

PROVIDE PROTECTION TO FEDERAL CREDIT UNIONS

Act of Dec. 14, 1967, P.L. 732, No. 341

Cl. 15

AN ACT

To provide for protection of Federal credit unions paying dividends, earnings or withdrawal value of shares held in the name of a minor, or in trust or in the names of two or more persons as joint tenants with right of survivorship.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Joint Accounts.--Whenever shares of Federal credit union existing under the Act of Congress approved June 26, 1934, c. 750, 48 Stat. 1216, its amendments and supplements, known as the Federal Credit Union Act, shall be issued in the names of two or more persons as joint tenants with right of survivorship and one or more of such persons is a minor, and such shares shall have been subscribed for under an arrangement with the Federal credit union whereby the dividends or earnings thereon, or the withdrawal value thereof, may be paid upon receipt, acquittance or other action, as the case may be, of either or any of such persons, the Federal credit union may pay such dividends or earnings or withdrawal value upon such receipt, acquittance, or other action, as the case may be, of either or any of such minors who shall be not less than sixteen years of age, pursuant to the arrangement provided for in this section, notwithstanding the fact that one or more of the other persons may be dead and the Federal credit union has notice thereof; and such receipt, acquittance or other action shall be binding upon such minor with like effect as if such minor were of full age and shall be a valid release to the Federal credit union.

Section 2. Shares Held in the Name of a Minor.--Any such Federal credit union, having issued shares standing on its books in the name of any minor not less than twelve years of age, may pay the dividends, or earnings thereon, as well as the withdrawal value of such shares, to such minor, without the assent of his parent or guardian. The receipt, acquittance, or other action required by the Federal credit union to be taken by the minor shall be binding upon such minor with like effect as if such minor were of full age and shall be a valid release to the Federal credit union. The parent or guardian of such minor shall not, in his capacity as parent or guardian, have the power to attach or in any manner transfer any shares issued to or standing in the name of such minor.

Section 3. Shares Held as Trustee.--Whenever shares of such a Federal credit union shall be issued to any person, describing himself, in subscribing for such shares, as trustee for any person or persons, and no other notice of the existence and terms of a valid trust than such description shall have been given to the Federal credit union, the dividends or earnings on such shares, as well as the withdrawal value of such shares,

shall, in the event of the death of the person so described as trustee, be paid to the person or persons for whose benefit the shares were stated to have been subscribed if, at the time of payment, such beneficiary is not less than sixteen years of age. Payment may be made to any such beneficiary who is not less than sixteen years of age under the same conditions as if such shares had been originally subscribed for by him. If there are two or more beneficiaries named on any such shares, the Federal credit union shall, in the absence of written notice to the contrary, make payment to such of the beneficiaries as may survive the trustee, in equal portions. The receipt or acquittance of any such beneficiary or beneficiaries for payments, made in accordance with this section, shall be a full, complete and valid release of the Federal credit union from any further liability for the amounts so paid.