

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 90

HOUSE BILL 2478

AN ACT

AMENDING SECTION 6-561, ARIZONA REVISED STATUTES; RELATING TO CREDIT UNION
LOANS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-561, Arizona Revised Statutes, is amended to
3 read:

4 6-561. Purpose and conditions of loans; prepayment penalties

5 A. A credit union may make loans, including lines of credit, to
6 members for the purposes and on the conditions as the bylaws provide. The
7 board of directors shall establish written policies with respect to the
8 granting of loans including the terms, conditions and acceptable forms of
9 security.

10 B. No person, except another credit union, may become indebted,
11 directly or indirectly, to the credit union for more than ten per cent of the
12 credit union's capital or two hundred dollars, whichever is greater. This
13 limit does not apply to loans which are fully secured by assignment of share
14 or deposit accounts in the credit union.

15 C. An application for a loan shall state the security and other
16 information required by the credit committee or credit manager. Each loan
17 shall be evidenced by a written document.

18 D. A member may repay a loan or outstanding balance on a line of
19 credit prior to maturity in whole or in part on any business day without
20 penalty. EXCEPT AS PROVIDED IN THIS SUBSECTION, PREPAYMENT PENALTIES MAY BE
21 CHARGED ON MEMBER BUSINESS LOANS AS DEFINED BY THE NATIONAL CREDIT UNION
22 ADMINISTRATION IN 12 CODE OF FEDERAL REGULATIONS SECTION 723.1.

APPROVED BY THE GOVERNOR APRIL 18, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2007.