

Opinion No. 55-6185

June 10, 1955

BY: RICHARD H. ROBINSON, Attorney General

TO: Mr. Woodlan P. Saunders, State Bank Examiner, State Banking Department, Santa Fe, New Mexico

You ask whether or not you have the authority to refuse a charter to a proposed credit union when the Certificate of Organization and the By-Laws of same, as presented to your office, indicate that there is practically no working capital with which the credit union could begin business. In your request you state that you have received an application where the total amount contributed to the organization is \$ 2.00.

Clearly, under § 48-19-1, subparagraph (d), N.M.S.A., 1953, if you determine that the organization of a credit union would not benefit the members of it, you have the authority to deny a Certificate to the applicant. I cannot see how a credit union without working capital could possibly be of a benefit to any one. In addition, § 48-19-6, N.M.S.A., 1953, provides that if the Bank Examiner determines that a chartered credit union is insolvent, notice may be served of his intention to revoke the Certificate. If you have the power to revoke the Certificate of an insolvent credit union, it follows that you should have the power to deny a Certificate to a credit union applying for same, which is insolvent, or for all practical purposes is insolvent.

By: Jack A. Smith

Assistant Attorney General