

17-2212. Capital and revenue of credit union; right of setoff; dormant accounts; unmatured shares; transfer to reserve fund, when. (a) The capital of a credit union shall consist of the payments that have been made to such credit union on all types of shares. A credit union shall have a lien and right of setoff on the shares and on the dividends or other earnings payable thereon for and to the extent of any obligation of the member or other shareholder and of any dues and fines payable by the member or other shareholder. A credit union, upon the resignation or expulsion of a member, may cancel the shares of such member and apply the withdrawal value of such shares toward the liquidation of the member's indebtedness.

(b) A credit union may charge a membership fee, as may be established by the board of directors. Fully paid-up shares of a credit union may be transferred to any person upon election to membership, upon such terms as the board may establish. Any money received in the share account of any member which has not matured to one full share within a three-year period shall be refunded to such member. If such member cannot be located after due diligence by the officer in charge of operations or other authorized person or employee, such money shall be transferred to the reserve fund. Such due diligence shall include the sending to the member at the last known address of the member a notice of the intended action to transfer money to the reserve fund. For the purposes of this section, the last known address of the member is the address given by the member in any writing signed by the member and shown on the records of the credit union. Unless and until the member notifies the credit union of a new or different address, the given address is presumed to be unchanged.

(c) At such time as the location of the member, beneficiary or other person named on any share account is unknown to the credit union and there has not been any activity generated by the member, shareholder, or other person named on the account for 12 months or longer, such account may be considered a dormant account and may be placed in a separate grouping under a control system which will adequately identify such accounts. Adequate controls shall be established to determine the validity of significant activity on dormant accounts. This subsection shall be subject to the provisions of K.S.A. 58-3901 et seq., and any amendments thereto.

History: L. 1929, ch. 141, § 12; L. 1951, ch. 204, § 4; L. 1982, ch. 102, § 6; L. 1992, ch. 225, § 4; July 1.