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STATUTORY INSTRUMENTS

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**2011 No. 2687**

The Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011

PART 4

Credit Unions

**Attachment of shares**

**18.**—(1) In section 7(1)—

- (a) in subsection (4), after “subsection (5)” insert “and section 11(1C)”;  
(b) for subsection (5) substitute—

“(5) Where a credit union has made a loan to a member which is treated by virtue of section 11A(2) below as a secured loan, the member shall not be permitted to withdraw shares where his paid-up shareholding, excluding any deferred shares, in the credit union is, or following the withdrawal would be, less than his total liability (including contingent liability) to the credit union whether as borrower, guarantor or otherwise.”

(2) In section 11, after subsection (1B) (inserted by article 17(2)) insert—

“(1C) Where a loan by a credit union is made to a member and is not a secured loan within the meaning of section 11A below, the terms of the loan must include provision as to whether, for the duration of the loan, the borrower is permitted to withdraw shares where his paid-up shareholding (excluding any deferred shares) in the credit union is, or following the withdrawal would be, less than his total liability (including contingent liability) to the credit union whether as borrower, guarantor or otherwise.”