days thereafter, if the proposition for conversion was approved by such vote, the credit union shall take such action as may be necessary under the applicable State law to make it a State credit union, and within ten days after receipt of the State credit union charter there shall be filed with the Administration a copy of the charter thus issued. Upon such filing the credit union shall cease to be a Federal credit union.

(4) Upon ceasing to be a Federal credit union, such credit union shall no longer be subject to any of the provisions of this chapter. The successor State credit union shall be vested with all of the assets and shall continue responsible for all of the obligations of the Federal credit union to the same extent as though the conversion had not taken place.

(b)(1) A State credit union, organized under the laws of any State, the District of Columbia, the several Territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, may be converted into a Federal credit union by (A) complying with all State requirements requisite to enabling it to convert to a Federal credit union or to cease being a State credit union, (B) filing with the Administration proof of such compliance, satisfactory to the Board, and (C) filing with the Administration an organization certificate as required by this chapter.

(2) When the Board has been satisfied that all of such requirements, and all other requirements of this chapter, have been complied with, the Board shall approve the organization certificate. Upon such approval, the State credit union

shall become a Federal credit union as of the date it ceases to be a State credit union. The Federal credit union shall be vested with all of the assets and shall continue responsible for all of the obligations of the State credit union to the same extent as though the conversion had not taken place.

(June 26, 1934, ch. 750, title I, § 125, formerly § 26, as added Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 638; amended Pub. L. 91-206, § 2(1), (3), Mar. 10, 1970, 84 Stat. 49; renumbered title I, § 125, 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. 97-320, title V, § 527, Oct. 15, 1982, 96 Stat. 1535.)

REFERENCES IN TEXT

For definition of Canal Zone, referred to in text, see section 3602(b) of Title 22, Foreign Relations and Intercourse.

PRIOR PROVISIONS

A prior section 1771, act June 26, 1934, ch. 750, § 21, as added July 9, 1937, ch. 471, 50 Stat. 487, related to allotment of space in Federal buildings, prior to the amendment of act June 26, 1934, by Pub. L. 86-354. See section 1770 of this title.

AMENDMENTS

1982—Subsec. (a)(1). Pub. L. 97-320 substituted “of the credit union who vote on the proposal” for “, in person or in writing”, and inserted provision that the written notice of the proposition shall in boldface type state that the issue will be decided by a majority of the members who vote.

1978—Subsec. (b). Pub. L. 95-630 substituted “Board” for “Administrator” in two places.

1970—Pub. L. 91-206 substituted “Administration” for “Bureau” and “Administrator” for “Director” wherever appearing.

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.

§ 1772. Territorial application of chapter

The provisions of this chapter shall apply to the several States, the District of Columbia, the several Territories, including the trust territories, and possessions of the United States, the Panama Canal Zone, and the Commonwealth of Puerto Rico.

(June 26, 1934, ch. 750, title I, § 126, formerly § 22, as added July 31, 1946, ch. 711, § 7, 60 Stat. 745; amended May 8, 1952, ch. 245, 66 Stat. 66, renumbered § 27 and amended Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 638; renumbered title I, § 126, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-383, title VII, § 726, Aug. 22, 1974, 88 Stat. 720.)

REFERENCES IN TEXT

For definition of Canal Zone, referred to in text, see section 3602(b) of Title 22, Foreign Relations and Intercourse.

AMENDMENTS

1974—Pub. L. 93-383 inserted reference to trust territories.

1959—Pub. L. 86-354 provided for application of chapter to the States, the District of Columbia, the Terri-

tories and possessions of the United States and Puerto Rico and struck out specific reference to the Virgin Islands.

1952—Act May 8, 1952, amended section to extend provisions of this chapter to the Virgin Islands.

§ 1772a. Gifts; acceptance of conditional gifts; deposit

The Board is authorized to accept gifts of money made unconditionally by will or otherwise for the carrying out of any of the functions under this chapter. A conditional gift of money made by will or otherwise for such purposes may be accepted and used in accordance with its conditions, but no such gift shall be accepted which is conditioned upon any expenditure not to be met therefrom or from income thereof unless the Board determines that supplementation of such gift from the fees it may expend pursuant to sections 1755 and 1756 of this title or from any funds appropriated pursuant to section 1766(f)(2)(C) of this title for the purpose of making such expenditure will not adversely affect the sound administration of this chapter. Any such gift shall be deposited in the Treasury of the United States for the account of the Administration and may be expended in accordance with section 1755 of this title or as provided in the preceding sentence.

(June 26, 1934, ch. 750, title I, §127, formerly §28, as added Pub. L. 90-375, §3, July 5, 1968, 82 Stat. 285; amended Pub. L. 91-206, §2(1), (3), Mar. 10, 1970, 84 Stat. 49; renumbered title I, §127, 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.)

AMENDMENTS

1978—Pub. L. 95-630 substituted “Board” for “Administrator” in two places, and “it may expend” for “he may expend”.

1970—Pub. L. 91-206 substituted “Administrator” for “Director” and “Administration” for “Bureau” wherever appearing.

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.

§ 1772b. Apportionment

Notwithstanding any other provision of law, funds received by the Board pursuant to any method provided by this chapter, and interest, dividend, or other income thereon, shall not be subject to apportionment for the purpose of chapter 15 of title 31 or under any other authority.

(June 26, 1934, ch. 750, title I, §128, as added Pub. L. 100-86, title V, §505(e), Aug. 10, 1987, 101 Stat. 633.)

§ 1772c. Trust fund

Notwithstanding any other provision of law, all moneys of the Board shall be treated as trust funds for the purpose of section 906(a)(2)¹ of title

¹ See References in Text note below.

2. This section is effective for fiscal year 1986 and every fiscal year thereafter.

(June 26, 1934, ch. 750, title I, §129, as added Pub. L. 100-86, title VII, §708, Aug. 10, 1987, 101 Stat. 653.)

REFERENCES IN TEXT

Section 906(a) of title 2, referred to in text, was amended generally by Pub. L. 101-508, title XIII, §13101(d)(1), Nov. 5, 1990, 104 Stat. 1388-589, and subsequently repealed by Pub. L. 111-139, title I, §10(a), Feb. 12, 2010, 124 Stat. 21. Provisions similar to those formerly appearing in section 906(a)(2) are now contained in section 906(k)(6) of Title 2, The Congress.

§ 1772c-1. Community development revolving loan fund for credit unions

(a) In general

The Board may exercise the authority granted to it by the Community Development Credit Union Revolving Loan Fund Transfer Act, including any additional appropriation made or earnings accrued, subject only to this section and to regulations prescribed by the Board.

(b) Investment

The Board may invest any idle Fund moneys in United States Treasury securities. Any interest accrued on such securities shall become a part of the Fund.

(c) Loans

The Board may require that any loans made from the Fund be matched by increased shares in the borrower credit union.

(d) Interest

Interest earned by the Fund may be allocated by the Board for technical assistance to community development credit unions, subject to an appropriations Act.

(e) “Fund” defined

As used in this section, the term “Fund” means the Community Development Credit Union Revolving Loan Fund.

(June 26, 1934, ch. 750, title I, §130, as added Pub. L. 103-325, title I, §120(b), Sept. 23, 1994, 108 Stat. 2188.)

REFERENCES IN TEXT

The Community Development Credit Union Revolving Loan Fund Transfer Act, referred to in subsec. (a), is Pub. L. 99-609, Nov. 6, 1986, 100 Stat. 3475, which is set out as a note under section 9822 of Title 42, The Public Health and Welfare.

§ 1772d. Forfeiture of organization certificate for money laundering or cash transaction reporting offenses

(a) Forfeiture of franchise for money laundering or cash transaction reporting offenses

(1) Conviction of title 18 offenses

(A) Duty to notify

If a credit union has been convicted of any criminal offense under section 1956 or 1957 of title 18, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.