

7-9-5 Powers of credit unions.

In addition to the powers specified elsewhere in this chapter and subject to any limitations specified elsewhere in this chapter, a credit union may:

- (1) make contracts;
- (2) sue and be sued;
- (3) acquire, lease, or hold fixed assets, including real property, furniture, fixtures, and equipment as the directors consider necessary or incidental to the operation and business of the credit union, but the value of the real property may not exceed 7% of credit union assets, unless approved by the commissioner;
- (4) pledge, hypothecate, sell, or otherwise dispose of real or personal property, either in whole or in part, necessary or incidental to its operation;
- (5) incur and pay necessary and incidental operating expenses;
- (6) require an entrance or membership fee;
- (7) receive the funds of its members in payment for:
 - (a) shares;
 - (b) share certificates;
 - (c) deposits;
 - (d) deposit certificates;
 - (e) share drafts;
 - (f) NOW accounts; and
 - (g) other instruments;
- (8) allow withdrawal of shares and deposits, as requested by a member orally to a third party with prior authorization in writing, including drafts drawn on the credit union for payment to the member or any third party, in accordance with the procedures established by the board of directors, including drafts, third-party instruments, and other transaction instruments, as provided in the bylaws;
- (9) charge fees for its services;
- (10) extend credit to its members, at rates established in accordance with the bylaws or by the board of directors;
- (11) extend credit secured by real estate;
- (12)
 - (a) subject to Subsection (12)(b), make co-lending arrangements, including loan participation arrangements, in accordance with written policies of the board of directors with one or more:
 - (i) other credit unions;
 - (ii) credit union service organizations; or
 - (iii) other financial organizations; and
 - (b) make co-lending arrangements, including loan participation arrangements, in accordance with Subsection (12)(a) subject to the following:
 - (i) the credit union or credit union service organization that originates a loan for which co-lending arrangements are made shall retain an interest of at least 10% of the loan;
 - (ii) on or after May 5, 2003, the originating credit union or credit union service organization may sell to a credit union an interest in a co-lending arrangement that involves a member-business loan only if the person receiving the member-business loan is a member of the credit union to which the interest is sold;
 - (iii) on or after May 5, 2003, the originating credit union or credit union service organization may sell to a credit union service organization an interest in a co-lending arrangement that involves a member-business loan only if the person receiving the member-business loan is

- a member of a credit union that holds an interest in the credit union service organization to which the interest is sold; and
- (iv) a nonexempt credit union may not originate, participate in, or obtain any interest in a co-lending arrangement, including a loan participation arrangement, in violation of Section 7-9-58;
- (13) sell and pledge eligible obligations in accordance with written policies of the board of directors;
 - (14) engage in activities and programs of the federal government or this state or any agency or political subdivision of the state, when approved by the board of directors and not inconsistent with this chapter;
 - (15) act as fiscal agent for and receive payments on shares and deposits from the federal government, this state, or its agencies or political subdivisions not inconsistent with the laws of this state;
 - (16) borrow money and issue evidence of indebtedness for a loan or loans for temporary purposes in the usual course of its operations;
 - (17) discount and sell notes and obligations;
 - (18) sell all or any portion of its assets to another credit union or purchase all or any portion of the assets of another credit union;
 - (19) invest funds as provided in this title and in its bylaws;
 - (20) maintain deposits in insured depository institutions as provided in this title and in its bylaws;
 - (21)
 - (a) hold membership in corporate credit unions organized under this chapter or under other state or federal statutes; and
 - (b) hold membership or equity interest in associations and organizations of credit unions, including credit union service organizations;
 - (22) declare and pay dividends on shares, contract for and pay interest on deposits, and pay refunds of interest on loans as provided in this title and in its bylaws;
 - (23) collect, receive, and disburse funds in connection with the sale of negotiable or nonnegotiable instruments and for other purposes that provide benefits or convenience to its members, as provided in this title and in its bylaws;
 - (24) make donations for the members' welfare or for civic, charitable, scientific, or educational purposes as authorized by the board of directors or provided in its bylaws;
 - (25) act as trustee of funds permitted by federal law to be deposited in a credit union as a deferred compensation or tax deferred device, including individual retirement accounts as defined by Section 408, Internal Revenue Code;
 - (26) purchase reasonable accident and health insurance, including accidental death benefits, for directors and committee members through insurance companies licensed in this state as provided in its bylaws;
 - (27) provide reasonable protection through insurance or other means to protect board members, committee members, and employees from liability arising out of consumer legislation including truth-in-lending and equal credit laws and as provided in its bylaws;
 - (28) reimburse directors and committee members for reasonable and necessary expenses incurred in the performance of their duties;
 - (29) participate in systems which allow the transfer, withdrawal, or deposit of funds of credit unions or credit union members by automated or electronic means and hold membership in entities established to promote and effectuate these systems, if:
 - (a) the participation is not inconsistent with the law and rules of the department; and
 - (b) any credit union participating in any system notifies the department as provided by law;

- (30) issue credit cards and debit cards to allow members to obtain access to their shares, deposits, and extensions of credit;
- (31) provide any act necessary to obtain and maintain membership in the credit union;
- (32) exercise incidental powers necessary to carry out the purpose for which a credit union is organized;
- (33) undertake other activities relating to its purpose as its bylaws may provide;
- (34) engage in other activities, exercise other powers, and enjoy other rights, privileges, benefits, and immunities authorized by rules of the commissioner;
- (35) act as trustee, custodian, or administrator for Keogh plans, individual retirement accounts, credit union employee pension plans, and other employee benefit programs; and
- (36) advertise to the general public the products and services offered by the credit union if the advertisement prominently discloses that to use the products or services of the credit union a person is required to:
 - (a) be eligible for membership in the credit union; and
 - (b) become a member of the credit union.

Amended by Chapter 378, 2010 General Session