§ 454. General powers. In addition to the powers conferred by the provisions of this chapter, a credit union shall, subject to the restrictions and limitations contained in this article, in its bylaws, and in any regulations promulgated by the superintendent, or in any regulations of the superintendent of financial services as may be specifically authorized under this section, have the following powers:

1. To issue and receive payments on, shares, share drafts, and share certificates, subject to such terms, rates, and conditions as are established by its board of directors, from its members and from other credit unions, both state and federally chartered.

A member may designate any person or persons to own shares or share certificates with him or her in joint tenancy with the right of survivorship, but no joint tenant shall be permitted to vote, obtain loans, or hold office, unless he or she is within the field of membership and is a qualified member.

2. To act as trustee under a retirement plan established pursuant to the provisions of the act of congress entitled "Self-employed Individuals Tax Retirement Act of 1962," and provisions of law contained therein, as amended; provided that the provisions of such retirement plan require the funds of such trust to be invested exclusively in share accounts of insured state and federally chartered credit unions. In the event that any such retirement plan, which, in the judgment of the credit union, constituted a qualified plan under the provisions of said self-employed individuals tax retirement act of nineteen hundred sixty-two, and provisions of law contained therein, as amended, and the regulations promulgated thereunder at the time the trust was established and accepted by the credit union, is subsequently determined not to be such a qualified plan or subsequently ceases to be such a qualified plan, in whole or in part, the credit union may, nevertheless, continue to act as trustee of any shares theretofore made under such plan and to dispose of the same in accordance with the directions of the shareholders and the beneficiaries thereof. No credit union, in respect to shares purchased under this subdivision, shall be required to segregate such shares from other shares of such credit union; provided,

however, that the credit union shall keep appropriate records showing in proper detail all transactions engaged in under the authority of this subdivision.

3. To act as trustee of an individual retirement account established pursuant to the provisions of the act of congress entitled "Employee Retirement Income Security Act of 1974," and provisions of law contained therein, as amended; provided that the provisions of the written governing instrument creating the trust require the funds of such trust to be invested exclusively in share accounts of insured state and federally chartered credit unions. In the event that any such individual retirement account, which, in the judgment of the credit union, constituted a qualified individual retirement account under the provisions of said employee retirement income security act of 1974, and provisions of law contained therein, as amended, and the regulations promulgated thereunder at the time the trust was established and accepted by the credit union, is subsequently determined not to be such a qualified individual retirement account or subsequently ceases to be such a qualified individual retirement account, in whole or in part, the credit union may, nevertheless, continue to act as trustee of any shares theretofore purchased under such individual retirement account and to dispose of the same in accordance with the directions of the shareholder and the beneficiaries thereof. No credit union, in respect to shares purchased under this subdivision, shall be required to segregate such shares from other shares of such credit union; provided, however, that the credit union shall keep appropriate records showing in proper detail all transactions engaged in under the authority of this subdivision.

4. To charge an entrance fee to any person who has applied for and been elected to membership.

5. To charge a reasonable fee for the transfer of its shares.

6. (a) To lend money to its members at the rate or rates agreed to by the credit union and the borrower upon such terms and conditions as are established by its board of directors and subject to such regulations and restrictions as the superintendent of financial services finds

necessary and proper.

(b) The knowingly taking, receiving, reserving, or charging a greater rate of interest than permitted by law shall be held and adjudged a forfeiture of the entire interest which the note or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person paying the same or his legal representatives may recover twice the entire amount of the interest thus paid from the credit union.

(c) (i) No credit union may make any member business loan that would result in a total amount of such loans outstanding at that credit union at any one time equal to more than the lesser of 1.75 times the actual net worth of the credit union, or 1.75 times the minimum net worth required under 12 U.S.C. 1790d(c)(1)(A) for a credit union to be well capitalized.

(ii) Subparagraph (i) of this paragraph does not apply in the case of: (A) a credit union chartered for the purpose of making, or that has a history of primarily making, member business loans to its members, as determined by the superintendent; or (B) a credit union that serves predominantly low-income members, as defined by the superintendent, or which is a community development financial institution as defined in 12 U.S.C. 4702; or (C) a credit union excepted from the requirements of such subparagraph (i) by the superintendent where such credit union is seeking an exception from any federal limits on member business loans to the same extent as permitted to federally-insured state credit unions pursuant to the Federal Credit Union Act and regulations related thereto, provided that such credit union demonstrates to the satisfaction of the superintendent that such exception would be consistent with the declaration of policy as set forth in section ten of this chapter.

(iii) For purposes of this paragraph the term "member business loan" and the term "net worth" shall have the same meaning as such terms are defined in 12 U.S.C. 1757a.

7. (a) To issue credit cards, debit cards, and similar devices to allow members to make purchases and to access their loans, lines of credit, shares and deposits;

(b) To collect, receive and disburse funds in connection with the

issuance of negotiable checks, money orders, travelers checks and other payment instruments to members, and to charge a fee for such services;

(c) To rent safe deposit boxes to members; and

(d) To provide any related financial services to members which are not expressly authorized pursuant to this article, including but not limited to electronic funds transfers and correspondent services; provided, however, that any credit union which seeks to offer any such related financial services which it has not offered prior to June twentieth, two thousand three shall, not less than sixty days prior to offering such services, notify the superintendent in writing of its intention to offer such services. If the superintendent does not object in writing to the offering of such services within sixty days after the receipt of the notice, the credit union may offer such services to its members.

8. To deposit any moneys received by it, and not lent to members, in one or more state or federally chartered banking organizations or branches of foreign banking corporations which are insured by the Federal Deposit Insurance Corporation, by the National Credit Union Share Insurance Fund, or by another agency of the United States government.

9. To borrow money subject to such regulations and restrictions as the superintendent of financial services finds necessary and proper from any source in an aggregate amount not exceeding fifty percent of assets without the written approval of the superintendent.

10. To impose financing charges and late charges in the event of late payment or default on loans and recover reasonable costs and expenses, including collection costs and reasonable attorneys' fees incurred both before and after judgment.

11. To suspend or expel members, as provided in section four hundred sixty-four of this article.

12. To impress and enforce a lien upon the shares, share accounts, share certificates, deposits, dividends, and accumulation of interest on the shares, accounts, certificates, and deposits of any member to the

extent of any sums owed the credit union by said member and any loans made to him or her directly or indirectly or on which he or she is surety, guarantor, or endorser.

13. To cancel the shares of any member who withdraws or is expelled and apply the withdrawal value thereof to the liquidation of such member's indebtedness to the corporation.

14. Subject to the limitations contained in subdivision seven of section four hundred fifty-six of this article, to hold shares in and make loans to other credit unions, whether state or federally chartered.

15. To conduct its business at automated teller machines, point-of-sale terminals, shared service centers, and similar facilities subject to regulations which may be promulgated by the superintendent of financial services. Such facilities shall not be deemed to be stations and shall not be subject to any of the provisions of this chapter applicable to stations.

16. To issue shares to and accept deposits from a member in the name of a minor. Such shares and deposits shall be held for the minor's exclusive right and benefit and free from control or lien of all other persons, except creditors. The withdrawal value of such shares or deposits shall be paid to the person in whose name such shares or deposits are held. A receipt or acquittance of a minor shall be valid and sufficient release and discharge to such credit union for all payments made on account of such shares or deposits.

17. To issue shares to and accept deposits from a member, which are held in the name of a member in trust for a beneficiary or in the name of a non-member in trust for a beneficiary who is a member. No beneficiary, unless a member in his or her own right, shall be permitted to vote, obtain loans, or hold office or be required to pay an entrance or membership fee. Payment of part or all of such a trust account to the party in whose name the account is held shall, to the extent of such payment, discharge the liability of the credit union to that party and to the beneficiary, and the credit union shall be under no obligation to

see to the application of such payment. In the event of the death of the party who owns a trust account, if the credit union has been given no other written notice of the existence or terms of any trust and has not received a court order as to disposition of the account, the account's funds and any dividends or interest thereon shall be paid to the beneficiary.

18. (a) To invest its funds in: (i) Those securities authorized as permissible investments for savings banks by subdivisions one, two, three, four, twelve, paragraph (a) of subdivision twelve-a, and subdivisions fifteen, seventeen, twenty-seven and twenty-eight-a of section two hundred thirty-five of this chapter and such other investments as the superintendent deems permissible.

(ii) Advances of federal funds as authorized for savings banks by subdivision twelve-b of section two hundred thirty-five of this chapter.

(iii) Common trust units of a credit union investment pool organized for the purchase of:

(A) obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby;

(B) obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, or any corporation designated in section 846 of Title 31 of the United States Code as a wholly owned government corporation, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or the Government National Mortgage Association, or in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 1454 or 1455 of Title 12 of the United States Code, or in obligations or other instruments or securities of the Student Loan Marketing Association;

(C) participation certificates evidencing beneficial interests in obligations, or in the right to receive interest and principal collections therefrom, which obligations have been subjected by one or more government agencies to a trust or trusts for which any executive department, agency, or instrumentality of the United States (or the head thereof) has been named to act as trustee; provided that such investment

pool has been approved by the superintendent; or

(D) securities, obligations or other instruments of, or issued by, any agency of the United States.

(iv) Where the assets of a credit union are in excess of three million dollars, such credit union is further authorized to invest its funds in the securities enumerated in subdivisions thirteen and fourteen of section two hundred thirty-five of this chapter, subject in each case to those limitations applicable to such investment in the case of savings banks.

(b) All such securities, except those purchased in a common trust unit pursuant to subparagraph (iii) of paragraph (a) of this subdivision, must be registered in the name of the credit union; provided that where any such securities are non-registerable, except those purchased in a common trust investment pool, as hereinbefore provided, they shall be placed in the custody of a bank, trust company, national bank, or state or federal corporate credit union in the name of the credit union, and shall be retained by such bank, trust company, national bank, or state or federal corporate credit union until such securities are liquidated at maturity or sold, in either of which events the proceeds of such securities shall be deposited in the name of the credit union in any institution specified in subdivision eight of this section.

(c) Notwithstanding the provisions of this subdivision, a credit union may invest the lesser of ten percent of its capital or net worth, but at least ten thousand dollars, in the shares of investment companies; provided that the portfolio of such investment company consists solely of securities in which credit unions are permitted to invest directly. The term "investment companies" means open-end and close-end investment companies and unit investment trusts as these terms are used in an Act of Congress entitled "Investment Company Act of 1940."

19. Subject to regulations and restrictions of the superintendent of financial services, a credit union may invest its funds in and make loans to credit union organizations; provided that such loans or investments shall be approved by the board of directors. No such loan or investment shall be made by a credit union pursuant to this subdivision if the amount of such loan or investment exceeds three per centum of the total sum due to the members on shares and deposits. For the purpose of

this subdivision, a credit union organization is any organization established primarily to serve the needs of its member state and federal credit unions, and whose business relates to the daily operations of the credit unions it serves.

20. To purchase, sell, service, pledge or discount, or otherwise receive or dispose of, eligible obligations to the same extent as authorized pursuant to Title 12 U.S.C. section 1757(13) and any regulations promulgated thereunder, as such laws or regulations may be amended from time to time.

21. To purchase, hold, lease and convey a plot whereon there is or may be erected a building suitable for the transaction of its business, from portions of which not required for its own use a revenue may be derived, and a plot whereon parking accommodations are or are to be provided, with or without charge, primarily for its members or employees or both; provided that the net aggregate of all investments of any credit union in such plots and building shall be limited to six per centum of the capital and retained earnings of such credit union, except with the approval of the superintendent.

22. To enter into contracts.

23. To sue and to be sued in all courts and to participate in actions and proceedings, whether judicial, arbitrative, or otherwise, in like cases as natural persons.

24. To have a corporate seal, and to alter such seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

25. To make donations, irrespective of corporate benefit, for the public welfare or for community fund, hospital, charitable, educational, scientific, civic, or similar purposes, and, in time of war or other national emergency, in aid thereof.

26. To elect or appoint officers, employees, and other agents of the

credit union, define their duties, fix the compensation of employees and other agents, and to indemnify credit union officials, committee members, and employees.

27. To have perpetual existence.

28. To honor requests for withdrawals of member accounts, whether shares or deposits, in any manner approved by the credit union's board of directors, including, without limitation because of enumeration, requests in person, by telephone, by mail, by negotiable or non-negotiable order, by electronic communication, or otherwise. The board of directors may, at any time, require members to give, in writing, not more than sixty days' notice of intention to withdraw the whole or any part of the amounts paid in by them, except that this requirement shall not apply to amounts in a share draft or checking account. In the event that any credit union shall require that notice be given before such amounts may be withdrawn, it shall, before or upon the day such requirement is made effective, notify the superintendent by telephone, other electronic means or in writing that such requirement has been made.

29. To, either on an individual or participation basis, establish or maintain an accounting service center, the functions, facilities, and operations of which are limited to providing data processing services. As used in this subdivision, the term "data processing services" means the maintenance of bookkeeping, accounting, or other records related to the purposes and functions of a credit union, primarily by mechanical or electronic methods, and the furnishing of reports and information derived from such records. Participation in the accounting service center may be by means of a partnership or other non-corporate arrangement between or among the participating entities or by participation in an accounting service center corporation organized for the sole purpose of providing data processing services. A credit union's individual or proportionate ownership of the accounting service center shall not exceed two percent of its members' shareholdings.

30. To acquire and lease personal property, and to hold, assign,

pledge, sell or otherwise dispose of such personal property, to the same extent as authorized under subdivision twelve of section ninety-six of this chapter, subject to such limitations and conditions as the superintendent of financial services may from time to time prescribe by general regulation.

31. To hold membership in other credit unions organized under this article or under federal law or any other credit union act, and in associations and organizations controlled by or fostering the interests of credit unions, including a central liquidity facility organized under state or federal law.

32. To execute and deliver for its members such guarantees as may be incidental or usual in the transfer of investment securities.

33. Notwithstanding any other provision of this article to the contrary, to participate in the minority - and women-owned business development and lending program, as established in section 16-c of section 1 of chapter 174 of the laws of 1968, constituting the urban development corporation act, to the extent that such program allows participation by credit unions.

33-a. To accept moneys deposited by the commissioner of taxation and finance or the comptroller as linked deposits and make linked loans pursuant to article fifteen of the state finance law and to pledge assets or furnish other security satisfactory in form and amount to the depositor, for repayment of such moneys.

34. To have and exercise all other powers that are necessary or appropriate to enable it to carry out its purpose.

35. To participate in loans to credit union members jointly with other credit unions, credit union organizations, or other banking organizations pursuant to written policies established by the board of directors; provided that a credit union which originates a loan for which participation arrangements are made shall retain an interest in at least ten percent of the face amount of the loan. The member of the

originating credit union benefiting from the proceeds of the loan need not be within the field of membership of the other credit unions participating in the loan.

36. To invest its funds in a collateralized mortgage obligation/real estate mortgage investment conduit. A credit union may invest in a fixed or variable rate collateralized mortgage obligation/real estate mortgage investment conduit, subject to the same extent and under the same conditions as federal credit unions are authorized to so invest, pursuant to the Federal Credit Union Act (12 U.S.C 1757(15)(B)) and any regulations related thereto, as amended.

37. To engage in a "savings promotion" in accordance with section nine-v of this chapter and subject to any regulations promulgated by the superintendent. The superintendent shall consult with the state gaming commission before proposing any such regulations or any amendments thereto. Such regulations shall ensure that:

a. no participant in a savings promotion is charged any fee that would constitute, directly or indirectly, consideration for participation in such savings promotion; and

b. no participant in a savings promotion foregoes, directly or indirectly, any interest that would constitute consideration for participation in such savings promotion.