

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1673

By: Representative Fairchild

"AN ACT TO AMEND SECTION 16(4)(A) OF THE ARKANSAS CREDIT UNION ACT, ACT 132 OF 1971, AS AMENDED, [ARK. STAT. 67-916 (4)(A)] TO ADD RESTRICTIONS ON REAL ESTATE LOAN AUTHORITY; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 16(4)(A) of Act 132 of 1971, as amended, the same being Arkansas Statutes 67-916 (4)(A), is hereby amended to read as follows:

"Section 16(4)(A). Loans may be granted to members of the credit union, secured by a first or second mortgage on real estate. The aggregate of such loans shall not exceed 80 percent (80%) of the market value of the real estate which is set forth in an appraisal prepared by an independent qualified real estate appraiser. Such loans shall also provide for substantially equal monthly payments for insurance premiums and taxes assessed against the security. The total outstanding balance of all first mortgage loans on real estate shall not exceed 30 percent (30%) of the outstanding shares of the credit union."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

