

UNITED STATES DEPARTMENT OF LABOR  
L. B. Schwellenbach, *Secretary*  
BUREAU OF LABOR STATISTICS  
Ewan Clague, *Commissioner*

# Activities of Credit Unions in 1945



*Bulletin No. 894*

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## Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,  
BUREAU OF LABOR STATISTICS,  
*Washington, D. C., January 17, 1947.*

**The SECRETARY OF LABOR:**

I have the honor to transmit herewith a report on the activities of credit unions in 1945, prepared by Florence E. Parker of the Bureau's Labor Economics Staff.

**EWAN CLAGUE, Commissioner.**

**HON. L. B. SCHWELLENBACH,**  
*Secretary of Labor.*

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United States Bureau of Labor Statistics*

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## Activities of Credit Unions in 1945

THE slight upward trend in business done by credit unions in the United States in 1944, after a serious decline during the war years, was continued in 1945, although the total of loans made was still more than 40 percent below the peak of 1941. This increase took place in spite of a slight reduction in number of loans made, indicating a rise in the average size of loan. Share capital and assets which (notwithstanding the otherwise adverse business experience of the credit unions during the war) have continued to rise steadily, maintained their upward pace in 1945, showing increases of 8.1 and 9.2 percent, respectively. Reserves fell somewhat, however, both in amount and in relation to loans outstanding, declining as regards the latter from 20.7 percent in 1944 to 19.4 percent in 1945.

Both net earnings and dividends paid on share capital increased as compared with 1944. For 1945, credit union members received nearly \$5,900,000 in dividends on their shares.

Because 398 credit unions went out of existence (some of them undoubtedly in war plants now closed) and only 239 were newly chartered, the total number of associations fell from 9,041 at the end of 1944 to 8,882 at the end of 1945. Partly as a result of this, the total membership declined 3.3 percent.

The State-chartered credit unions fared better during the year than the Federal associations.<sup>1</sup> Their membership declined 0.5 percent, as against 6.7 percent for the Federal associations; they increased their business by 0.8 percent, whereas the loans made by the Federal credit unions fell 0.1 percent. The increases in assets of the two groups of associations were 11.0 and 6.1 percent, respectively.

### *Operations in 1944 and 1945*

Data on membership and business of credit unions in 1944 and 1945 are given in table 1.

<sup>1</sup> For the State-chartered associations the statistical data on which the present report is based were in most cases furnished to the Bureau of Labor Statistics by the State official—usually the Superintendent of Banks—charged with supervision of these associations. Reports were received from all States except Iowa. For that State and for certain items concerning which some States do not require the associations to report, estimates were made, based on the trend in other States and on the trend of the other items in the same State. All of the information for the Federal credit unions was supplied by the Credit Union Division of the Federal Deposit Insurance Corporation.

TABLE I.—Operations of credit unions in 1944 and 1945, by States

[Some revisions in 1944 figures, on basis of later reports]

State, and type of charter	Year	Number of associations <sup>1</sup>		Number of members	Number of loans made during year	Amount of loans—	
		Total	Reporting			Made during year	Outstanding end of year
All States .....	1945	8,882	8,615	2,838,034	1,511,851	\$210,885,783	\$126,277,698
	* 1944	9,041	8,702	2,933,507	1,591,132	209,955,479	120,955,395
State associations .....	1945	4,923	4,858	1,621,409	909,922	132,616,939	91,122,284
	* 1944	4,993	4,907	1,629,706	926,518	131,621,882	96,551,928
Federal associations .....	1945	3,959	3,757	1,216,625	601,929	78,268,844	35,155,414
	1944	4,048	3,795	1,303,801	664,614	78,333,897	34,403,467
Alabama .....	1945	78	76	28,258	34,261	4,147,161	1,929,705
	* 1944	80	77	26,806	* 26,948	3,155,213	1,534,975
Arizona .....	1945	23	22	3,285	* 1,367	* 339,842	135,613
	1944	24	24	3,419	* 1,350	547,043	117,812
Arkansas .....	1945	25	25	3,059	1,824	194,567	113,615
	1944	27	26	2,862	1,685	163,980	86,880
California .....	1945	444	432	* 171,391	* 78,839	* 12,926,276	8,171,810
	1944	451	442	* 184,969	* 89,047	* 13,481,423	7,761,778
Colorado .....	1945	106	102	25,999	* 17,312	* 2,247,274	1,349,980
	1944	107	100	25,645	* 18,259	* 2,105,359	1,151,187
Connecticut <sup>4</sup> .....	1945	186	180	75,118	41,755	4,821,201	1,744,467
	1944	185	179	89,517	47,962	5,742,389	1,963,648
Delaware <sup>4</sup> .....	1945	10	9	2,126	1,003	132,166	71,371
	1944	10	9	2,114	1,148	139,065	67,574
District of Columbia .....	1945	112	108	62,095	* 33,236	3,825,016	1,978,325
	1944	114	106	66,099	* 38,052	3,881,868	2,065,336
Florida .....	1945	160	156	35,202	22,659	3,683,161	2,099,007
	1944	168	162	34,991	25,251	3,248,585	1,774,033
Georgia .....	1945	132	128	33,837	* 22,879	* 3,090,362	2,068,728
	1944	135	131	34,117	* 22,744	* 2,886,066	1,896,131
Hawaii <sup>4</sup> .....	1945	96	95	36,112	11,116	2,156,997	930,429
	1944	97	96	37,753	10,076	1,941,163	1,001,467
Idaho .....	1945	31	31	* 3,971	1,405	185,467	102,729
	1944	33	31	3,895	1,329	173,653	87,049
Illinois .....	1945	762	758	330,830	* 236,519	28,929,683	14,011,222
	1944	766	756	290,032	* 226,575	25,698,570	13,135,592
Indiana .....	1945	297	295	* 93,502	* 44,616	* 5,795,008	3,529,359
	* 1944	299	294	* 97,967	* 51,326	* 6,278,072	3,378,962
Iowa .....	1945	195	195	40,779	18,446	2,397,601	1,771,508
	1944	201	196	41,395	18,921	2,420,443	1,825,666
Kansas .....	1945	112	110	25,068	13,056	1,971,470	1,082,077
	* 1944	117	111	* 27,914	* 14,423	* 1,952,696	1,071,793
Kentucky .....	1945	104	103	* 24,582	16,209	1,841,919	* 1,366,101
	1944	108	107	* 26,649	15,214	* 1,752,616	1,366,019
Louisiana .....	1945	131	125	* 32,405	17,008	2,158,785	1,066,420
	* 1944	139	132	* 32,241	* 17,270	* 2,143,350	* 1,037,703
Maine .....	1945	38	35	9,273	3,672	450,641	261,743
	1944	44	35	9,080	3,987	441,178	237,840
Maryland .....	1945	64	60	25,109	* 17,395	* 1,942,507	804,623
	1944	65	60	26,748	* 17,468	* 1,883,517	784,897
Massachusetts .....	1945	539	535	255,007	* 122,570	22,917,547	16,436,055
	1944	537	532	237,280	* 122,591	22,654,660	15,466,500
Michigan .....	1945	248	240	108,633	50,172	8,683,432	6,389,549
	* 1944	253	241	114,320	* 51,950	* 8,437,474	5,981,086
Minnesota .....	1945	325	324	65,734	28,713	4,598,703	5,806,028
	* 1944	332	329	66,696	* 33,389	* 3,662,418	5,451,077
Mississippi .....	1945	26	23	* 5,553	* 4,787	* 462,150	191,042
	1944	27	24	6,640	* 5,784	* 530,087	226,352
Missouri .....	1945	369	340	88,761	* 41,887	* 4,868,432	3,116,292
	1944	378	359	90,834	* 44,328	* 5,432,884	3,185,792
Montana .....	1945	40	37	7,175	* 2,952	* 440,493	261,103
	1944	40	37	6,382	* 2,284	* 373,912	201,345
Nebraska .....	1945	89	87	19,381	8,795	1,263,906	730,378
	1944	96	88	20,595	9,882	1,320,588	717,155
Nevada <sup>4</sup> .....	1945	4	4	584	108	16,185	9,386
	1944	4	4	562	104	13,004	7,169
New Hampshire .....	1945	16	14	5,698	* 3,017	* 760,720	640,680
	1944	15	14	6,151	* 3,557	* 788,041	663,906
New Jersey .....	1945	247	237	99,042	50,390	5,809,257	2,416,596
	1944	240	233	114,225	63,925	6,382,925	2,632,417
New Mexico <sup>4</sup> .....	1945	14	13	1,304	333	46,262	25,220
	1944	14	14	1,324	589	63,358	28,217
New York .....	1945	753	721	268,397	* 127,099	* 20,785,191	12,608,773
	1944	763	729	279,116	* 144,310	* 23,601,108	12,898,928
North Carolina .....	1945	195	168	35,471	* 17,801	* 2,078,429	1,934,614
	1944	173	151	29,387	17,822	2,088,966	1,256,073

See footnotes at end of table.

TABLE 1.—Operations of credit unions in 1944 and 1945, by States—Continued

State, and type of charter	Year	Number of associations <sup>1</sup>		Number of members	Number of loans made during year	Amount of loans—	
		Total	Reporting			Made during year	Outstanding end of year
North Dakota.....	1945	93	87	11,786	3,300	\$1,115,835	\$805,445
	1944	97	80	10,589	3,241	738,280	486,812
Ohio.....	1945	583	567	188,522	84,927	11,896,005	6,012,876
	1944	589	575	214,099	97,508	12,317,470	6,311,501
Oklahoma.....	1945	71	66	<sup>2</sup> 16,225	<sup>2</sup> 7,760	<sup>2</sup> 1,330,282	864,512
	1944	75	72	16,513	<sup>2</sup> 7,737	<sup>2</sup> 1,238,328	<sup>2</sup> 710,019
Oregon.....	1945	71	68	12,491	4,420	749,837	531,506
	1944	75	71	13,053	5,135	811,167	544,424
Pennsylvania.....	1945	586	571	213,503	106,331	13,435,747	6,326,211
	1944	587	560	224,151	111,023	13,406,338	6,296,028
Rhode Island.....	1945	36	35	26,648	6,275	2,445,642	4,510,639
	1944	37	34	25,792	7,062	2,023,922	3,781,404
South Carolina.....	1945	35	29	6,922	5,651	416,753	204,162
	1944	39	31	7,688	5,346	427,749	190,507
South Dakota <sup>4</sup> .....	1945	32	32	4,818	1,970	236,954	99,457
	1944	32	32	5,176	2,547	273,901	119,880
Tennessee.....	1945	117	115	33,903	<sup>2</sup> 26,412	<sup>2</sup> 3,788,965	1,578,663
	1944	127	124	34,567	<sup>2</sup> 27,298	<sup>2</sup> 3,581,047	1,428,126
Texas.....	1945	334	319	76,217	<sup>2</sup> 44,953	<sup>2</sup> 6,133,740	3,229,896
	1944	350	323	77,952	<sup>2</sup> 45,870	<sup>2</sup> 5,763,109	3,063,612
Utah.....	1945	64	62	11,375	<sup>2</sup> 10,152	<sup>2</sup> 1,328,692	637,293
	1944	66	65	11,577	<sup>2</sup> 7,625	<sup>2</sup> 1,204,492	567,092
Vermont.....	1945	10	9	1,692	<sup>2</sup> 1,108	<sup>2</sup> 76,395	27,389
	1944	9	9	1,562	1,265	74,947	27,554
Virginia.....	1945	86	83	23,391	16,519	1,619,262	843,257
	1944	91	86	25,396	14,366	1,462,221	901,198
Washington.....	1945	178	174	35,404	<sup>2</sup> 15,846	<sup>2</sup> 1,947,710	1,234,717
	1944	188	180	37,739	<sup>2</sup> 18,999	2,428,191	<sup>2</sup> 1,280,285
West Virginia.....	1945	63	59	15,318	9,839	1,026,200	510,424
	1944	67	60	15,857	<sup>2</sup> 7,983	<sup>2</sup> 764,907	452,887
Wisconsin.....	1945	534	534	144,594	70,319	7,265,449	3,625,734
	1944	551	543	151,509	77,640	7,885,115	3,655,518
Wyoming <sup>4</sup> .....	1945	18	17	2,504	877	155,504	81,569
	1944	19	18	2,582	947	168,766	86,660

<sup>1</sup> Most of the difference between the total number of associations and the number reporting is accounted for by associations chartered but not in operation by the end of the year and associations in liquidation which had not relinquished their charters.

<sup>2</sup> Revised.

<sup>3</sup> Partly estimated.

<sup>4</sup> Federal associations only; no State-chartered associations in this State.

<sup>5</sup> Federal associations only; although State permissive legislation was passed in 1945 no associations had yet been formed under it.

Fifteen States (Alabama, Arkansas, Colorado, Delaware, Florida, Idaho, Illinois, Louisiana, Maine, Montana, Nevada, North Carolina, North Dakota, Rhode Island, and Vermont) showed a membership increase. Their slight gains, however, were not sufficient to overcome the losses in members in the other States.

The prewar level of business was reached or exceeded in 1945 by both State and Federal associations in Alabama, Montana, and Vermont, by the State-chartered associations in Rhode Island, and by the Federal credit unions in Utah.

Data on the financial status of credit unions, by States, is given in table 2.

TABLE 2.—Assets and earnings of credit unions, 1944 and 1945, by States

State, and type of charter	Year	Number of associations <sup>1</sup>		Paid-in share capital	Reserves (guaranty fund, general reserve, etc.)	Total assets	Net earnings	Dividends on shares
		Total	Re-reporting					
All States.....	1945	8,882	8,615	\$366,201,586	\$24,506,019	\$434,627,135	\$7,839,810	\$5,888,412
	1944	9,041	8,702	338,713,383	25,081,703	397,929,814	5,716,736	5,122,454
State associations.....	1945	4,923	4,858	225,587,624	19,595,211	281,524,015	5,278,300	3,781,036
	1944	4,993	4,907	205,127,236	17,023,389	253,663,658	3,507,152	3,308,794
Federal associations.....	1945	3,959	3,757	140,613,962	4,910,808	153,103,120	2,561,510	2,107,376
	1944	4,048	3,795	133,586,147	8,058,314	144,266,156	2,209,584	1,753,660
Alabama.....	1945	78	76	3,490,315	331,965	3,908,510	94,715	76,509
	1944	80	77	2,753,163	275,891	3,081,166	82,859	62,890
Arizona.....	1945	23	22	340,278	16,331	370,860	7,580	4,908
	1944	24	24	318,418	24,464	349,497	4,908	4,455
Arkansas.....	1945	24	24	280,647	19,108	314,409	6,194	5,841
	1944	23	26	219,261	17,720	232,625	4,932	3,896
California.....	1945	444	432	23,072,165	1,192,163	26,986,463	4,406,543	2,886,432
	1944	451	442	22,313,274	1,487,572	25,910,483	4,407,721	2,850,641
Colorado.....	1945	106	102	3,534,312	193,990	4,017,658	177,060	153,773
	1944	108	100	2,898,805	229,402	3,354,663	172,654	151,331
Connecticut <sup>2</sup> .....	1945	186	180	10,886,299	323,390	12,517,942	246,542	170,143
	1944	185	179	12,849,767	548,399	13,575,000	207,095	158,189
Delaware <sup>3</sup> .....	1945	10	9	177,527	9,824	192,605	4,463	4,169
	1944	10	9	161,965	13,305	176,276	3,391	3,208
Dist. of Columbia.....	1945	112	108	5,851,332	500,025	6,613,620	202,560	115,011
	1944	113	106	5,472,271	527,168	6,203,746	170,029	111,651
Florida.....	1945	160	156	5,742,807	228,720	6,191,836	122,329	89,530
	1944	170	162	4,629,791	273,735	5,014,622	104,471	73,180
Georgia.....	1945	132	128	1,599,847	475,877	5,336,232	104,657	70,387
	1944	138	131	1,425,875	396,375	4,778,774	100,237	63,595
Hawaii.....	1945	96	95	9,920,711	245,751	10,558,538	173,028	136,026
	1944	97	96	8,785,479	399,350	9,253,563	158,711	112,905
Idaho.....	1945	31	31	362,180	12,587	382,466	5,009	4,152
	1944	33	31	292,498	17,595	312,947	3,709	3,824
Illinois.....	1945	762	758	47,144,644	2,931,533	51,250,789	938,364	778,743
	1944	766	756	42,522,556	2,924,278	46,666,917	322,849	645,723
Indiana.....	1945	297	295	12,893,396	605,425	14,099,255	173,438	134,715
	1944	297	294	12,106,052	869,698	13,217,602	161,751	114,888
Iowa.....	1945	195	195	5,278,339	282,273	6,082,772	70,904	45,410
	1944	201	196	5,172,242	281,504	6,037,066	88,595	93,051
Kansas.....	1945	112	110	3,104,637	125,397	3,372,538	45,765	31,846
	1944	118	111	2,805,222	143,798	3,059,167	48,959	31,585
Kentucky.....	1945	104	103	1,603,451	287,313	3,777,484	43,203	28,979
	1944	108	107	2,865,077	215,170	3,304,051	42,401	28,474
Louisiana.....	1945	131	125	3,136,173	229,695	3,468,822	62,663	49,444
	1944	145	132	2,775,840	281,554	3,081,504	60,209	40,808
Maine.....	1945	38	35	905,029	80,954	1,021,718	10,333	12,092
	1944	44	35	735,914	82,802	889,104	8,287	10,526
Maryland.....	1945	64	60	2,143,396	234,146	2,522,736	64,802	47,013
	1944	66	60	2,029,995	230,933	2,370,134	56,182	40,431
Massachusetts.....	1945	539	535	34,835,929	4,094,449	48,036,635	1,170,221	812,162
	1944	537	532	30,893,107	3,176,049	42,322,457	379,626	609,262
Michigan.....	1945	248	240	1,897,722	866,627	21,265,393	306,032	291,839
	1944	253	241	17,420,056	826,662	19,622,464	320,972	246,189
Minnesota.....	1945	325	324	10,445,037	547,621	14,132,049	195,008	203,950
	1944	365	329	8,995,484	547,967	12,231,282	4,745	170,283
Mississippi.....	1945	26	23	394,429	23,759	619,069	21,793	8,361
	1944	27	24	508,580	53,008	589,365	14,262	6,356
Missouri.....	1945	369	340	12,350,600	554,521	13,550,872	162,124	97,497
	1944	378	359	10,490,289	601,875	11,592,194	160,978	95,154
Montana.....	1945	40	37	631,187	18,386	679,020	14,370	10,049
	1944	42	37	460,586	23,642	495,219	8,565	6,486
Nebraska.....	1945	89	87	2,258,249	119,160	2,806,406	39,891	29,888
	1944	91	88	2,042,738	135,202	2,567,729	44,475	24,207
Nevada <sup>4</sup> .....	1945	4	4	30,220	1,412	32,588	487	456
	1944	4	4	25,011	1,741	26,764	119	287
New Hampshire.....	1945	16	14	521,102	89,449	1,352,729	32,026	9,896
	1944	15	14	490,964	85,469	1,114,147	28,528	9,966
New Jersey.....	1945	247	237	11,997,931	526,189	13,734,068	268,184	196,245
	1944	241	233	12,027,205	579,566	13,166,766	202,493	171,265
New Mexico <sup>5</sup> .....	1945	14	13	97,912	6,057	104,125	623	816
	1944	14	14	80,794	6,582	87,586	872	862
New York.....	1945	753	721	32,051,449	3,381,877	36,700,864	770,253	558,692
	1944	764	729	31,673,401	3,132,182	36,573,853	682,279	542,878
North Carolina.....	1945	195	168	4,390,565	168,470	6,012,566	32,680	23,266
	1944	173	151	2,796,132	159,545	3,571,806	32,861	37,909

See footnotes at end of table.

TABLE 2.—Assets and earnings of credit unions, 1944 and 1945, by States—Continued

State, and type of charter	Year	Number of associations <sup>1</sup>		Paid-in share capital	Reserves (guaranty fund, general reserve, etc.)	Total assets	Net earnings	Dividends on shares
		Total	Reporting					
North Dakota.....	1945	93	87	\$2,153,649	\$38,597	\$2,233,424	\$29,759	\$16,756
	1944	95	80	1,560,501	29,867	1,617,913	17,366	10,325
Ohio.....	1945	583	567	22,665,272	788,602	24,223,640	321,372	278,563
	1944	589	575	22,554,131	1,009,014	24,336,012	288,882	242,121
Oklahoma.....	1945	71	66	954,852	79,711	2,246,601	* 43,115	* 31,315
	1944	75	72	764,011	86,153	1,812,545	26,130	19,521
Oregon.....	1945	71	68	1,657,161	91,957	1,819,237	27,014	24,054
	1944	75	71	1,585,523	99,714	1,749,892	26,027	21,137
Pennsylvania.....	1945	586	571	22,109,027	831,494	24,033,969	451,817	381,417
	1944	587	560	19,976,363	1,255,130	22,065,136	380,534	331,854
Rhode Island.....	1945	36	35	4,160,685	430,473	10,904,433	149,536	85,942
	1944	37	34	3,713,056	369,780	9,134,996	129,433	75,431
South Carolina.....	1945	35	29	475,998	30,274	537,129	8,278	8,058
	1944	39	31	492,980	44,716	561,540	8,053	6,947
South Dakota <sup>2</sup> .....	1945	32	32	495,777	19,794	531,688	8,402	8,422
	1944	32	32	432,363	34,466	467,914	7,420	7,302
Tennessee.....	1945	117	115	4,285,476	509,368	4,939,793	120,941	97,514
	1944	127	124	3,613,033	367,724	4,253,506	57,534	76,779
Texas.....	1945	334	319	10,680,407	705,052	11,795,192	205,521	168,980
	1944	354	328	9,565,633	839,769	10,634,060	* 221,783	* 160,116
Utah.....	1945	64	62	1,441,870	72,840	1,612,069	* 34,015	* 23,674
	1944	66	66	1,291,712	80,718	1,444,259	* 32,706	* 21,081
Vermont.....	1945	10	9	67,859	2,250	81,164	1,019	448
	1944	9	9	72,201	2,584	75,826	735	398
Virginia.....	1945	86	83	1,623,534	213,237	2,082,280	39,775	36,130
	1944	91	86	1,629,188	316,819	2,159,086	41,094	31,496
Washington.....	1945	178	174	4,354,530	348,999	4,776,410	95,303	80,789
	1944	200	180	4,074,313	371,762	4,467,146	56,318	44,981
West Virginia.....	1945	63	59	1,185,546	109,095	1,413,816	25,913	22,998
	1944	67	60	1,009,311	129,608	1,201,774	24,446	22,913
Wisconsin.....	1945	534	534	17,144,895	1,546,123	19,065,759	395,744	229,798
	1944	551	543	15,110,319	1,453,561	16,871,283	361,551	219,135
Wyoming <sup>3</sup> .....	1945	18	17	292,789	9,141	309,246	6,428	5,334
	1944	19	18	230,943	15,375	246,337	5,489	4,808

<sup>1</sup> Most of the difference between the total number of associations and the number reporting is accounted for by associations chartered but not in operation by the end of the year and associations in process of liquidation which had not relinquished their charters.

<sup>2</sup> Partly estimated.

<sup>3</sup> Federal associations only; no State-chartered associations in this State.

<sup>4</sup> Includes interest paid on deposits by State-chartered associations.

<sup>5</sup> Loss.

<sup>6</sup> Federal associations only; although State permissive legislation was passed in 1945, no associations had yet been formed under it.

## Trend in Formation of Associations in 1945

Table 3 shows, by States, the number of associations formed and dissolved in 1945, and the total and number reporting at the end of the year.

TABLE 3.—Trend of formation and dissolution of credit unions in 1945

State and type of association	Number of credit unions					State and type of association	Number of credit unions				
	End of 1944	Chartered in 1945	Canceled in 1945	End of 1945			End of 1944	Chartered in 1945	Canceled in 1945	End of 1945	
				Total	Reporting					Total	Reporting
All States.....	9,041	239	398	8,882	8,615	Mississippi.....	27	3	4	26	23
State assns.....	4,993	143	213	4,923	4,858	Missouri.....	378	8	17	369	340
Federal assns.....	4,048	96	185	3,959	3,757	Montana.....	40			40	37
Alabama.....	80	2	4	78	76	Nebraska.....	96	3	10	89	87
Arizona.....	24		1	23	22	Nevada.....	4			4	4
Arkansas.....	27		3	24	24	New Hampshire.....	15	1		16	14
California <sup>1</sup> .....	451	7	14	444	432	New Jersey.....	240	11	4	247	237
Colorado.....	107	3	4	106	59	New Mexico.....	14			14	13
Connecticut.....	185	7	6	186	180	New York.....	763	14	24	753	721
Delaware.....	10			10	9	North Carolina <sup>2</sup> .....	173	29	7	195	168
District of Columbia.....	114	2	4	112	108	North Dakota.....	97	4	8	93	87
Florida.....	168	3	11	160	156	Ohio.....	589	15	21	583	567
Georgia.....	135	3	6	132	128	Oklahoma.....	75		4	71	66
Hawaii.....	97	1	2	96	95	Oregon.....	75	1	5	71	68
Idaho.....	33		2	31	31	Pennsylvania.....	587	15	16	586	571
Illinois.....	766	27	31	762	758	Rhode Island.....	37		1	36	35
Indiana.....	299	4	6	297	295	South Carolina.....	39	1	5	35	29
Iowa <sup>2</sup> .....	201		6	195	195	South Dakota.....	32	1	1	32	32
Kansas.....	117	4	9	112	110	Tennessee.....	127	2	12	117	115
Kentucky.....	108	3	7	104	103	Texas.....	350	8	24	334	319
Louisiana.....	139	2	10	131	125	Utah.....	66	1	3	64	62
Maine.....	44	2	8	38	35	Vermont.....	9	1		10	9
Maryland.....	65	1	2	64	60	Virginia.....	91		6	86	83
Massachusetts.....	537	12	10	539	535	Washington.....	188	26	36	178	174
Michigan.....	253	6	11	248	240	West Virginia.....	67	1	5	63	59
Minnesota.....	332	1	8	325	324	Wisconsin.....	551	3	20	534	534
						Wyoming.....	19		1	18	17

<sup>1</sup> Some revisions, on basis of later information.

<sup>2</sup> Partly estimated.

### State Legislation

*California.*—Several measures were enacted affecting the credit unions. Chapter 1262 eliminated the requirement that the number of persons in the field of membership be specified when a credit union is organized, and limited votes to one per member in all associations organized on or after September 15, 1945. Chapter 651 raised the maximum amount permissible for a secured loan to \$3,000 or 10 percent of the credit union's capital, whichever is greater (but in no case to exceed \$10,000); and provided that on loans over \$3,000 the excess must be secured by real and/or personal property. No loans may be made to directors or committee members in excess of their investment; henceforth a borrower may be elected as director or committee member, but will forfeit his office in case of default on repayment of his loan. Under chapter 438, formal meetings of the credit committee are apparently no longer required, the former provision being amended to require only that loans be approved in writing by a majority of the committee.

The duties of the supervisory committee now include the mandatory requirement that the committee make an annual audit of the books and records (ch. 1262).

A range of examination charges is established, varying according to assets of the credit union (ch. 1318), the Commissioner of Corporations being authorized to make certain adjustments in these, to suspend or revoke the licenses of associations failing to pay such charges before the end of the year, and to make extra charges for special services rendered by his office. Chapter 475 gives him certain powers over credit unions operating on an unsound basis or with impaired capital; provides that if three-fourths of the directors vote to recommend the dissolution of an association, liquidation may be carried out on vote of a majority of members; and specifies procedures for liquidation. It likewise provides for mergers of credit unions with "like community interests," upon majority affirmative vote of the directors and a three-fourths vote of the members.

Annual reports must be made to the commissioner within 90 days of the close of the calendar year, failing which an association may have its charter suspended (ch. 437). Chapter 467 permits any credit union to take out group life insurance for its members.

*Colorado.*—An amendment (ch. 113) permits members of the immediate family of a credit-union member to join the association and to have joint accounts with him; permits members withdrawing from the field of membership to leave in their shares and deposits, if so provided by the bylaws, but they are prohibited thereafter from borrowing from the credit union amounts in excess of their holdings; requires that 20 percent of annual earnings shall be set aside in the reserve fund until the latter equals 15 percent of loans outstanding, and thereafter 15 percent until the reserve equals 20 percent of outstanding loans; authorizes the directors (instead of membership meeting) to declare dividends; and authorizes the formation of a central credit union.

*Connecticut.*—This State passed a credit-union law in 1939, but no association was ever formed under it. The 1945 legislature made several liberalizing amendments to the act. By chapter 192b the previous license fee of \$50 was reduced to \$20 and the filing fee was set at \$10. Associations formed under the act may use either the name "credit union" or "mutual benefit association," but must specify "in detail" in their articles of incorporation the proposed field of membership. Shares may be \$5 or a multiple thereof. Copies of the bylaws must be supplied to members on request. The amendment permits credit associations to take out insurance on the lives of borrowers (to safeguard their loans) and to invest in bonds legal for savings banks and (not to exceed 10 percent of assets) in building and loan associations in the State. Annual meetings may vote to pay the

officers compensation for their services. A new provision prohibits proxy voting at meetings.

The limit on unsecured loans was raised from \$100 to \$300 and on the individual member's shareholdings from \$1,000 to \$3,000 (but no more than \$1,000 of this to be added in any calendar year).

Officers other than president, vice president, treasurer, and secretary may be provided for in the bylaws, and the manner of their election (whether by members or directors) may also be specified. The directors must meet at least once a month. A fidelity bond must be provided by the treasurer before entering upon his duties.

*Florida.*—Act No. 499 (ch. 23013) reduced the voting requirement for dissolution of an association from four-fifths of the members to a majority.

*Indiana.*—The 1945 amendment (ch. 198) reduces the total reserves required from 20 to 10 percent of the paid-in capital (after this amount is reached no further set-asides are required), permits credit unions to carry an undivided profits account, sets January 31 and July 31 as the dates for reports to the State Department of Financial Institutions, and provides that credit unions shall be subject to the same taxes as savings banks.

*Maryland.*—Chapter 409 authorizes credit unions to make first-mortgage loans up to \$1,500 (but not exceeding 50 percent of the appraised value of the property), at a rate of interest not over 6 percent, amortized over a period not greater than 20 years; all such loans must have the approval of the Bank Commissioner. The proportion of annual earnings to be set aside in reserves was reduced from 25 to 20 percent (ch. 665); after the reserves are equal to 20 percent of the paid-in share capital, only such sums shall be required to be set aside as are necessary to keep the reserve fund at that level.

Credit unions may hereafter borrow from any source (including other credit unions) amounts not exceeding 25 percent of their assets for not longer than 90 days, but this may be extended for a like period on approval of the commissioner. A credit union may also make loans to another credit union (ch. 315). It may also, upon approval, invest its surplus capital in insured building and loan associations (ch. 666). Chapter 515 imposes a \$10 franchise fee.

*Massachusetts.*—Chapter 37 authorizes savings banks, cooperative banks (building and loan associations), trust companies, and credit unions holding a first mortgage on real estate to take, in substitution therefore from a bona fide purchaser, a first mortgage in an amount not exceeding that due on the existing first mortgage and accumulated interest, taxes, municipal liens, and other proper charges due thereon. The same organizations are authorized (1) by chapter 46 for a period of 5 years after the termination of the war to make loans to veterans, and all limitations on the loans of such organizations are suspended as

regards veterans' loans, and (2) by chapter 66 to make housing loans. Chapter 81 authorizes and prescribes conditions for trustee accounts in credit unions.

Chapter 82 amends chapter 102 of 1941 to provide that credit unions with assets of not more than \$75,000 may invest not over 50 percent and those with assets of over that amount 70 percent of their shares, deposits, and guaranty fund in real-estate mortgages; however, the total liability of any member upon loans so secured shall not exceed 5 percent of the credit union assets nor \$8,000. The terms upon which such loans may be made are also prescribed.

*Minnesota.*—By the terms of chapter 540, credit unions in Minnesota, chartered by either the State or the Federal Government, are permitted to become members of other credit unions. Annual reports are required to be filed with the Commissioner of Banks on or before January 15 of each year. The aggregate amount of borrowings of any credit union may not exceed 35 percent of its unimpaired assets. In the case of a loan to a director or committee member which exceeds the amount of his investment in the credit union, the loan must be approved by a joint meeting of the board and both committees.

*Nebraska.*—Extensive revisions of the credit-union law by chapter 41 require a member to own a fully paid share in order to be eligible for a loan or to vote at meetings, remove the previous limit on the maximum loan to any member and authorize the board of directors to fix the limit, permit loans to directors and committee members in excess of their holdings if approved by the credit committee and a majority of the supervisory committee in the absence of the borrower concerned, authorize the credit committee to require a borrower to pledge his shares as security, and permit the application of the shares of a defaulting borrower or withdrawing member toward payment of his loan. The directors are authorized to determine (instead of recommend, as previously) the rate of dividend on shares; this may be done on the basis of the share and loan balances as of December 15, instead of the end of the association's fiscal year, if the board chooses. It may also fix the treasurer's compensation (previously done by membership meeting). The payment of patronage refunds to borrowers is hereafter permitted, as is also the verification of pass-books by mailed notice to the member, confirmed by the member himself.

*New Mexico.*—A new credit-union law (ch. 129) was enacted in this State. It places the credit unions under the supervision of the State Bank Examiner, provides a filing fee of \$5 for articles of incorporation and bylaws, and reserves the name "credit union" to associations formed under the act. Such an association is authorized to accept savings either as shares or as deposits, to make loans to mem-

bers (who may be other credit unions as well as individual persons), to invest in any investment legal for savings or trust funds and not over 25 percent of its capital in paid-up shares of building and loan associations and in other credit unions, to borrow money aggregating not over 25 percent of its assets, and to become a member of a central credit union.

Individual membership in any credit union is limited to persons with a common bond or occupation or association or to groups within a well-defined neighborhood, community or rural district, and the members of their immediate family (but special limitations on the rights and privileges may be imposed on this latter group). Organizations of substantially the same group as the credit union membership may also be admitted, as well as other credit unions and their officers and committee members. Members leaving the sphere of operation of the association may leave in their shares and deposits if permitted by the bylaws, but may not thereafter borrow from it in amounts exceeding these holdings. Joint accounts are permitted.

The fiscal year shall end December 31 and the annual meeting must be held within the next 45 days. Special meetings may be called and held as specified in the bylaws. At all meetings each member shall have only one vote; proxy voting is prohibited except that member associations may cast their vote through a delegate.

The board of directors (not less than 5 members), the credit committee (not less than 3), and the supervisory committee (3) are to be elected at the annual meeting for such terms as the bylaws provide.

Officers—president, vice president, treasurer, and clerk (secretary)—are to be elected by the directors from their own number. The board is authorized to act upon membership applications, fix bonds for all persons handling money, determine rates of interest on loans and deposits, declare dividends, fill vacancies in the board and credit committee, set maximum shares and loans allowed per member, and have charge of all investments other than loans.

The treasurer is designated as the general manager of the association. This office may be combined with that of the clerk. No director or committee member shall be compensated as such.

The credit committee has supervision of all loans and it is to prepare the application form for loans, which must set forth the purpose for which the loan is desired, the security (if any) offered, and any other information required by the committee. For the granting of a loan, the unanimous approval of the committee members present (who must constitute a majority of the total committee) is required. Assignment of shares or deposits or the endorsement of a comaker may be regarded as security.

The supervisory committee is required to examine the books at least quarterly, as well as annually, and submit a report to the annual

meeting and to such other meetings as it may regard as necessary. By unanimous vote it may suspend any director, officer, or committee member and call a membership meeting to take such action upon the suspension as the meeting may see fit.

Loans may be made only for provident or productive purposes. No director, officer, or committee member may borrow in excess of his investment in the credit union nor act as endorser for any borrower. Interest on loans is set at not over 1 percent per month on unpaid balances. No credit union may lend an amount exceeding 10 percent of its assets to another credit union.

At the end of the fiscal year, 20 percent of net earnings, plus all entrance fees (25 cents each) and fines, are required to be set aside in a reserve fund until such fund equals 10 percent of the total outstanding loans. Thereafter, only such amounts shall be set aside as are required to keep the fund at the 10-percent level. The reserve is to be used as a reserve against bad debts and losses. It may not be distributed except in case of liquidation of the association. From the net earnings remaining after appropriation for reserve the directors may declare a dividend, not to exceed 6 percent, on all shares outstanding at the end of the year, with proportional payments on shares which became paid up during the year.

A member may withdraw from membership at any time, but notice may be required. A member may be expelled by two-thirds vote of a special meeting of members. Upon withdrawal or expulsion, the holdings of such persons plus any dividend or interest due, minus any amounts owed to the association, shall be paid as funds become available. For withdrawal of funds, notice of 60 days in case of shares and of 30 days in case of deposits may be required.

Procedure for voluntary dissolution is specified, but requires that dissolution can take place only upon a four-fifths vote of the entire membership at a special meeting the purpose of which is set forth in the notice of the meeting.

Credit unions formed under the act are exempt (as institutions for savings) from all taxation except on property owned and from any stock-transfer tax.

Associations are required to file annual reports with the State Bank Examiner on or before January 20 of each year, upon penalty of fine of \$5 for each day of delinquency. Their accounts are subject to audit by him (except that for associations with assets of less than \$25,000 he may accept the audit of a certified accountant), at fees ranging from \$25 upward.

*New York.*—Chapter 145 codifies previous enactments, with a considerable number of amendments. These amendments place a maximum of 15 upon the number of directors, permit the election of more than one vice president, and prohibit a member of the supervisory

committee from also serving as a member of the board of directors. New members of a credit union which has been in existence for more than a year may not vote until they have been shareholders for at least 90 days. Credit unions may no longer accept deposits. Dividends from the previous year's earnings may be declared by the board during the first 3 months of the year, but the directors are held jointly and severally liable for any amount of dividend voted which exceeds the amount available for dividend. Changes in loan procedure require endorsed notes when a mortgage on real estate is taken, prevent the withdrawal of any shares pledged as security for loans (except those in excess of the amount of loan) unless approved by a majority of the credit committee, prohibit loans to another credit union in excess of 15 percent of the capital of either association, and limit the association's total investment in shares of other credit unions to 25 percent of its capital. Credit unions, however, may not hereafter invest in obligations of certain school districts or railroads, nor (except associations with assets of more than \$3,000,000) in bonds of public utilities.

The term "surplus account" is to be used hereafter instead of "guaranty fund." Amounts in this account which exceed 20 percent of total liabilities may be transferred to undivided profits upon approval by the Superintendent of Banks. Associations are given permission to act as agents in selling money orders and travel checks.

*North Dakota.*—Chapter 143 creates a State Credit Union Board, consisting of the Bank Examiner and two members with at least 3 years' experience, chosen by the Governor from a list of 5 persons submitted by the State Credit Union League.

*South Carolina.*—Act No. 134 exempts from annual license fees all credit unions of State or Federal employees and building and loan associations doing a "strictly mutual business."

*Texas.*—Chapter 282 of the Acts of 1945 modifies the previous limitation (15 percent of capital and surplus) on borrowings of credit unions by providing that such associations may borrow up to 50 percent of their combined capital and surplus if such loans are secured by Government securities owned by the association. The 2-year limitation on credit-union loans was removed as regards those made under the Servicemen's Readjustment Act of 1944. The annual required set-aside for the guaranty fund was reduced from 20 to 10 percent of net income. The annual meeting may increase this proportion on recommendation of the directors or may decrease it whenever the fund equals or exceeds 10 percent of paid-in share capital. Dividends on shares are limited to 6 percent.

*Utah.*—Chapter 15 codifies, under the title "cooperative banks for personal credits," the previous enactments which had consisted of scattered provisions in the corporation, banking, and small-loan laws

of the State. Only a few minor changes were obtained, but it was the opinion of a Utah Credit Union League official that desirable amendments would be facilitated in the future by having all the credit union provisions in one chapter.

*Wisconsin.*—By chapter 58 the annual set-aside for the guaranty fund was changed from 20 percent of net income to 15 percent of gross income and the previous limitation on expenses (50 percent of income) was removed; the name of the auditing committee was changed to “examining committee” and its required examinations reduced from once every 2 months to twice a year. Articles of incorporation may be amended, at a meeting called for the purpose, by a two-thirds vote of those present (instead of two-thirds of all members). Voluntary dissolution is permitted upon unanimous vote of directors and two-thirds membership vote by ballot (previously, approval by two-thirds of entire membership present at meeting), provided not more than 10 members object.

Yearly examinations are required to be made by the State Banking Commission. The examination fees charged by the commission, which had previously ranged from \$5 to \$50 or more were lowered to 25 cents per \$100 of assets or the actual hourly cost of examination, whichever is less.

New provisions added by chapter 58 require detailed annual reports to the Banking Commission by February 1, on penalty of fine of \$1 to \$10 per day of default; authorize the commission to prescribe bookkeeping and accounting methods, which must be followed by the credit unions on pain of fine not to exceed \$10 per day; empower the commission to take over (subject to appeal) for liquidation any credit union violating the law, having its capital impaired, or operating in an unsound manner, and to prescribe the procedure in such cases; and specify procedures for the consolidation or merger of credit unions.

Other enactments regulate the manner of termination of bonds of officers or employees of credit unions (ch. 228) and permit the destruction of obsolete records, upon written consent of the Banking Commission (ch. 315).

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