



**THE ATTORNEY GENERAL  
OF TEXAS**

**AUSTIN 11, TEXAS**

**WILL WILSON  
ATTORNEY GENERAL**

April 16, 1959

WW-

Hon. J. M. Falkner  
Commissioner  
Banking Department  
Austin, Texas

Opinion No. 597

Re: Whether amendments to Articles  
of Association of a credit  
union should be approved by the  
State Banking Board or by the  
Banking Commissioner.

Dear Mr. Falkner:

You have requested the opinion of this office as to whether amendments to the articles of association of a credit union should be approved by the State Banking Board or the Banking Commissioner of Texas.

Article 2643, Vernon's Civil Statutes, providing for the incorporation of credit unions, is as follows:

"Ten (10) or more residents of this State may associate themselves together by articles of agreement and form a credit union and upon approval of the State Banking Board, may become a corporation upon complying with such provisions of the law regulating State banks as may be applicable to the transaction of business as herein authorized to be done. The State Banking Board may permit the formation of such corporation when it is satisfied that the proposed field of operation is favorable to the success of a credit union, and the standing of the proposed members is such as to give assurance that its affairs will be administered in accordance with the spirit of this Law, and said Board may investigate or cause to be investigated such matters when deemed by it necessary to assist it in its determination of such duties, the actual expenses of such investigation to be paid upon itemized statement thereof by the applicants for charter under this Law. If the charter is granted, the corporation shall reimburse said applicants for such payment. When permission for the formation of such corporation shall have been granted by the State Banking Board, the Banking Commissioner shall issue a charter to said credit union to do business in

conformity with the provisions of this Title upon the payment of a charter fee of Ten Dollars (\$10)." (Emphasis added).

Article 2467, V.C.S., provides:

"No such credit union shall receive deposits or payments on account of shares, or make any loans until its by-laws have been approved in writing by the Banking Commissioner, nor shall any amendment to its by-laws become operative until they have been so approved."

Articles 2461 through 2484b, Vernon's Civil Statutes, which govern the formation and conduct of credit unions, contain no specific provision relating to amendments to the articles of association. However, Article 2463 provides that, upon approval by the State Banking Board, ten or more residents of Texas may form a credit union "upon complying with such provisions of the law regulating State banks as may be applicable to the transaction of business as herein authorized to be done."

Article 342-312, Texas Banking Act of 1943, provides for amendments to articles of association of State banks to be filed with and after approval by the Banking Commissioner of Texas, such amendments shall thereupon become effective. However, it is provided that any amendment changing the domicile of any State bank to another city or town shall not be effective until approved by the State Banking Board in the manner provided for the approval of an original application for charter.

The use of the emphasized phraseology contained in Article 2463, V.C.S., evidences the legislative intent that the Banking Commissioner of Texas should approve all amendments to the articles of association of credit unions in the same manner required for the approval of amendments to the articles of association of State Banks. The approval of amendments to the articles of association of credit unions by the State Banking Board is not required except under the conditions provided for in Article 342-312, V.C.S., in the case of approval of amendments to articles of association of State banks.

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SUMMARY

The State Banking Commissioner shall approve all amendments to articles of association of credit unions except where the approval of the State Banking Board is required under the provisions of Article 342-312, V.C.S.

Yours very truly,

WILL WILSON  
Attorney General of Texas

By

  
C. K. Richards  
Assistant

CKR:wb

APPROVED:  
OPINION COMMITTEE

Geo. P. Blackburn, Chairman  
Richard O. Jones  
Milton Richardson  
Marvin H. Brown, Jr.  
Robert T. Lewis  
David Thomas

REVIEWED FOR THE ATTORNEY GENERAL

BY: W. V. Geppert