"We should like to be advised as to whether a member whose loan exceeds his share investment is eligible for election as an officer, director or committee member."

It is my opinion that such a member is not eligible for election as an officer, director or committee member of a credit union. The Act specifically provides:

"That loans to officers, directors or committee members shall not exceed the paid-in value of shares owned in such association by such borrowing director, officer or committee member, and that such shares shall have been assigned to the credit union as collateral."

Moreover, there is a penalty attached to any one violating any provisions of the Act, and upon conviction the person if found guilty is subject to a fine of not less than one hundred dollars and a prison sentence of not exceeding six months. It is certainly against public policy to permit one who is guilty of violating the law under which the union is organized to be eligible for election as an officer, director or committee member.

FINANCIAL INSTITUTIONS, DEPARTMENT OF: Right of credit union to establish branch offices in various parts of the State.  
February 16, 1939.

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

Dear Mr. Wallace:

I have your letter of February 14, 1939, in which you state:

"We should like to be advised as to whether credit unions may establish and maintain branch offices in various parts of the state or at several places within the city in which incorporated."

I am of the opinion that the inquiry should be answered in the negative. The Credit Union Act provides that the articles of incorporation shall give the name and postoffice address of its office, and Section 306 of the Act provides:
“Every credit union shall be subject to examination by the department and shall be examined by the department as often as the department shall deem necessary, and the department shall at all times be given free access to all of the books, papers, securities and other sources of information in respect to any such credit union, and for that purpose the director, any member of the commission and the supervisor in charge of the division shall have the power to subpoena and examine witnesses on oath and documents pertaining to the business of the credit union.”

We see from this section that the department may examine any credit union at any time and have access to all books, papers, securities and other information at the time of the examination. This could hardly be possible if branch offices were established all over the state or city.

It is my opinion, therefore, that the purpose and intent of the Act prevents the establishment of branch offices in various parts of the state and cities.

FINANCIAL INSTITUTIONS, DEPARTMENT OF: Right of licensee under Small Loans Act to operate under another name.

February 16, 1939.

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

Dear Mr. Wallace:

I have your letter of February 15, in which you ask for an opinion based upon the following questions:

“1. Can a corporation engage in business under an assumed name?

“2. Are there any restrictions or prohibitions under the Small Loan Act, particularly section 18-3001, Burns, 1933, which would restrict a licensee from operating and engaging under another name, providing a license was first procured to so operate under the assumed name at that address?”