

CREDIT UNION (AMENDMENT) ACT.

New South Wales



ANNO VICESIMO

ELIZABETHÆ II REGINÆ

Act No. 23, 1971.

An Act to make further provision with respect to the granting of loans by a credit union; to remove in certain circumstances the limitation on borrowing imposed on certain credit unions; to permit certain liens and charges to be included in the liquid funds of a credit union; to restrain certain persons from acting as directors of a credit union; for these and other purposes to amend the Credit Union Act, 1969; and for purposes connected therewith. [Assented to, 27th September, 1971.]

BE

Credit Union (Amendment).

BE it enacted by the Queen's Most Excellent Majesty, by No. 23, 1971 and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the "Credit Union Short title. (Amendment) Act, 1971".

2. The Credit Union Act, 1969, is amended—

Amendment
of Act No.
8, 1969.

(a) (i) by omitting subsection three of section six and Sec. 6. by inserting in lieu thereof the following (Loans.) subsection :—

(3) Application for a loan from a credit union shall be in or to the effect of a form approved by that credit union or where a form is prescribed in or to the effect of the prescribed form.

(ii) by inserting next after subsection four of the same section the following new subsection :—

(4A) (a) Where the rules of a credit union so provide, the Board may, by instrument in writing, delegate any or all of its powers under subsection four of this section to such person or body of persons as may be prescribed by the regulations.

(b) The exercise of any delegation under this subsection shall be subject to and in accordance with such limits and conditions as may be specified in the instrument of delegation and such conditions as may be prescribed by the regulations.

(c)

No. 23, 1971

(c) Notwithstanding any delegation made under this section the Board may continue to exercise or perform all or any of the powers so delegated.

(d) Any act or thing done or suffered by the delegate when acting in the exercise of any such delegation, and within the terms of the delegation, shall be as effective as if the act or thing had been done or suffered by the Board.

- (iii) by inserting in paragraph (a) of subsection five of the same section after the word "member" the words ", where the loan is approved in an amount or upon terms and conditions otherwise than as sought by the member,";
- (iv) by omitting from subsection seven of the same section the words "In this subsection 'prescribed security' means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.";
- (v) by omitting from paragraph (a) of the same subsection the words "unless the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "where the rules applicable in respect thereof do not require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

(vi)

Credit Union (Amendment).

- (vi) by omitting from paragraph (b) of the same No. 23, 1971 subsection the words "to be secured by prescribed security" and by inserting in lieu thereof the words "or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";
- (vii) by omitting from paragraph (c) of the same subsection the words "may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "except as provided by paragraph (d) of this subsection shall, where the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";
- (viii) by omitting from paragraph (d) of the same subsection the words "may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars" and by inserting in lieu thereof the following words :—

may, where—

- (i) the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section; and

(ii)

Credit Union (Amendment).

No. 23, 1971

(ii) the terms and conditions in respect thereof are specified in special rules,

be an amount not exceeding five thousand dollars;

(ix) by inserting next after the same subsection the following new subsection :—

(7A) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

The rules of a credit union may require that—

(a) the indebtedness of a member; or

(b) such part of the indebtedness of a member as exceeds—

(i) the amount of the member’s paid-up share capital in the credit union;

(ii) the amount of the member’s deposits with the credit union; and

(iii) an amount of one thousand dollars or where some other amount is prescribed by the regulations for the purposes of paragraph (a) of subsection seven of this section, the amount so prescribed,

be secured by prescribed security.

(b)

Credit Union (Amendment).

(b) by inserting in the definition of "liquid funds" in No. 23, 1971 subsection one of section seven after the word "charge" the words "other than a lien or charge Sec. 7. given by a credit union to an association of which (Liquidity.) it is a member";

(c) by omitting subsection five of section twelve and by Sec. 12. inserting in lieu thereof the following subsection :— (Raising loans and receipt of money on deposit.)

(5) This subsection applies to and in respect of—

(a) a credit union being—

(i) a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts and was first so registered not earlier than four years before the commencement of the Credit Union (Amendment) Act, 1971; or

(ii) a credit union registered under this Act (section twenty-two excepted) before or after the commencement of the Credit Union (Amendment) Act, 1971,

where such a credit union requires to raise a loan of an amount in excess of that prescribed by subsection four of this section for the purpose of its development following its registration;

(b) any credit union whose membership has not, in the opinion of the registrar, reached its potential, where such a credit union requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the purpose of increasing its membership;

(c)

*Credit Union (Amendment).*No. 23, 1971

- (c) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section following an extension of the class or classes of persons eligible to receive a loan from the credit union; or
- (d) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the acquisition of real property necessary for the carrying out of any of the objects of the credit union.

Where the registrar so approves a credit union to which this subsection applies may, in accordance with such limits, terms and conditions as the registrar may impose, raise a loan of an amount in excess of that prescribed by subsection four of this section.

The registrar shall not grant such an approval in respect of a credit union to which paragraph (a) of this subsection applies after the expiration of the period of four years next succeeding the day on which the credit union was first registered.

Sec. 16.
(Depositor
under age
of 18 years.)

- (d) by omitting from section sixteen the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years";

Sec. 20.
(Forma-
tion.)

- (e) by omitting from subsection one of section twenty the words "adult persons" and by inserting in lieu thereof the words "persons of or above the age of eighteen years";

Sec. 41.
(Minors as
members.)

- (f) (i) by omitting from subsection one of section forty-one the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years";

(ii)

Credit Union (Amendment).

(ii) by omitting from subsection two of the same No. 23, 1971 section the words "or to be one of the persons by whom a credit union may be formed";

(g) by inserting next after section fifty-five the following ^{New sec.} _{55A.} new section :—

55A. (1) A person who, being an undischarged Power to bankrupt acts as a director of, or directly or certain indirectly takes part in or is concerned in the persons management of a credit union, or of an association, managing except with the leave of the Supreme Court shall ^{credit} unions. be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

(2) Where a person is convicted whether within or without the State—

- (a) on indictment of any offence in connection with the promotion, formation or management of a credit union, an association or a company or other corporation;
- (b) of an offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more;
- (c) of any offence and sentenced to any period of imprisonment without the option of a fine; or

(d)

Credit Union (Amendment).

No. 23, 1971

(d) of an offence under section one hundred and twenty-four or under section three hundred and three or under any other provision of the Companies Act, 1961, that may be prescribed,

and that person, within a period of five years after his conviction, or if he is sentenced to imprisonment, after his release from prison, without the leave of the Supreme Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management of a credit union or of an association he shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

(3) A person intending to apply for the leave of the Court under this section shall give to the Minister not less than ten days' notice of his intention so to apply.

(4) On the hearing of any application under this section the Minister may be represented at the hearing of and may oppose the granting of the application.

Operation
of repealed
provisions.

3. An approval to raise a loan in excess of the amount prescribed in subsection four of section twelve of the Credit Union Act, 1969, granted by the registrar under the provisions of subsection five of section twelve of that Act as in force immediately prior to the commencement of paragraph (c) of section two of this Act (hereinafter referred to as the repealed provisions) shall continue in force until the expiration of the period referred to in the repealed provisions as if the amendments made by paragraph (c) of section two of this Act had not been made.

Credit Union (Amendment).

4. The amendments made by subparagraphs (i) and (ii) No. 23, 1971 of paragraph (a) of section two of this Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette. Commencement

CLOSER