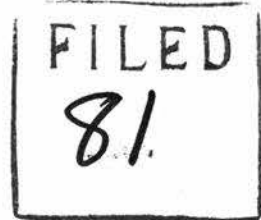


CREDIT UNIONS:            There is no statutory authority in Missouri permitting the changing of a state credit union to a federal credit union.

November 10, 1948



Honorable Harry G. Shaffner  
Commissioner of Finance  
Department of Business and Administration  
Jefferson City, Missouri

Dear Mr. Shaffner:

This will be in response to your letter of recent date, concerning the authority of a credit union incorporated under the statutes of Missouri to change its organization and identity from a state credit union to a federal credit union. Your letter is as follows:

"A credit union chartered under Missouri Law wishes to change from a state to federal charter. The federal department in this connection requests the approval of the Commissioner to the effect that the proposed transfer of assets and liabilities from state to federal charter is not in conflict and may be effected under the laws of the State of Missouri and particularly under the provisions of Section 5540 of Missouri Statutes.

"This Division contends that it can only recognize the dissolution of a state chartered credit union and the problem of whether or not the shareholder is paid in cash or reverts his shares into another credit union is within the holder's rights.

"May we be advised with an opinion?"

Your letter refers especially to Section 5540, R.S.Mo. 1939, Laws, Missouri, 1945, page 722, respecting the proceedings looking toward the dissolution of a credit union organized and incorporated under the statutes of this State and the effect of the proceeding to dissolve such a corporation.

Honorable Harry G. Shaffner

Your immediate query is: whether our statutes provide for the change from a state credit union to a federal credit union.

Said Section 5540, R.S.Mo. 1939, Laws of Missouri, 1945, page 722, providing for the dissolution of a credit union has no provision whatsoever authorizing a credit union organized under the terms of Article 5, Chapter 38, R.S.Mo. 1939, and amendments thereto, to change in anywise from a state credit union to a federal credit union, either by consolidation or merger, or by any other process.

Said Section 5540 as amended, Laws of Missouri, 1945, page 722, provides only for the dissolution and final winding up of the affairs of a credit union in this State by following the terms of that section of our statutes. The section provides that upon the filing of a notice of the purpose to dissolve a credit union with the Commissioner of Securities in this State, such credit union shall continue in existence only for the purpose of discharging its debts and obligations, collecting and distributing its assets and doing all other acts required in order to wind up its business affairs. There is no authority whatsoever, in said Article 15, Chapter 33, and amendments thereto, for such a credit union to change its identity and organized existence into a federal credit union.

In considering this question we have examined and here refer to Chapter 14, Title 12, U.S.C.A., page 600, etc., on the subject of Federal Credit Unions, to learn if there is any authority or direction in the federal statutes on the subject permitting or inviting the changing of a state credit union into a federal credit union. The federal statutes in said Chapter 14 of said Title 12 of the federal statutes, from Section 1751 to and including Section 1771, covering the whole federal scheme and plan of the organization and supervision of federal credit unions, makes no mention whatsoever of the amalgamation, consolidation, merging or changing of a state credit union into a federal credit union.

This being the condition of the state laws and the federal laws respecting credit unions, and none of which statutes provide for such change of a state credit union to a federal credit union, we believe it is conclusive that your position, holding that your Department has no authority to authorize or approve any proceeding which undertakes to change a state credit union into a federal credit union organization is correct. As we read the statutes, your duty, under said Section 5540, is only to approve the dissolution of a state credit union. Our Supreme Court has

Honorable Harry G. Shaffner

defined the extent of the authority of the Commissioner of Finance, with respect to the performance of his official duties. In the case of State ex rel. Banister et al. vs. Cantley, Commissioner of Finance, et al., 52 S.W. (2d) 397, 1.c. 398, respecting the statutory powers of the Commissioner of Finance of this State our Supreme Court said:

"The functions of the finance commissioner, like any other official, are limited to the powers and duties imposed upon him by the statute which creates the office. 46 C.J. 1031; State ex rel. Bradshaw v. Hackmann, 276 Mo. 600, 208 S.W. 445; Lamar Township v. City of Lamar, 261 Mo. loc. cit. 189, 169 S.W. 12, Ann. Cas. 1916D, 740.

"An official such as the finance commissioner has no implied powers except such as are necessary to the effective discharge of the powers expressly conferred. 46 C.J. 1032."

It seems that the writer of the letter to you requesting your approval of a plan to change a state credit union into a federal credit union, and the transfer of the assets and liabilities of the state credit union to a federal credit union, believed that the office of the Attorney General of Missouri could give an opinion in approval of your consent for such change from a state credit union to a federal credit union if the same were attempted.

We find no authority whatsoever in the statutes of this State, including those hereinabove mentioned, nor the federal statutes also hereinabove mentioned, giving the Attorney General of Missouri any such authority.

#### CONCLUSION

It is, therefore, the opinion of this Department that there is no statutory authority in Article 15, Chapter 33, R.S.Mo. 1939, and amendments thereto, or in Chapter 14, Title 12, U.S.C.A., permitting your Department or this Department to approve the changing of a credit union, organized and incorporated under the laws of the State of Missouri, to a federal credit union.

APPROVED:

Respectfully submitted,

---

J. E. TAYLOR  
Attorney General

GEORGE W. CROWLEY  
Assistant Attorney General