



Ohio Revised Code

Section 1733.24 Deposits; shares and accounts; withdrawals.

Effective: April 14, 2006

Legislation: House Bill 81 - 126th General Assembly

(A) A credit union is authorized to receive funds for deposit in share accounts, share draft accounts, and share certificates from its members, from other credit unions, and from an officer, employee, or agent of the federal, state, or local governments, or political subdivisions of the state, in accordance with such terms, rates, and conditions as may be established by its board of directors.

(B) The shares and share accounts of the credit union may be of one or more classes, as designated by the board of directors, subject to approval of the superintendent of credit unions based on rules that shall assure equitable distribution of dividends among classes, considering costs and advantages of each class to the members of the credit union, including without limitation special services rendered, length of ownership, minimum investment, conditions of repurchase, and other appropriate standards or combinations thereof. In the event the articles of incorporation of the credit union indicate the authorized number of shares to be unlimited, the designation of classification of shares and share accounts of the credit union may be effected by the board of directors, subject to the approval of the superintendent, and does not require amendment of the articles of incorporation. All shares of the credit union shall have a par value per share as set by the board of directors. Redemptions and liquidating dividends shall be prorated to each member on the basis of the price paid the credit union for such share, irrespective of the class of such shares.

(C)(1) Each credit union shall have one class of shares designated as "membership share." The membership shares, or if a credit union has but one class of shares, then all of the shares of the credit union, shall have a par value as set by the board of directors.

(2) Two or more persons that are eligible for membership that have jointly subscribed for one or more shares under a joint account each may be admitted to membership.

(D) A credit union need not issue certificates for any or all of its classes of shares but irrespective of whether certificates are issued, a registry of shares must be kept, including all of the transactions of the credit union pertaining to such shares.



(E) A credit union is authorized to maintain share draft accounts in accordance with rules prescribed by the superintendent. The credit union may pay dividends on share draft accounts, may pay dividends at different rates on different types of share draft accounts, and may permit the owners of such share draft accounts to make withdrawals by negotiable or transferable instruments or other orders for the purpose of making transfers to third parties.

(F) Unless otherwise provided by written agreement of the parties, the rights, responsibilities, and liabilities attaching to a share draft withdrawn from, transferred to, or otherwise handled by a credit union are defined in and governed by Chapters 1303. and 1304. of the Revised Code, as if the credit union were a bank.

(G) Unless otherwise provided in the articles or regulations, a member may designate any person or persons to own or hold shares, or share accounts with the member in joint tenancy with right of survivorship and not as tenants in common.

(H) Shares or share accounts may be issued in the name of a custodian under the Ohio transfers to minors act, a member in trust for a beneficiary, a fiduciary or custodian in trust for a member beneficiary, or a fiduciary or custodian in trust upon the death of a member. Redemption of such shares or payment of such share accounts to a member, to the extent of the payment, discharges the liability of the credit union to the member and the beneficiary, and the credit union shall be under no obligation to see to the application of the payment. Unless prior to the death of a member, the member has notified the credit union in writing in a form approved by the credit union of a different beneficiary to receive the proceeds of such shares or share accounts, then the proceeds shall be paid to the beneficiary or to the beneficiary's parent or legal representative. Any payment made pursuant to written instructions of the member or pursuant to the provisions herein contained shall be a valid and sufficient release and discharge of the credit union in connection with any such share or share accounts.

(I)(1) Except as otherwise provided in the articles or regulations, and subject to the provisions thereof, a minor may purchase shares, share accounts, or other depository instruments, and except for qualification as a voting member, the credit union may deal with the minor with respect to shares, share accounts, or other depository instruments owned by the minor as if the minor were a person



of legal age.

(2) If shares, share accounts, or other depository instruments are issued in the name of a minor, redemption of any part or all of the shares or withdrawal of funds by payment to the minor of the shares or funds and any declared dividends or interest releases the credit union from all obligation to the minor as to the shares reduced or funds withdrawn.

(J) The regulations may require advance written notice of a member's intention to withdraw the member's shares. Such advance notice shall not exceed sixty days.