1 per cent per month and therefore it has no power to charge an extra amount for the credit union to take out insurance against loss on loans to its borrowers. It seems to me that the Act is clear as to this proposition. For the most part these loans are small and Section 311 specifically provides that security must be taken for every loan over fifty dollars and the language of said section seems to make full protection for the loans made.

FINANCIAL INSTITUTIONS, DEPARTMENT OF: Credit union chartered by State may not establish undivided profits account.

January 26, 1939.

Hon. Ross H. Wallace,
Director, Department of Financial Institutions,
State House,
Indianapolis, Indiana.

Dear Mr. Wallace:

This will acknowledge the receipt of your letter of January 20, 1939, in which you state, "We should like to be advised as to whether a State-chartered credit union has the power or right to establish and maintain an undivided profits account."

I am of the opinion that a State-chartered credit union does not have the power or right to establish and maintain an undivided profits account.

Section 318 of the Act specifically provides for a reserve fund as follows:

"All entrance fees and charges shall, after the payment of the organization expenses, be known as reserve income, and shall be added to the reserve fund of the credit union. At the close of the fiscal year, there shall be set apart to the reserve fund twenty per cent of the net income of the corporation which has accumulated during the year. The members, at any annual meeting, may increase the proportion of the profits which is required by this section to be set apart to the reserve fund or to decrease it when it equals the paid-in capital of the credit union. The reserve fund shall belong to the corporation and shall be held to meet contingencies and shall not be distributed to the members except upon dissolution of the corporation."
The reserve fund, as above provided, can not be distributed to the members except upon dissolution of the fund. No undivided profit-account is provided for under the Act and I do not think the language of the Act can be so construed as to permit one. After the required per cent of the net income of the corporation is paid at the close of the fiscal year, the remainder of the net income should be paid out in dividends.

AUDITOR OF STATE: Legislator’s salary may not be garnisheed during session.

January 28, 1939.

Hon. Frank G. Thompson,
Auditor of State,
State House, Indianapolis.

Dear Mr. Thompson:

Your letter of January 26 received, in which you state:

“We request your official opinion as to whether a Legislator’s salary can be garnisheed while the Legislature is in session, in view of Article 4, Section 8, Constitution of the State of Indiana.”

Attached to your letter are two purported court orders in proceedings supplemental to execution in the case of Frank Woodworth v. William Brown, and Neighborhood Grocery-Fern Elliott v. William Brown, from the justice of the peace court of Center Township, Howard County, Indiana.

The judgment is not set out in either order nor the time when judgment was taken, nor is it shown that the court had jurisdiction of either the person or subject matter. Furthermore there is no showing in the order that execution was ever had and returned unsatisfied. Under such circumstances I am of the opinion that the order made is not enforcible and you would not be justified in withholding any money due the said William Brown.

In answer to the specific question contained in your letter, I am of the opinion that the salary of a member of the Legislature while in session can not be garnisheed. Such a proceeding is a civil process and Article 4, Section 8, of the Constitution of Indiana specifically provides: “Senators and Representatives, * * * shall not be subject to any Civil process, during the session of the General Assembly, nor during the next fifteen days before the commencement thereof.”