in another school district does not, by itself, render voidable either the individual's teaching contract or the teachers' collective bargaining agreement he will be passing upon as a school board member.

There remains for consideration the possibility that the teacher might belong to a collective bargaining organization in the school district where he teaches as such organizations are expressly authorized by Sections 9 and 11 of the Public Employment Relations Act. In addition, it is possible that in the school district where he serves on the board of education the collective bargaining organization representing the teachers may be affiliated with the same state organizational entity, the Michigan Education Association or the Michigan Federation of Teachers, that the collective bargaining organization is affiliated with in the school district where he teaches.

However, it must be noted that membership and participation in a collective bargaining organization is voluntary activity not required of a teacher by statute and is too remote and insubstantial to constitute a conflict of interest.

Thus, there is still no inconsistency or repugnancy between the legal duties of a teacher in one school district and a board of education member in another school district. This is not to say that the legislature could not, if it so desired, prohibit this dual holding of public positions by statutory enactment.

In conclusion, it is the opinion of the Attorney General that there is no legal prohibition against the same individual simultaneously serving as a member of a board of education in one school district and teaching in another school district.

FRANK J. KELLEY,
Attorney General.

690509.1

CREDIT UNIONS: Powers and duties.

State chartered credit unions possess implied powers to extend a line of credit to credit union members for provident or productive purposes, to permit its members to utilize drafts in unstated amounts, but limited by imprint thereon to a stated maximum, and to invest the funds of the credit union in a housing cooperative irrespective of whether the housing would be limited to occupancy by credit union members.

A state chartered credit union does not possess the power, either express or implied to disburse, directly from the funds of its members for the regular payment of utility bills and insurance premiums.

No. 4650

May 9, 1969.

Mr. Robert P. Briggs
Commissioner of Banking
Financial Institutions Bureau
Davenport Building
Lansing, Michigan

You have asked whether the enumerated powers of a credit union include the power to:

(1) extend a line-of-credit binding the credit union to make future loans;

(2) disburse the funds of its members, by agreement, for the payment of utility bills and insurance premiums;

(3) issue drafts in unstated amounts, but limited by imprint thereon to a stated maximum, which the members may at their convenience complete and endorse as payable to a stated party;

(4) invest funds in an entity that is providing multiple services, one of which is to construct apartment housing, where the occupancy of the housing would not be limited to credit union members.

(1)

Unlike a bank or a savings and loan association, ". . . The credit unions make chiefly personal loans . . . [and] . . . are created especially for the purpose of providing people of moderate means, salaried employees, and wage earners with an institution where they may borrow money for personal needs such as medical bills and to meet temporary emergencies." *State v. Minnesota Federal Savings & Loan Association* (Minn., 1944), 15 NW 2d 568, at 572. A credit union has the express power to "make loans to members for provident or productive purposes." Act 285, Public Acts of 1925, § 4, as last amended by Act 280, PA 1967, M.C.L.A. § 490.4; M.S.A. 1968 Cum. Supp. § 23.484. Indeed, one of the basic purposes of a credit union is to create a "source of credit" for its members. Act 285, Public Acts of 1925, § 1, as amended; M.S.A. §23.481; M.C.L.A. § 490.1.

In O.A.G. 1952-54, p. 376, the Attorney General held that the general authority of credit unions to require security for a loan would permit the credit union to require the borrower-member to furnish credit life or accident insurance as a condition to obtaining a loan and that reserve fund of the credit union could be used to pay premiums for credit insurance despite the fact that the statute contained no express authorization therefor.

As a State chartered corporation, a credit union possesses as a necessary incident of its existence the implied power to carry out the purposes for which it was organized. O.A.G. 1957-1958, Vol. II, pp. 102, No. 3202.

Therefore, a credit union possesses the incidental power to make loans and to create a source of credit in any reasonable manner. This would include the extension of a line-of-credit, subject, however, to the restriction that such line-of-credit, like other credit union loans, may only be extended for a provident or productive purpose.

(2)

Manifestly, a credit union could extend a loan for the purpose of paying items in the nature of current operating expenses such as utility bills and insurance premiums. There is, however, no statutory authority, either express or implied, for a credit union to agree to pay such bills directly from the shares or deposits of a member on a regular basis solely for the convenience of its members. It is therefore unnecessary to respond to your question as to the liability, if any, of the credit union in the event that payment is not properly transmitted.

(3)

While a credit union may not make loans to its members except for "provident or productive purposes," there is no relevant statutory limitation on the mechanics of the loan. If, as a matter of convenience to its members, a credit union desires to utilize drafts in unstated amounts, but limited by imprint thereon to a stated maximum, which the members may at their convenience complete and endorse as payable to a stated party, the credit union is free to do so.

(4)

Included in the enumerated powers of a credit union is the power to invest in a housing cooperative. Act 285, Public Acts of 1925, § 4a, added by Act 280, 1967; M.S.A. 1968 Cum. Supp. § 23.484(1); M.C.L.A. § 490.4a. Such investments are not statutorily limited to housing that is to be occupied solely by members of the credit union. Indeed, such a limitation would hardly be feasible if the housing cooperative is to be an economically successful venture. It is my opinion, therefore, that a credit union has the authority to invest its funds in such a housing cooperative, without regard to whether occupancy would be limited to members of the credit union, but only subject to the stated statutory limitations, viz., that such cooperative be organized by members of the credit union and that it be eligible to receive State or Federal assistance in providing housing.

FRANK J. KELLEY,
Attorney General.

690514.1

PUBLIC OFFICES AND OFFICERS: Incompatibility.

Offices of member of board of education, including intermediate board of education, and member of county board of supervisors.

The office of member of a board of education, including the board of an intermediate school district, and office of member of a county board of supervisors, in which county the school district is located, are incompatible and may not be held simultaneously by the same person.

No. 4671 May 14, 1969.

Hon. William S. Ballenger
State Representative
The Capitol
Lansing, Michigan

You have requested my opinion on the following question:

May the same person simultaneously hold the office of member of a board of education of a school district and the office of member of a county board of supervisors of the same county?

It is the common law of this state that the same person may not occupy two public offices at the same time where one office is subordinate to the