17-2225. Losses; proportionate reduction in liability, when; limitations. Whenever the losses of any credit union, resulting from a depreciation in value of its loans or investments or otherwise, result in the credit union being insolvent, shareholders of the credit union may, by a three-fourths (3/4) vote of the membership present at a meeting called to consider the matter, order a reduction in the liability of the credit union to each of its shareholders so as to divide the loss proportionately among the shareholders. If thereafter the financial structure of the credit union would not be impaired by repayment in whole or part, the credit union may proportionately repay the members whose shares were so reduced: Provided, The provisions of this section shall apply only to such shareholders of the credit union as have acquired shares after the effective date of this act, unless a consent in writing by any prior shareholder is provided. Such a consent may be a prospective agreement without consideration, that the provisions of this section shall apply to the share balance of such shareholder, but such consent shall be revocable in the absence of consideration.

History: L. 1963, ch. 140, § 6; June 30.