

17-2213. Shares to minors; joint tenancy shareholdings; trust accounts; credit union can act as trustee or custodian. (a) Any credit union may receive money for the payment of shares from minors or in the name of minors and may pay the same to such minors whether or not the minors are emancipated until receiving a certified copy of the appointment of a legal guardian of such minor. Payments so made shall discharge the credit union forever from any further liability on account of such shareholdings for the money so paid by the credit union.

(b) Shares may be issued in the name of a minor and in trust in such way and manner as bylaws provide. All types of shares may be held in the name of a member in trust for a beneficiary or beneficiaries or in the name of a nonmember in trust for a beneficiary who is a member. Beneficiaries may be minors, but no beneficiary unless a member shall be permitted to vote, obtain loans, hold office or be required to pay an entrance or membership fee. Payment of part or all of such a trust account to the party in whose name the account is held shall, to the extent of such payment, discharge the liability of the credit union to that party and to the beneficiary and the credit union shall be under no obligation to see to the application of such payment. In the event of death of the party in whose name a trust account is held the funds shall be paid to the beneficiary.

(c) A member may designate any person or persons, including minors, to hold shares with such member in joint tenancy with the right of survivorship, but no joint tenant, unless a member shall be permitted to vote, obtain loans, or hold office or be required to pay an entrance fee or membership fee. Such joint tenancy shareholdings or any part thereof or any dividends or earnings due or payable thereon may be paid to or on order of any joint tenant, whether the other or others be living or not; and the receipt, order, or acquittance of the persons so paid shall be a valid and sufficient release and discharge to the credit union for any payment so made.

(d) A credit union is authorized to act as trustee or custodian, and may receive reasonable compensation for so acting, under any written trust instrument or custodial agreement created or organized in the United States and forming part of a pension plan which qualifies or qualified for specific tax treatment under section 401(d) or 408 of the internal revenue code, for its members or groups or organizations of its members, provided the funds of such plans are invested in share accounts or share certificate accounts of the credit union.

The plan shall provide for the appointment of a successor trustee or custodian by a person, committee, corporation or organization other than the credit union or any person acting in a capacity as a director, employee or agent of the credit union, upon notice from the credit union or the administrator that the credit union is unwilling or unable to continue to act as trustee or custodian.

History: L. 1929, ch. 141, § 13; L. 1963, ch. 140, § 8; L. 1982, ch. 102, § 7; L. 1983, ch. 83, § 1; July 1.