

Chapter 723

Credit Unions

723.010	Use of words "credit union" restricted	723.290	Withdrawal and expulsion of members
723.020	Application of tax statutes to credit unions	723.350	Oath of directors, officers and committee members
723.030	Superintendent of Banks to prescribe rules	723.360	Qualification of directors, officers and committee members
723.040	Formation of credit union; organization certificate	723.370	Terms of membership on board and committees
723.050	Contents of proposed bylaws; filing	723.380	General powers and duties of directors relating to management, meetings and loans; compensation
723.060	Examination, approval or disapproval of organization certificate; disposition of bylaws	723.390	Specific powers and duties of directors
723.070	Approval of proposed bylaws and organization certificate; powers incident to completion of organization	723.400	Credit committee duties and powers, compensation, composition in rural areas; loans, application, appeal from rejection
723.080	Authorization certificate	723.410	Supervisory committee powers, duties and compensation
723.090	Failure to commence business; forfeiture of rights and privileges; certificate of forfeiture; extension of time	723.420	Powers and duties of officers; compensation of treasurer
723.100	Amendment of bylaws	723.430	Loans to nonmembers; personal liability
723.110	Power to change location of business	723.440	Official communications; submission to directors and supervisory committee
723.120	General powers of credit unions	723.510	Annual and special reports; failure to report
723.130	Prohibited acts	723.520	Extension of time for filing reports
723.210	Capital	723.530	Examinations; fees
723.220	Deposit of funds	723.540	Revocation of authorization certificate
723.230	Credit unions to establish guaranty fund	723.550	Procedure for dissolution
723.240	Profit and loss account; fiscal year	723.560	Continuance of existence for certain purposes after dissolution or forfeiture
723.250	Payment of dividends	723.990	Penalties
723.260	Division of losses among shareholders		
723.270	Shares, exemption from execution; individual liability		
723.280	Meetings of shareholders; voting rights		

CROSS REFERENCES

723.030	Administrative orders of state agencies, Ch. 183	723.290	Stockholders' liability, Const. Art. XI, § 3
723.040	Application of securities statutes, 59.110	723.410	Action for usurpation of office, 30.510
723.080	Acting as corporation without being incorporated, 30.510	723.550	Merger and consolidation of corporations, 57.455 to 57.490
	Action to annul corporate existence, 30.570		
723.120	Private corporations generally, Ch. 57, 57.025, 57.796		
	Usurious interest, 82.010		

723.010 Use of words "credit union" restricted. No persons other than those authorized as provided in this chapter shall use any name or title which contains the two words "credit" and "union."

723.020 Application of tax statutes to credit unions. Any credit union subject to this chapter shall be deemed an institution for savings within the meaning of the law which exempts such institutions from taxation. No law, except as stated in this section, which taxes corporations in any form, or the shares thereof or the accumulations therein, shall apply to corporations doing business in accordance with this chapter unless such corporations are specifically named in the law. However, corporations created under this chapter shall be subject to the same tax as mutual savings and loan associations.

723.030 Superintendent of Banks to prescribe rules. The Superintendent of Banks shall have the power to prescribe such rules and regulations as may be reasonable or necessary to carry out the purposes and provisions of this chapter.

723.040 Formation of credit union; organization certificate. When authorized by the Superintendent of Banks, as provided by this chapter, seven or more persons employed or residing in this state may form a corporation to be known as a credit union. Such persons shall subscribe, acknowledge and submit, together with a filing fee of \$5, to the Superintendent of Banks at his office, an organization certificate in triplicate, which specifically shall state:

(1) The name of the corporation, which shall include the words "credit union."

(2) The place where its business is to be transacted. If the condition of membership is employment of its members by a certain individual, partnership or corporation, the place of business of such individual, partnership or corporation may be stated as the place of business of such credit union.

(3) The par value of the shares, which shall not exceed \$25.

(4) The full name, residence and post-office address of each of the incorporators and the number of shares subscribed for by each.

(5) The term of its existence, which may be perpetual.

(6) The number of its directors, which shall be not less than five, and the names of the incorporators, who shall be its directors

until the first annual meeting of shareholders.

723.050 Contents of proposed bylaws; filing. At the time of submitting the organization certificate the incorporators also shall subscribe and acknowledge and submit to the Superintendent of Banks at his office for approval proposed bylaws, in duplicate, which shall prescribe the manner in which the business of the credit union shall be conducted with reference to the following matters:

(1) The purposes of the corporation.

(2) The qualifications for membership.

(3) The date during the month of January of the annual meeting, the manner of conducting meetings, the method by which members shall be notified of meetings and the number of members which shall constitute a quorum.

(4) The number of directors necessary to constitute a quorum, and the compensation and duties of officers elected by the directors.

(5) The powers and duties of the credit committee and the number of members, not less than three, of which it shall be composed.

(6) The powers and duties of the supervisory committee and the number of members, not less than three, of which it shall be composed.

(7) The conditions upon which shares may be issued, paid for, transferred and withdrawn.

(8) The fines, if any, which shall be charged for failure to meet obligations to the corporation punctually.

(9) The conditions upon which deposits may be received and withdrawn.

(10) The manner in which the funds of the corporation shall be employed.

(11) The conditions upon which loans may be made and repaid.

(12) The maximum rate of interest that may be charged upon loans.

(13) The method of receipting for money paid on account of shares, deposits or loans.

(14) The manner in which the guaranty fund shall be accumulated.

(15) The manner in which dividends shall be determined and paid to members.

(16) Whether the members shall be equally and ratably liable for the payment of the debts of the corporation.

723.060 Examination, approval or disapproval of organization certificate; disposition of bylaws. (1) When any certificate is filed for examination the Superintendent of Banks thereupon shall ascertain from the best sources of information at his command, and by such investigation as he may deem necessary, whether the character, responsibility and general fitness of the persons named in such certificate are such as to command confidence and warrant belief that the business of the proposed corporation will be honestly and efficiently conducted in accordance with the intent and purpose of this chapter, and whether the public convenience and advantage will be promoted by allowing the proposed corporation to engage or continue in business.

(2) After the superintendent has satisfied himself by such investigation whether it is expedient and desirable to permit the proposed corporation to engage or continue in business, he shall, within 60 days after the date of the filing of the certificate for examination, indorse upon each of the triplicates thereof over his official signature the word "Approved" or the word "Refused," with the date of such indorsement.

(3) In case of refusal he shall forthwith return two of the triplicates so indorsed to the proposed incorporators from whom the certificate was received.

(4) In case of approval he shall forthwith give notice thereof to the proposed incorporators and return to them one of the triplicate certificates, file another in his own office and the third in the office of the clerk of the county in which the place of business of such proposed corporation is located.

(5) When the Superintendent of Banks has indorsed his approval on the proposed bylaws, he shall return one of the duplicates thereof to the proposed incorporators and file the other in his office.

723.070 Approval of proposed bylaws and organization certificate; powers incident to completion of organization. When the Superintendent of Banks has indorsed his approval on the proposed bylaws and on the organization certificate, as provided by ORS 723.060, the corporate existence of the credit union shall begin. Upon the adoption of the bylaws it shall have power to transact business incident to the completion of organization, including the election of a credit committee and a supervisory committee to serve

until the first annual meeting of shareholders and the acceptance of payments on account of shares and entrance fees from the incorporators and such other persons duly elected to membership by the directors. However, no other business shall be transacted until the superintendent has duly issued to it the authorization certificate as specified in ORS 723.080.

723.080 Authorization certificate. Before authorizing any corporation to begin or continue business the Superintendent of Banks shall be satisfied that the corporation has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to commencing business imposed by this chapter. If so satisfied, the superintendent shall, within six months after the date on which the organization certificate was filed by him for examination, but in no case after the expiration of that period, issue under his hand and official seal, in triplicate, an authorization certificate to the persons named in the organization certificate. The authorization certificate shall state that the corporation named therein has complied with the provisions of this chapter and with all the requirements of law and that it is authorized to transact within this state all business specified therein. One of the triplicate authorization certificates shall be transmitted by the superintendent to the corporation, thereby authorized to commence or continue business, another shall be filed in the office of the superintendent and the third shall be filed by the superintendent in the county clerk's office wherein the organization certificate of the corporation was filed by him. The superintendent and the county clerk shall, respectively, attach the authorization certificate to the corporation organization certificate previously filed in his office.

723.090 Failure to commence business; forfeiture of rights and privileges; certificate of forfeiture; extension of time. Any credit union created under this chapter which does not commence business within one year after the authorization certificate is issued to it by the Superintendent of Banks shall forfeit its rights and privileges as a corporation, which fact the superintendent shall certify to the county clerk in whose office the authorization certificate was filed, and the certificate of forfeiture shall be filed and recorded in such office in the same manner as the authorization cer-

tificate. However, the Superintendent of Banks may, for satisfactory cause shown to him, by an order under his hand and official seal, extend for not more than one year the time within which the organization may commence to do business, the order to be transmitted to the office wherein the authorization certificate was filed and recorded.

723.100 Amendment of bylaws. The bylaws of a credit union may be changed or amended by a three-fourths vote of the shareholders present at any meeting. However, the proposed change or amendment shall first have the approval of the Superintendent of Banks. A copy of any change or amendment thus adopted shall be filed in the office of the Superintendent of Banks within 30 days after its adoption. Any credit union deeming itself aggrieved by the refusal of the superintendent to approve a proposed change or amendment may obtain redress in the same manner as is provided for redress from other decisions of the Superintendent of Banks, as provided in ORS 707.150 or as may otherwise be provided.

723.110 Power to change location of business. Any credit union may make a written application to the Superintendent of Banks for leave to change its place of business to another place in the same county. The application shall state the reasons for the proposed change and shall be signed and acknowledged by a majority of its board of directors. The Superintendent of Banks shall determine whether or not the change in location is advisable or justified and whether the public convenience and advantage will be promoted, and shall, at his discretion, approve or disapprove the change of location. If the superintendent grants his certificate authorizing the change of location, as provided by law, the credit union may, upon or after the day specified, remove its property and effects to the location designated therein. Thereafter its place of business shall be the location so specified. It shall have all the rights and powers in the new location which it possessed at its former location.

723.120 General powers of credit unions. In addition to the powers conferred by the general corporation law a credit union shall, subject to the restrictions and limitations contained in this chapter and in its bylaws, have the following powers:

(1) To issue shares to persons qualified for membership.

(2) To charge an entrance fee to subscribers for such shares.

(3) To charge a reasonable fee for the transfer of its shares.

(4) To receive the savings of its members in payment of shares or on deposit.

(5) To lend money to its members upon such terms and conditions as its bylaws provide and as the credit committee shall approve at rates not exceeding one percent per month on unpaid balances, inclusive of all charges incident to the making of such loans. However, the fees paid out to any public officer for filing or recording in any public office any instrument securing such loans, or the premium cost of chattel mortgage non-filing insurance carried by a credit union in lieu of such filing or recording, and the premium cost of any insurance covering chattels or property mortgaged to a credit union to secure such loans shall not be deemed to be charges incident to the making of such loans.

(6) To deposit any money received by it and not lent to members, as provided in ORS 723.220.

(7) To borrow money to an amount not exceeding 40 percent of the capital of such corporation, except where the capital is less than \$5,000, in which event such credit union may borrow any amount up to \$2,000.

(8) To reduce its liability to shareholders, as provided in ORS 723.260.

(9) To fine members for failure to meet obligations to such credit union punctually.

(10) To expel members, as provided in ORS 723.290.

(11) To impress and enforce a lien upon the shares, dividends, deposits and accumulation of interest on deposits of any member to the extent of any loans made to him directly or indirectly or on which he is surety and for any other sum payable by him to the credit union.

(12) To cancel the shares and deposits of any member who withdraws or is expelled, and apply the withdrawal value thereof to the liquidation of that member's indebtedness to the corporation.

(13) To hold shares in and make deposits with other credit unions.

723.130 Prohibited acts. No credit union shall:

(1) Pay any commission or compensa-

tion for securing members or for the sale of its shares.

(2) Make any loan or loans to any one member which in the aggregate exceed \$150 unless security therefor is taken. However, if the assets of the credit union are \$100,000 or more the amount of any loan or loans to any one member without security may equal but not exceed \$300 in the aggregate. The term "security" within the meaning of this subsection includes an assignment of shares or the indorsement of a note.

(3) Make any loan or loans to any one member which in the aggregate exceed \$100 or 10 percent of the paid-in and unimpaired capital, whichever is greater. The loan limitation prescribed by this subsection shall include the aggregate liability to the credit union of any one member, as maker and indorser and guarantor.

(4) Impose any fine exceeding two percent per month or fraction of a month on amounts due, except that a minimum fine of five cents per month or fraction thereof may be imposed.

(5) Permit any director, officer or member of the credit committee or supervisory committee to borrow from the credit union unless such loan was approved at a regularly called meeting of the members of the corporation by a majority vote of those present, and the notice of such meeting stated that the question of loans to directors, officers or members of committees would be considered at such meeting. However, any director, officer or committee member may be permitted to borrow to the extent of his individual holdings in the credit union represented by shares and deposits without the approval of the members of the corporation. No director, officer or committee member shall be permitted to borrow indirectly or become surety for any loan or advance made by the corporation.

(6) Issue shares or accept deposits in trust, except in the name of the trustee, as such, for a specified beneficiary whose residence shall be disclosed to the credit union by such trustee.

(7) Issue any shares except to those qualified for membership under its bylaws, and unless there is printed upon the certificate or other evidence of such shares the words "transferable only to qualified members."

(8) Lend to any of its members without requiring at the time of such loan an assignment of such member's shares in the credit

union, but in no event shall the credit union have physical possession of the member's passbook or other evidence of membership.

723.140 to 723.200 [Reserved for expansion]

723.210 Capital. The capital of a credit union shall consist of the payments made by members on shares and dividends credited thereon.

723.220 Deposit of funds. The capital, deposits, undivided profits and guaranty fund of any credit union may be deposited in one or more savings banks, state banks, trust companies or other credit unions, incorporated under the laws of this state, or in national banks located in the state.

723.230 Credit unions to establish guaranty fund. Every credit union shall create a guaranty fund which shall in no case exceed the capital of the corporation, plus 50 percent of its other liabilities, and which shall be held to meet contingencies until the corporation is dissolved, when it may be distributed among the shareholders. The guaranty fund shall be created and regulated as follows:

(1) All entrance fees, transfer fees and fines remaining after the payment of organization expenses shall be set aside to the fund.

(2) At the close of each fiscal year 25 percent of the net earnings of the corporation for the year shall be carried to the fund. However, upon the recommendation of the board of directors, the shareholders, at the annual meeting, may increase or, if such fund equals or exceeds its capital, may decrease the proportion of net earnings to be thus set aside.

(3) Any sums recovered on items previously charged to it shall be credited to the fund. Losses incurred by a credit union may be charged to its guaranty fund.

723.240 Profit and loss account; fiscal year. (1) On and after the date of the close of each fiscal year, in order to determine whether a dividend may be declared and the amount thereof, the earnings from all sources may be credited to the credit union's profit and loss account and the following items shall be charged against that account:

(a) All expenses paid or incurred of whatever nature in the management of its

affairs, the collection of its debts or the transaction of its business.

(b) The interest paid, or accrued and unpaid, on debts owing by it.

(c) All losses sustained by it in excess of its guaranty fund. The credit balance of the profit and loss account as thus determined shall constitute the undivided profits of the credit union at the close of such period, and shall be applicable to the payment of dividends, except as provided in ORS 723.250.

(2) The fiscal year of every credit union shall end at the close of business on December 31.

723.250 Payment of dividends. (1) The directors of any credit union may, at the close of each fiscal year, declare such dividend from its undivided profits as they shall judge expedient. However, no dividend shall be declared in excess of six percent per annum and no credit union shall declare, credit or pay any dividend to its shareholders until it has:

(a) Made good any existing impairment of its capital.

(b) Carried to its guaranty fund such part of its net earnings as is required by ORS 723.230.

(2) Only fully paid shares outstanding at the end of the fiscal year shall be entitled to dividends, and shares which have been fully paid during any year in which dividends are declared shall be entitled only to a proportionate part of such dividends calculated from the first day of the month following such payment in full.

723.260 Division of losses among shareholders. Whenever the losses of any credit union resulting from depreciation in the value of its securities or otherwise, exceed its undivided profits and guaranty fund, so that the estimated value of its assets is less than the total amount due its shareholders, the board of directors may, with the written approval of the Superintendent of Banks, order a reduction of the liability to each of its shareholders, so as to divide the loss equitably among such shareholders. If thereafter the credit union realizes from such assets a greater amount than was fixed in the order of reduction, such excess shall be divided among the shareholders whose assets were reduced, but to the extent of such reduction only.

723.270 Shares, exemption from execution; individual liability. The shares of members of any credit union and all accumulations on such shares shall be exempt from sale on execution and proceedings supplementary thereto to the amount of \$600. Unless the bylaws so provide, the shareholders of a credit union shall not be individually liable for the payment of its debts.

723.280 Meetings of shareholders; voting rights. (1) At all meetings of shareholders of every credit union each shareholder shall have one vote, irrespective of the number of shares which he holds, and no shareholder may vote by proxy.

(2) At any annual or special meeting a decision of the board of directors may be overruled by a majority vote of all the shareholders.

(3) An annual meeting for the election of directors, credit committee members and a supervisory committee, shall be held during the month of January upon such notice and at such time and place as the bylaws provide.

(4) At the request of 10 members or by order of the directors or the supervisory committee, special meetings may be held after notice to the members as provided in the bylaws.

723.290 Withdrawal and expulsion of members. A member desiring to withdraw from a credit union shall file a written notice of his intention to withdraw. The board of directors may expel any member who has not carried out his engagements with the credit union, who has been convicted of a criminal offense, who neglects or refuses to comply with the provisions of this article or of the bylaws, who habitually neglects to pay his debts or who becomes insolvent or bankrupt. The members at any regularly called meeting may expel any member whose private life is a source of scandal, but no member shall be expelled until he has been informed in writing of the charges against him and shall have had reasonable opportunity to be heard. Members of a credit union who withdraw or are expelled shall not be relieved of any liability to the corporation. The amounts paid in on shares or deposited by such members, together with any dividends credited to their shares and any interest which has accrued on their deposits, shall be repaid to them in the order of their withdrawal or expulsion, as funds become available therefor, but the credit union may

deduct from such payments any sums due it from such members.

723.300 to 723.340 [Reserved for expansion]

723.350 Oath of directors, officers and committee members. Each director, officer and committee member, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the credit union, and will not knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to such corporation, and that he is the owner in good faith and in his own right of at least one share subscribed for by him or standing in his name on the books of the credit union. The oath shall be subscribed by the directors, officers and members of committees making it, verified by an officer authorized by law to administer oaths and immediately transmitted to the Superintendent of Banks.

723.360 Qualification of directors, officers and committee members. Every director, officer and committee member of a credit union shall be a shareholder in his own right. Every person elected to be a director, officer or committee member, who thereafter ceases to be the owner in his own right of his qualifying share, thereby shall vacate his office, and shall not be eligible for re-election as a director, officer or committee member for a period of one year from the date of the next succeeding annual meeting.

723.370 Terms of membership on board and committees. The directors and members of the credit and supervisory committees shall hold office for such terms as the bylaws may provide, and, unless sooner disqualified or removed, shall serve until the annual meeting of shareholders following the termination of the periods for which they are elected and until their successors are elected and have qualified. However, no director or member of the credit committee shall be elected for a term of more than three years and no member of the supervisory committee shall be elected for a term of more than one year.

723.380 General powers and duties of directors relating to management, meetings and loans; compensation. (1) The board of directors of every credit union shall have

the general management of the affairs, funds and records of the corporation.

(2) The directors shall hold a meeting during organization of the credit union and shall hold an annual meeting within 10 days after each annual meeting of the shareholders. Such meetings shall be for the purpose of electing a president, vice president, secretary and treasurer of the corporation and performing such other duties as prescribed in the bylaws of the corporation. If the bylaws so provide the directors may elect the same person as secretary and treasurer.

(3) Whenever the directors deem any loan unsafe they may, in their discretion, require additional security to be given by the borrower, and, if such security is not furnished as required by them, they may declare the loan due and take action to collect it.

(4) No member of the board of directors shall receive any compensation for his services as a member of the board.

723.390 Specific powers and duties of directors. Unless the bylaws expressly reserve any or all of the following duties to the shareholders, it shall be the special duty of the directors:

(1) To act upon all applications for membership and to expel members.

(2) To fix the amount of surety bond required of each officer having the control or custody of funds.

(3) To determine, from time to time, the rate of interest which shall be allowed on deposits and charged on loans.

(4) To fix the maximum number of shares which may be held by, and the maximum amount which may be lent to, any one member.

(5) To declare dividends.

(6) To recommend amendments to the bylaws.

(7) To fill vacancies in the board of directors or in the credit committee.

(8) To direct the deposit or investment of funds, except loans to members, and to perform such other duties as the bylaws may prescribe.

(9) To employ such clerical help as may be necessary.

723.400 Credit committee, duties and powers, compensation, composition in rural areas; loans, application, appeal from rejection. The credit committee of every credit union shall meet as often as necessary, after due notice has been given to each member,

for the purpose of passing upon applications of members for loans and advances. Every such application must be made in writing and must state the purpose for which the loan is desired and the security offered. No loan shall be made unless the application has received the unanimous approval of the members of the committee present at the meeting, provided that a majority of the committee is present. Any applicant for a loan may appeal from the decision of the credit committee to the board of directors. In no case shall a member of the credit committee receive any compensation for his services as a member of the committee, or serve as a member of the supervisory committee. If a credit union is located elsewhere than in a city, its board of directors may, if the bylaws so provide, act as its credit committee.

723.410 Supervisory committee powers, duties and compensation. (1) The supervisory committee shall have power:

(a) To suspend at any time, by unanimous vote, at a meeting called for that purpose, the credit committee or any member of the board of directors or any officer.

(b) By a majority vote, to call a meeting of the shareholders to consider any violation of this chapter or the bylaws, or any practices of the credit union which, in the opinion of the committee, are unsafe or unauthorized.

(2) The supervisory committee shall:

(a) Inspect the securities, cash and accounts of the credit union and supervise the acts of its board of directors, officers and credit committee.

(b) Within seven days after the suspension of the credit committee, cause notice of a special meeting to be given to the shareholders to take action regarding such suspension as may be deemed necessary.

(c) Fill vacancies in the supervisory committee until the next annual meeting of the shareholders.

(d) At the close of each fiscal year, make an audit of the books and records and an examination of the business and affairs of the credit union for the year, make a full report of its assets and liabilities, receipts and disbursements to the board of directors, cause such report to be read at the annual meeting of shareholders and filed with the records of the credit union.

(e) Verify or cause to be verified the passbooks and accounts of all members with

the records of the treasurer not less frequently than once each year.

(3) In no case shall a member of the supervisory committee receive any compensation for his services as a member of such committee or serve as a member of the credit committee.

723.420 Powers and duties of officers; compensation of treasurer. Except as otherwise provided by law, the powers and duties of the officers of any credit union shall be such as are prescribed in the bylaws. The treasurer may be compensated in such amount as the directors may determine, subject to the approval of the members at the annual meeting, or a special meeting called for that purpose.

723.430 Loans to nonmembers; personal liability. Any officer, director or member of a committee of a credit union who knowingly permits a loan to be made or participates in a loan to a nonmember of the corporation shall be primarily liable to the corporation for the amount thus illegally loaned. The illegality of such loan shall be no defense in any action by the corporation to recover the amount loaned.

723.440 Official communications; submission to directors and supervisory committee. Every official communication directed by the Superintendent of Banks or one of his deputies to a credit union or to any officer thereof, relating to an investigation or examination conducted by the State Banking Department or containing suggestions or recommendations as to the conduct of the business of the credit union, shall be submitted by the officer receiving it to the board of directors and to the supervisory committee at the next meeting of such board or committee and duly noted in the minutes of the meeting.

723.450 to 723.500 [Reserved for expansion]

723.510 Annual and special reports; failure to report. (1) On or before February 1 in each year every credit union shall make a written report to the Superintendent of Banks which shall contain a statement of its condition at the close of business on December 31 of the preceding year and shall be in the form and contain the matters prescribed by the superintendent. Every such report shall be verified by the oaths of the president, treasurer, secretary and a majority of

the members of the supervisory committee. The verification shall state that the report is true and correct in all respects to the best of the knowledge and belief of the persons verifying it, and that the usual business of the credit union has been transacted at the location required by this chapter and not elsewhere.

(2) Every credit union shall make such other special reports to the Superintendent of Banks as he may require, which shall be in such form and filed at such date as may be prescribed by the superintendent and shall, if required by him, be verified in such manner as he may prescribe.

(3) If any credit union fails to make any report required by this section on or before the day designated for the making thereof, or fails to include therein any matter required by the superintendent, such credit union shall forfeit to the people of the state the sum of \$5 for every day that such report is delayed or withheld, and for every day that it fails to report any such omitted matter, unless the time therefor has been extended by the superintendent, as provided by ORS 723.520.

723.520 Extension of time for filing reports. For satisfactory cause shown to him the Superintendent of Banks may extend for not exceeding 20 days the time within which the credit union is required to make and file any report to the superintendent.

723.530 Examinations; fees. (1) Each credit union is under the supervision of the Superintendent of Banks and shall be examined by him or his duly appointed examiner at least annually and whenever the Superintendent of Banks deems it necessary or expedient. To defray the costs of supervision and examination, every credit union shall pay to the Superintendent of Banks, when each examination is made, a fee based on the total assets of the credit union at the time of such examination according to the following schedule:

(a)	Assets over	And not over	Fee
	\$ 0	\$ 1,000	\$ 10
	1,000	5,000	20
	5,000	15,000	30
	15,000	25,000	50
	25,000	50,000	60
	50,000		75

(b) In addition thereto, the credit union shall pay at the same time an amount equal to one-tenth of one percent of its total out-

standing loans not in excess of \$500,000, plus one one-hundredth of one percent thereof in excess of \$500,000, excepting loans to other credit unions.

(2) The Superintendent of Banks may, as it may appear to him advisable, reduce the fees to be collected for supervision and examination of credit unions.

(3) Whenever any extra attention is devoted to the affairs of a credit union by the Superintendent of Banks, as may be considered by him to be necessary or expedient or as may be requested by the credit union, the fee for such extra service shall be the actual cost thereof.

723.540 Revocation of authorization certificate. If, after the issuance of an authorization certificate, the Superintendent of Banks determines that the credit union is insolvent or is violating any provisions of its bylaws or of this chapter or of any rules and regulations prescribed thereunder, the superintendent may serve notice on the credit union of his intention to revoke the authorization certificate. If for a period of 15 days after the notice the violation continues, the superintendent may revoke the certificate and take possession of the business and property of the credit union and maintain possession until such time as he shall permit it to continue business or its affairs are fully liquidated.

723.550 Procedure for dissolution. Any credit union organized under this chapter may, at any special meeting of the stockholders which is called for such purpose, by a vote of four-fifths of the entire membership of the union, authorize the dissolution of the credit union. However, after the dissolution meeting a statement containing the members' consent to the dissolution and the names and addresses of the officers and directors of the credit union, attested by a majority of the officers of the credit union, shall be filed with the Superintendent of Banks, who shall make an examination of the condition of such credit union. If it is found solvent, he shall issue to the credit union in duplicate a certificate to the effect that this chapter has been complied with. One of the certificates shall be filed by the credit union with the county clerk of the county in which the credit union is located, whereupon the credit union shall be dissolved and shall cease to carry on business

except for the purpose of liquidation and closing out its business.

723.560 Continuance of existence for certain purposes after dissolution or forfeiture. All credit unions organized under this chapter, that expire by limitation specified in their organization certificates or are dissolved by virtue of ORS 723.550, or are annulled by forfeiture or other cause by the judgment of a court, continue to exist as

bodies corporate for a period of five years thereafter, if necessary, for the purpose of prosecuting or defending actions, suits or proceedings by or against them, settling their business, disposing of their property and dividing their capital stock, but not for the purpose of continuing their corporate business.

723.990 Penalties. Violation of ORS 723.010 is a misdemeanor.

