52.16 LENDING; CONDITIONS.

Subdivision 1. **Purposes; repayment; loans involving officers.** A credit union may loan to members. Loans must be for a provident or productive purpose and are made subject to the conditions contained in the bylaws. A borrower may repay a loan, in whole or in part, any day the office of the credit union is open for business. Except for loans secured by first real estate mortgages on homes owned and occupied, of the character made to other members, no director, officer, or member of the credit or supervisory committee may become liable, as a borrower or endorser for other borrowers, or both, to the credit union in which that person holds office, beyond the amount of the person's holdings in shares and deposits therein, unless the loan shall have been approved in the manner provided by section 52.10.

Subd. 2. **Self-replenishing line of credit.** Upon application by a member, the credit committee may approve in advance a self-replenishing line of credit, and advances may be granted to a member within the limit of the extension of credit. Where a self-replenishing line of credit has been approved, additional loan applications may be required.

History: *(7774-16) 1925 c 206 s 16; 1943 c 647 s 4; 1978 c 663 s 2; 1986 c 444*