

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 6926. Restriction on Loans and Deposits; Paycheck Allotments Authorized; Investment by Government Agencies; Garnishment.

(a) The credit union may take deposits from, and issue loans to, its members only; except that it may receive deposits and investments from the Commonwealth government, or from agencies or entities of the Commonwealth government.

(b) Notwithstanding any other provision of law, it may provide for the repayment of loans and other accounts receivable through allotments to be deducted from the Commonwealth government payroll checks, including Northern Mariana Islands Retirement Fund checks.

(c) The credit union may garnish wages due from any employer in the Commonwealth, consistent with the requirements of law, for the repayment of loans issued by the former Saipan Credit Union or the satisfaction of judgments in favor of the former Saipan Credit Union, its members on account of their interest therein, individually or as a group or class, or any successor, receiver, or subrogee thereof. The judgment creditor may file a certified copy of the judgment and the judgment creditor's affidavit as to the amount due and unpaid on account of the judgment with the employer of the judgment debtor and the employer shall thereupon either file a disclosure within one week or shall withhold from the wages of the judgment debtor the amounts provided herein and pay the same to the judgment creditor. No employer shall be liable to anyone for deductions and payments to judgment creditors from wages of judgment debtor employees, as herein provided, when the employer in good faith believes, or has reason to believe, that service of the certified copy of the judgment and affidavit of the judgment creditor as provided herein affects the same.

A "disclosure" under this subsection shall consist of a return under oath fully stating the judgment creditor's employment status, wages, salary, stipends, and commissions, and whether the employer garnishee is indebted to the judgment debtor in any amount. Either party to the action may, upon written notice served upon the garnishee, require the garnishee to appear in court and be examined under oath as to such disclosure or as to the garnishee's liability as garnishee.

The amount to be withheld and paid under this subsection is a portion of the judgment creditor's wages, salary, stipend, and commissions remaining after the deduction of any amounts required by law to be withheld, determined as follows: five percent of the first \$100 per month, 10 percent of the next \$100 per month, and 20 percent of all sums in excess of \$200 per month, or any equivalent portion of the above amount per week, whether then or thereafter to become owing. Nothing in this subsection shall be construed as limiting any other remedy or process available for the collection of debts or the satisfaction of judgments, in whole or in part.

(d) Investment by a Commonwealth government agency or entity in the credit union shall be accepted as a general obligation of the Commonwealth government as to the principal thereof and shall be backed by the full faith and credit of

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the Commonwealth government. The Commonwealth government shall be fully, absolutely and unconditionally liable for performance and payments due by the credit union under the terms and conditions of any such deposit or investment. In the event of any failure of performance or payment by the credit union, the Secretary of the Department of Finance is authorized and directed to pay out of the General Fund all obligations of the Commonwealth government incurred pursuant to the deposits and investments authorized by this section to the extent of such failure of performance or payment by the credit union. Any such payment shall be made without fiscal year limitation or need for further appropriation.

(e) *Deposit Act Not Apply.* The provisions of the Government Deposit Safety Act (1 CMC § 7721 et seq.) shall not apply to deposits with or investments in the credit union by a Commonwealth government agency or entity.

(f) *CDA Deemed Satisfied.* The requirements of title 4, division 10, chapter 2 [4 CMC § 10201 et seq.] with regard to the Commonwealth Development Authority are deemed satisfied insofar as they apply to the deposits or investments in the credit union by any Commonwealth government agency or entity.

Source: PL 9-52, § 9, modified; amended by PL 10-37, § 4.