



## BYLAWS

### **United Poles Federal Credit Union, Charter No.16577**

(A corporation chartered under the laws of the United States)

#### **Article I. Name - Purposes**

Section 1. **Name.** The name of this credit union is as stated in Section 1 of the charter (approved organization certificate) of this credit union.

Section 2. **Purposes.** This credit union is a member-owned, democratically operated, not-for-profit organization managed by a volunteer board of directors, with the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means. The purpose of this credit union is to promote thrift among its members by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident, business or productive purposes.

#### **Article II. Qualifications for Membership**

Section 1. **Field of membership.** The field of membership of this credit union is limited to that stated in Section 5 of its charter.

Section 2. **Membership application procedures.** Applications for membership from persons eligible for membership under Section 5 of the charter must be signed by the applicant on forms approved by the board. The applicant is admitted to membership after approval of an application by a majority of the directors, a majority of the members of a duly authorized executive committee, or by a membership officer, and after subscription to at least one share of this credit union and the payment of the initial installment, and the payment of a uniform entrance fee if required by the board. If a person whose membership application is denied makes a written request, the credit union must explain the reasons for the denial in writing.



Section 3. **Maintenance of membership share required.** A member who withdraws all shareholdings or fails to comply with the time requirements for restoring his or her account balance to par value in Article III, Section 3, ceases to be a member. By resolution, the board may require persons readmitted to membership to pay another entrance fee.

Section 4. **Continuation of membership.** Once a member becomes a member that person may remain a member until the person or organization chooses to withdraw or is expelled in accordance with the Act and Article XIV of these bylaws. A member who is disruptive to credit union operations may be subject to limitations on services and access to credit union facilities. *A credit union that wishes to restrict services to members no longer within the field of membership should specify the restrictions in this section.*

Staff commentary on qualifications for membership:

Entrance fee – FCUs may not vary the entrance fee among different classes of members because the Act requires a uniform fee. FCUs may, however, eliminate the entrance fee for all applicants.

### **Article III. Shares of Members**

Section 1. **Par value.** The par value of each share will be \$50.00. Subscriptions to shares are payable at the time of subscription, or in installments of at least \$10.00 per month.

Section 2. **Cap on shares held by one person.** The board may establish, by resolution, the maximum amount of shares that any one member may hold.

Section 3. **Time periods for payment and maintenance of membership share.** A member who fails to complete payment of one share within 6 months of admission to membership, or within 6 months from the increase in the par value of shares, or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within 6 months of the reduction will be terminated from membership.



Section 4. **Transferability.** Shares may only be transferred from one member to another by an instrument in a form as the board may prescribe. Shares that accrue credits for unpaid dividends retain those credits when transferred.

Section 5. **Withdrawals.** Money paid in on shares or installments of shares may be withdrawn as provided in these bylaws or regulation on any day when payment on shares may be made, provided, however, that

(a) The board has the right, at any time, to require members to give up to 60 days written notice of intention to withdraw the whole or any part of the amounts paid in by them.

(b) Reserved.

(c) No member may withdraw any shareholdings below the amount of the member's primary or contingent liability to the credit union if the member is delinquent as a borrower, or if borrowers for whom the member is comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or loan officer. Coverage of overdrafts under an overdraft protection policy does not constitute delinquency for purposes of this paragraph. Shares issued in an irrevocable trust as provided in Section 6 of this article are not subject to withdrawal restrictions except as stated in the trust agreement.

(d) The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed.

(e) The board will have the right, at any time, to impose a fee for excessive share withdrawals from regular share accounts. The number of withdrawals not subject to a fee and the amount of the fee will be established by board resolution and will be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

Section 6. **Trusts.** Shares may be issued in a revocable or irrevocable trust, subject to the following:



When shares are issued in a revocable trust, the settlor must be a member of this credit union in his or her own right. When shares are issued in an irrevocable trust, either the settlor or the beneficiary must be a member of this credit union. The name of the beneficiary must be stated in both a revocable and irrevocable trust. For purposes of this section, shares issued pursuant to a pension plan authorized by the rules and regulations will be treated as an irrevocable trust unless otherwise indicated in the rules and regulations.

**Section 7. Joint accounts and membership requirements. Select one option and check the box corresponding to that option.**

**X   Option A - Separate account not required to establish membership**

Owners of a joint account may both be members of the credit union without opening separate accounts. For joint membership, both owners are required to fulfill all of the membership requirements including each member purchasing and maintaining at least one share in the account.

*Staff commentary on shares:*

*Installments – FCUs may insert zero for the number of installments. The FCU Act allows membership upon the payment of the initial installment of a membership share, but NCUA no longer views this provision as requiring FCUs to offer the option of paying for the membership share in installments.*

*Par value – FCUs may establish differing par values for different classes of members or types of accounts, provided this action does not violate any federal, state or local antidiscrimination laws. For example, an FCU may want to establish a higher par value for recent credit union members, without requiring long-time members to bring their accounts up to the new par value. A differing par value may also be permissible for different types of accounts, such as requiring a higher par value for a member with only a share draft account. If a credit union adopts differing par values, all of the possible par values should be stated in Section 1.*

*Reduction in share balance below par value – When a member's account balance falls below the par value, Section 3 requires FCUs to allow members a minimum time period to restore their account balance to the par value before membership is terminated. FCUs may not delete this requirement or delete references to this requirement in Article II, Section 3.*



## **Article IV. Meetings of Members**

Section 1. **Annual meeting.** The annual meeting of the members must be held, no later than April 30, in the county in which any office of the credit union is located or within a radius of 100 miles of an office, at the time and place as the board determines and announces in the notice of the annual meeting.

Section 2. **Notice of meetings required.** At least 30 but no more than 75 days before the date of any annual meeting or at least 7 days before the date of any special meeting of the members, the secretary must give written notice to each member. Notice may be by written notice delivered in person or by mail to the member's address, or, for members who have opted to receive statements and notices electronically, by electronic mail. Notice of the annual meeting may be given by posting the notice in a conspicuous place in the office of this credit union where it may be read by the members, at least 30 days before the meeting, if the annual meeting is to be held during the same month as that of the previous annual meeting and if this credit union maintains an office that is readily accessible to members where regular business hours are maintained. Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote, who are not present at the meeting, waive notice in writing, before, during, or after the meeting.

Notice of any special meeting must state the purpose for which it is to be held, and no business other than that related to this purpose may be transacted at the meeting.

Section 3. **Special meetings.** Special meetings of the members may be called by the chair or the board of directors upon a majority vote, or by the supervisory committee as provided in these bylaws. The chair must call a special meeting, meaning the meeting must be held, within 30 days of the receipt of a written request of 25 members or 5% of the members as of the date of the request, whichever number is larger. However, a request of no more than 750 members may be required to call a special meeting.



The notice of a special meeting must be given as provided in Section 2 of this article. Special meetings may be held at any location permitted for the annual meeting.

Section 4. **Items of business for annual meeting and rules of order for annual and special meetings.** The suggested order of business at annual meetings of members is--

- (a) Ascertainment that a quorum is present.
- (b) Reading and approval or correction of the minutes of the last meeting.
- (c) Report of directors, if there is one. For credit unions participating in the Community Development Revolving Loan Program, the directors must report on the credit union's progress on providing needed community services, if required by NCUA Regulations.
- (d) Report of the financial officer or the chief management official.
- (e) Report of the credit committee, if there is one.
- (f) Report of the supervisory committee, as required by Section 115 of the Act.
- (g) Unfinished business.
- (h) New business other than elections.
- (i) Elections, as required by Section 111 of the Act.
- (j) Adjournment.

To the extent consistent with these bylaws, all meetings of the members will be conducted according to Democratic Rules of Order. The order of business for the annual meeting may vary from the suggested order, provided it includes all required items and complies with the rules of procedure adopted by the credit union.



Section 5. **Quorum.** Except as otherwise provided, 15 members constitute a quorum at annual or special meetings. If no quorum is present, an adjournment may be taken to a date at least 7 but not more than 14 days thereafter. The members present at any adjourned meeting will constitute a quorum, regardless of the number of members present. The same notice must be given for the adjourned meeting as is prescribed in Section 2 of this article for the original meeting, except that the notice must be given at least 5 days before the date of the meeting as fixed in the adjournment.

## **Article V. Elections**

  X   Option A3 – Election by Ballot Boxes or Voting Machine; nominating committee and nominations by petition

Section 1. **Nomination procedures.** a. At least 120 days before each annual meeting the chair will appoint a nominating committee of three or more members. It is the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected.

b. The nominating committee files its nominations with the secretary of the credit union at least 90 days before the annual meeting, and the secretary notifies in writing all members eligible to vote at least 75 days before the annual meeting that nominations for vacancies may also be made by petition signed by 1% of the members with a minimum of 20 and a maximum of 500. The secretary may use electronic mail to notify members who have opted to receive notices or statements electronically.

c. The written notice must indicate that the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. A brief statement of qualifications and biographical data in a form approved by the board of directors will be included for each nominee submitted by the nominating committee with the written notice to all eligible members. Each nominee by petition must submit a similar statement of



qualifications and biographical data with the petition. The written notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least 30 days from the date that the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, nominations by petition must be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Nominations by petition must be filed with the secretary of the credit union at least 40 days before the annual meeting and the secretary will ensure that nominations by petition, along with those of the nominating committee, are posted in a conspicuous place in each credit union office at least 35 days before the annual meeting.

Section 2. **Election procedures.** All elections are determined by plurality vote. The election will be conducted by ballot boxes or voting machines, subject to the following conditions:

- (a) The Board of Directors will appoint the election tellers;
- (b) If sufficient nominations are made by the nominating committee or by petition to provide at more nominees than positions to be filled, the Secretary, at least 10 days before the annual meeting, will cause the ballot boxes and printed ballots, or voting machines, to be placed in conspicuous locations, as determined by the board of directors with the names of the candidates posted near the boxes or voting machines. The name of each candidate will be followed by a brief statement of qualifications and biographical data in a form approved by the board of directors;
- (c) After the members have been given at least 16 cumulative hours to vote at conspicuous locations as determined by the board of directors, the ballot boxes or voting machines will be opened, the vote tallies by the tellers, the tallies placed in the ballot boxes, and the ballot boxes resealed. The tellers are responsible at all times for the ballot boxes or voting machines and the integrity of the vote. A record must be kept of all persons voting and the tellers must assure themselves that the person voting is entitled to vote; and
- (d) The tellers will take the ballot boxes to the annual meeting at the annual meeting, printed ballots will be distributed to those in attendance who have not voted and their votes will be





deposited in the ballot boxes placed by the tellers, before the beginning of the meeting, in conspicuous locations with the names of the candidates posted near them, after those members have been given an opportunity to vote at the annual meeting, balloting will be closed, the ballot boxes opened, the vote tallies by the tellers and added to the previous count, and the chair will announce the result of the vote.

Section 3. **Order of nominations.** Nominations may be in the following order:

(a) Nominations for directors.

(b) Nominations for credit committee members, if applicable. Elections may be by separate ballots following the same order as the above nominations or, if preferred, may be by one ballot for all offices.

Section 4. **Proxy and agent voting.** Members cannot vote by proxy. A member other than a natural person may vote through an agent designated in writing for the purpose.

Section 5. **One vote per member.** Irrespective of the number of shares, no member has more than one vote. In order to be eligible to vote, the member must have been a member as of the declared voting date of record for the meeting, but for no less than thirty (30) days. Only those eligible members as of the voting date of record for any membership meeting may vote on the items under consideration. The voting date of record for a Special Meeting shall be the date that the request for the Meeting is received by the Board Secretary.

Section 6. **Submission of information regarding credit union officials to NCUA.** The names and addresses of members of the board, board officers, executive committee, and members of the credit committee, if applicable, and supervisory committees must be forwarded to the Administration in accordance with the Act and regulations in the manner as may be required by the Administration.

Section 7. **Minimum age requirement.** Members must be at least 18 years of age by the date of the meeting (or for appointed offices, the date of appointment) in order to vote at meetings of



the members, hold elective or appointive office, sign nominating petitions, or sign petitions requesting special meetings.

Anyone meeting the three eligibility requirements may run for a seat on the board of directors if properly nominated. It is the nominating committee's duty to ascertain that all nominated candidates, including those nominated by petition, meet the eligibility requirements.

*Nomination Criteria for Nominating Committee: The FCU Act and the FCU Bylaws do not prohibit a board of directors from establishing reasonable criteria, in addition to the eligibility requirements, for a nominating committee to follow in making its nominations, such as financial experience, years of membership, or conflict of interest provisions. The board's nomination criteria, however, applies only to individuals nominated by the nominating committee; they cannot be imposed on individuals who meet the eligibility requirements and are properly nominated from the floor or by petition.*

*Candidates' Names on Ballots: When producing an election ballot, the FCU's secretary may order the names of the candidates on the ballot using any method for selection provided it is random and used consistently from year to year so as to avoid manipulation or favoritism.*

*Secret Ballots: An FCU must establish an election process that assures members their votes remain confidential and secret from all interested parties. If the election process does not separate the member's identity from the ballot, FCUs should use a third-party teller that has sole control over completed ballots. If the ballots are designed so that members' identities remain secret and are not disclosed on the ballot, FCUs may use election tellers from the FCU. In any case, FCU employees, officials, and members must not have access to ballots identifying members or to information that links members' votes to their identities.*

*Plurality Voting: At least one nominee must be nominated for each vacant seat. When there are more nominees than seats open for election, the nominees who receive the greatest number of votes are elected to the vacant seats.*

*Minimum Age Requirement: The age the board selects may not be greater than the age of majority under the state law applicable to the credit union.*

## **Article VI. Board of Directors**

Section 1. **Number of members.** The board consists of 7 members, all of whom must be members of this credit union. The number of directors may be changed to an odd number not



fewer than 5 nor more than 15 by resolution of the board. No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these bylaws. A copy of the resolution of the board covering any increase or decrease in the number of directors must be filed with the official copy of the bylaws of this credit union.

Section 2. **Composition of board.** 0 directors or committee members may be a paid employee of the credit union. 0 immediate family members of a director or committee member may be a paid employee of the credit union. In no case may employees, family members, or employees and family members constitute a majority of the board. The board may appoint a management official who may not be a member of the board and one or more assistant management officials who may not be a member of the board. If the management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair.

Section 3. **Terms of office.** Regular terms of office for directors must be for periods of 3 years as the board determines. All regular terms must be for the same number of years and until the election and qualification of successors. Regular terms must be fixed at the first meeting, or upon any increase or decrease in the number of directors, so that approximately an equal number of regular terms must expire at each annual meeting.

Section 4. **Vacancies.** Any vacancy on the board, credit committee, if applicable, or supervisory committee will be filled as soon as possible by vote of a majority of the directors then holding office. Directors and credit committee members appointed to fill a vacancy will hold office only until the next annual meeting, at which any unexpired terms will be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee appointed to fill a vacancy will hold office until the first regular meeting of the board following the next annual meeting of members, at which the regular term expires, and until the appointment and qualification of their successors.

Section 5. **Regular and special meetings.** A regular meeting of the board must be held each month at the time and place fixed by resolution of the board. One regular meeting each calendar



year must be conducted in person. If a quorum is present in person for the annual in person meeting, the remaining board members may participate using audio or video teleconference methods. The other regular meetings may be conducted using audio or video teleconference methods. The chair, or in the chair's absence the ranking vice chair, may call a special meeting of the board at any time and must do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings. Notice of all meetings will be given in the manner the board may from time to time by resolution prescribe. Special meetings may be conducted using audio or video teleconference methods.

Section 6. **Board responsibilities.** The board has the general direction and control of the affairs of this credit union and is responsible for performing all the duties customarily performed by boards of directors. This includes but is not limited to the following:

- (a) Directing the affairs of the credit union in accordance with the Act, these bylaws, the rules and regulations and sound business practices.
- (b) Establishing programs to achieve the purposes of this credit union as stated in Article I, Section 2, of these bylaws.
- (c) Establishing a loan collection program and authorizing the chargeoff of uncollectible loans.
- (d) Establishing a policy to address training for newly elected and incumbent directors and volunteer officials, in areas such as ethics and fiduciary responsibility, regulatory compliance, and accounting and determining that all persons appointed or elected by this credit union to any position requiring the receipt, payment or custody of money or other property of this credit union, or in its custody or control as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
- (e) Performing additional acts and exercising additional powers as may be required or authorized by applicable law.



(f) Reviewing denied loan applications of members who file written requests for review.

(g) Appointing one or more loan officers and delegating to those officers the power to approve or disapprove loans, lines of credit or advances from lines of credit.

(h) In its discretion, appointing a loan review committee to review loan denials and delegating to the committee the power to overturn denials of loan applications. The committee will function as a mid-level appeal committee for the board. Any denial of a loan by the committee must be reviewed by the board upon written request of the member. The committee must consist of three members and the regular term of office of the committee member will be for two years. Not more than one member of the committee may be appointed as a loan officer.

**X Option 2 Appointed Credit Committee.**

(f) Appointing an odd number of credit committee members as provided in Article VIII of these bylaws.

Section 7. **Quorum.** A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting, except that vacancies may be filled by a quorum consisting of a majority of the directors holding office as provided in Section 4 of this article. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

Section 8. **Attendance and removal.** If a director or a credit committee member, if applicable, fails to attend regular meetings of the board or credit committee, respectively, for 3 consecutive months, or 4 meetings within a calendar year, or otherwise fails to perform any of the duties as a director or a credit committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws.

The board may remove any board officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.



When any board officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of the office, the board may by resolution designate another member of this credit union to fill the position temporarily. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum.

Section 9. **Suspension of supervisory committee members.** Any member of the supervisory committee may be suspended by a majority vote of the board of directors. The members of this credit union will decide, at a special meeting held not fewer than 7 nor more than 14 days after any suspension, whether the suspended committee member will be removed from or restored to the supervisory committee.

## **Article VII. Board Officers, Management Officials and Executive Committee**

Section 1. **Board officers.** The board officers of this credit union are comprised of a chair, one or more vice chairs, a financial officer, and a secretary, all of whom are elected by the board and from their number. The board determines the title and rank of each board officer and records them in the addendum to this article. One board officer, the financial officer, may be compensated for services as determined by the board. If more than one vice chair is elected, the board determines their rank as first vice chair, second vice chair, and so on. The offices of the financial officer and secretary may be held by the same person. If a management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair. Unless removed as provided in these bylaws, the board officers elected at the first meeting of the board hold office until the first meeting of the board following the first annual meeting of the members and until the election and qualification of their respective successors.

Section 2. **Election and term of office.** Board officers elected at the meeting of the board next following the annual meeting of the members, which must be held not later than 7 days after the annual meeting, hold office for a term of 1 year and until the election and qualification of their respective successors: provided, however, that any person elected to fill a vacancy caused by the



death, resignation, or removal of an officer is elected by the board to serve only for the unexpired term of that officer and until a successor is duly elected and qualified.

Section 3. **Duties of Chair.** The chair presides at all meetings of the members and at all meetings of the board, unless disqualified through suspension by the supervisory committee. The chair also performs other duties customarily assigned to the office of the chair or duties he or she is directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

Section 4. **Approval required.** The board must approve all individuals who are authorized to sign all notes of this credit union and all checks, drafts and other orders for disbursement of credit union funds.

Section 5. **Vice chair.** The ranking vice chair has and may exercise all the powers, authority, and duties of the chair during the chair's absence or inability to act.

Section 6. **Duties of financial officer.** The financial officer manages this credit union under the control and direction of the board unless the board has appointed a management official to act as general manager. Subject to limitations, controls and delegations the board may impose, the financial officer will:

(a) Have custody of all funds, securities, valuable papers and other assets of this credit union.

(b) Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with forms and procedures prescribed in regulations and other guidance approved by the Administration, including, for small credit unions, the Accounting Manual for Federal Credit Unions.

(c) Within 20 days after the close of each month, ensure that a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans is prepared and submitted to the board and post a copy of the statement in a conspicuous place in



the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.

(d) Ensure that financial and other reports the Administration may require are prepared and sent.

(e) Within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove these employees.

(f) Perform other duties customarily assigned to the office of the financial officer or duties he or she is directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws.

The board may employ one or more assistant financial officers, none of whom may also hold office as chair or vice chair, and may authorize them, under the direction of the financial officer, to perform any of the duties devolving on the financial officer, including the signing of checks. When designated by the board, any assistant financial officer may also act as financial officer during the financial officer's temporary absence or temporary inability to act.

**Section 7. Duties of management official and assistant management official.** The board may appoint a management official who is under the direction and control of the board or of the financial officer as determined by the board. The management official may be assigned any or all of the responsibilities of the financial officer described in Section 6 of this article. The board will determine the title and rank of each management official and record them in the addendum to this article. The board may employ one or more assistant management officials. The board may authorize assistant management officials under the direction of the management official, to perform any of the duties devolving on the management official, including the signing of checks. When designated by the board, any assistant management official may also act as management official during the management official's temporary absence or temporary inability to act.

**Section 8. Board powers regarding employees.** The board employs, fixes the compensation, and prescribes the duties of employees as necessary, and has the power to remove employees,





unless it has delegated these powers to the financial officer or management official. Neither the board, the financial officer, nor the management official has the power or duty to employ, prescribe the duties of, or remove necessary clerical and auditing assistance employed or used by the supervisory committee and, if there is a credit committee, the power or duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee.

**Section 9. Duties of secretary.** The secretary prepares and maintains full and correct records of all meetings of the members and of the board, which records will be prepared within 7 days after the respective meetings. The secretary must promptly inform the Administration in writing of any change in the address of the office of this credit union or the location of its principal records. The secretary will give or cause to be given, in the manner prescribed in these bylaws, proper notice of all meetings of the members, and perform other duties he or she may be directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws. The board may employ one or more assistant secretaries, none of whom may also hold office as chair, vice chair, or financial officer, and may authorize them under direction of the secretary to perform any of the duties assigned to the secretary.

**Section 10. Executive committee.** As authorized by the Act, the board may appoint an executive committee of not fewer than three directors to serve at its pleasure, to act for it with respect to the board's specifically delegated functions. When making delegations to the executive committee, the board must be specific with regard to the committee's authority and limitations related to the particular delegation. The board may also authorize any of the following to approve membership applications under conditions the board and these bylaws may prescribe: an executive committee; a membership officer(s) appointed by the board from the membership, other than a board member paid as an officer; the financial officer; any assistant to the paid officer of the board or to the financial officer; or any loan officer. No executive committee member or membership officer may be compensated as such.

**Section 11. Investment committee.** The board may appoint an investment committee composed of not less than two, to serve at its pleasure to have charge of making investments



under rules and procedures established by the board. No member of the investment committee may be compensated as such.

Addendum: The board must list the positions of the board officers and management officials of this credit union. They are as follows: Chair, Vice Chair, Secretary, CEO/President

### **Article VIII. Loan Officers (No Credit Committee)**

Section 1. **Records of loan officer; prohibition on loan officer disbursing funds.** Each loan officer must maintain a record of each approved or not approved transaction within 7 days of the filing of the application or request, and that record becomes a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal which the individual has approved as a loan officer.

Section 2. **Duties of loan officer.** For each loan or line of credit, the loan officer must inquire into the character and financial condition of the applicant and the applicant's sureties, if any to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan or line of credit will be of probable benefit to the borrower. The loan officers should endeavor diligently to assist applicants in solving their financial problems.

Section 3. **Unapproved loans prohibited.** No loan or line of credit may be made unless approved by a loan officer in accordance with applicable law and regulations.

Section 4. **Lending procedures.** Subject to the limits imposed by law and regulations, these bylaws, and the general policies of the board, a loan officer determines the security if any required for each application and the terms of repayment. The security furnished must be adequate in quality and character and consistent with sound lending practices. When funds are not available to make all the loans and lines of credit for which there are applications, preference should be given, in all cases, to the applications for lesser amounts if the need and credit factors are nearly equal.

### **Article IX. Supervisory Committee**



Section 1. **Appointment and membership.** The supervisory committee is appointed by the board from among the members of this credit union, one of whom may be a director other than the financial officer or the compensated officer of the board. The board determines the number of members on the committee, which may not be fewer than 3 nor more than 5. No member of the credit committee, if applicable, or any employee of this credit union may be appointed to the committee. Regular terms of committee members are for periods of 1, 2, or 3 years as the board determines: provided, however, that all regular terms are for the same number of years and until the appointment and qualification of successors. The regular terms are fixed at the beginning, or upon any increase or decrease in the number of committee members, so that approximately an equal number of regular terms expires at each annual meeting.

Section 2. **Officers of supervisory committee.** The supervisory committee members choose from among their number a chair and a secretary. The secretary of the supervisory committee prepares, maintains, and has custody of full and correct records of all actions taken by it. The offices of chair and secretary may be held by the same person.

Section 3. **Duties of supervisory committee.** The supervisory committee makes, or causes to be made, the audits, and prepares and submits the written reports required by the Act and regulations. The committee may employ and use clerical and auditing assistance required to carry out its responsibilities prescribed by this article, and may request the board to provide compensation for this assistance. It will prepare and forward to the Administration required reports.

Section 4. **Verification of accounts.** The supervisory committee will cause the verification of the accounts of members with the records of the financial officer from time to time and not less frequently than as required by the Act and regulations. The committee must maintain a record of this verification.

Section 5. **Powers of supervisory committee – removal of directors and credit committee members.** By unanimous vote, the supervisory committee may suspend until the next meeting of the members any director, board officer, or member of the credit committee. In



the event of any suspension, the supervisory committee must call a special meeting of the members to act on the suspension, which meeting must be held not fewer than 7 nor more than 14 days after the suspension. The chair of the committee acts as chair of the meeting unless the members select another person to act as chair.

Section 6. **Powers of supervisory committee -- special meetings.** By the affirmative vote of a majority of its members, the supervisory committee may call a special meeting of the members to consider any violation of the provisions of the Act, the regulations, or of the charter or the bylaws of this credit union, or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized.

## **Article X. Organization Meeting**

Section 1. **Initial meeting.** When application is made for a federal credit union charter, the subscribers to the organization certificate must meet for the purpose of electing a board of directors and a credit committee, if applicable. Failure to commence operations within 60 days following receipt of the approved organization certificate is cause for revocation of the charter unless a request for an extension of time has been submitted to and approved by the Regional Director.

Section 2. **Election of directors and credit committee.** The subscribers elect a chair and a secretary for the meeting. The subscribers then elect from their number, or from those eligible to become members of this credit union, a board of directors and a credit committee, if applicable, all to hold office until the first annual meeting of the members and until the election and qualification of their respective successors. If not already a member, every person elected under this section or appointed under Section 3 of this article, must qualify within 30 days by becoming a member. If any person elected as a director or committee member or appointed as a supervisory committee member does not qualify as a member within 30 days of election or appointment, the office will automatically become vacant and be filled by the board.



Section 3. **Election of board officers.** Promptly following the elections held under the provisions of Section 2 of this article, the board must meet and elect the board officers who will hold office until the first meeting of the board of directors following the first annual meeting of the members and until the election and qualification of their respective successors. The board also appoints a supervisory committee at this meeting as provided in Article IX, Section 1, of these bylaws and a credit committee, if applicable. The members so appointed hold office until the first regular meeting of the board following the first annual meeting of the members and until the appointment and qualification of their respective successors.

#### **Article XI. Loans and Lines of Credit to Members**

Section 1. **Loan purposes.** Loans may only be made to members and for provident, business or productive purposes in accordance with applicable law and regulations.

Section 2. **Delinquency.** Any member whose loan is delinquent may be required to pay a late charge as determined by the board of directors.

#### **Article XII. Dividends**

Section 1. **Power of board to declare dividends.** The board establishes dividend periods and declares dividends as permitted by the Act and applicable regulations.

#### **Article XIII. RESERVED**

#### **Article XIV. Expulsion and Withdrawal**

Section 1. **Expulsion procedure; expulsion or withdrawal does not affect members' liability or shares.** A member may be expelled by a two-thirds vote of the members present at special meeting called for that purpose, but only after the member has been given the opportunity to be heard. A member also may be expelled under a nonparticipation policy adopted by the board of directors and provided to each member in accordance with the Act. Expulsion or withdrawal will not operate to relieve a member of any liability to this credit union. All amounts



paid in on shares by expelled or withdrawing members, before their expulsion or withdrawal, will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amounts due to this credit union.

#### **Article XV. Minors**

Section 1. **Minors permitted to own shares.** Shares may be issued in the name of a minor. State law governs the rights of minors to transact business with this credit union.

#### **Article XVI. General**

Section 1. **Compliance with law and regulation.** All power, authority, duties, and functions of the members, directors, officers, and employees of this credit union, pursuant to the provisions of these bylaws, must be exercised in strict conformity with the provisions of applicable law and regulations, and of the charter and the bylaws of this credit union.

Section 2. **Confidentiality.** The officers, directors, members of committees and employees of this credit union must hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

Section 3. **Removal of directors and committee members.** Notwithstanding any other provisions in these bylaws, any director or committee member of this credit union may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for the purpose, but only after an opportunity has been given to be heard.

Section 4. **Conflicts of interest prohibited.** No director, committee member, officer, agent, or employee of this credit union may participate in any manner, directly or indirectly, in the deliberation upon or the determination of any question affecting his or her pecuniary or personal interest or the pecuniary interest of any corporation, partnership, or association (other than this credit union) in which he or she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board for deliberation or determination, that director must withdraw from the deliberation or determination; and if the



remaining qualified directors present at the meeting plus the disqualified director or directors constitute a quorum, the remaining qualified directors may exercise with respect to this matter, by majority vote, all the powers of the board. In the event of the disqualification of any member of the credit committee, if applicable, or the supervisory committee, that committee member must withdraw from the deliberation or determination.

Section 5. **Records.** Copies of the organization certificate of this credit union, its bylaws and any amendments to the bylaws, and any special authorizations by the Administration must be preserved in a place of safekeeping. Copies of the organization certificate and field of membership amendments should be attached as an appendix to these bylaws. Returns of nominations and elections and proceedings of all regular and special meetings of the members and directors must be recorded in the minute books of this credit union. The minutes of the meetings of the members, the board, and the committees must be signed by their respective chairmen or presiding officers and by the persons who serve as secretaries of those meetings.

Section 6. **Availability of credit union records.** All books of account and other records of this credit union must be available at all times to the directors and committee members of this credit union provided they have a proper purpose for obtaining the records. The charter and bylaws of this credit union must be made available for inspection by any member and, if the member requests a copy, it will be provided for a reasonable fee.

Section 7. **Member contact information.** Members must keep the credit union informed of their current address.

Section 8. **Indemnification.** (a) The credit union may elect to indemnify to the extent authorized by (check one)

law of the state of \_\_\_\_\_:

Model Business Corporation Act:



the following individuals from any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties (check as appropriate).

current officials

former officials

current employees

former employees

(b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in (a) above against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by the applicable state law or the Model Business Corporation Act.

(c) The term "official" in this bylaw means a person who is a member of the board of directors, credit committee, supervisory committee, other volunteer committee (including elected or appointed loan officers or membership officers), established by the board of directors.

#### **Article XVII. Amendments of Bylaws and Charter**

Section 1. **Amendment procedures.** Amendments of these bylaws may be adopted and amendments of the charter requested by the affirmative vote of two-thirds of the authorized number of members of the board at any duly held meeting of the board if the members of the board have been given prior written notice of the meeting and the notice has contained a copy of the proposed amendment or amendments. No amendment of these bylaws or of the charter may become effective, however, until approved in writing by the NCUA Board.

#### **Article XVIII. Definitions**

Section 1. **General definitions.** When used in these bylaws the terms:





"Act" means the Federal Credit Union Act, as amended.

"Administration" means the National Credit Union Administration.

"Applicable law and regulations" means the Federal Credit Union Act and rules and regulations issued thereunder or other applicable federal and state statutes and rules and regulations issued thereunder as the context indicates (such as The Higher Education Act of 1965).

"Board" means board of directors of the federal credit union.

"Immediate family member" means spouse, child, sibling, parent, grandparent, grandchild, stepparents, stepchildren, stepsiblings, and adoptive relationships.

"NCUA Board" means the Board of the National Credit Union Administration.

"Regulation" or "regulations" means rules and regulations issued by the NCUA Board.

"Share" or "shares" means all classes of shares and share certificates that may be held in accordance with applicable law and regulations.

## Index

	Article	Section		Article	Section
<b>Accounts</b>			<b>Bylaws</b>		
Deceased Members	III	5(d)	Amendments of	XVII	1
Verification of	IX	4	Inspection of, by	XVI	6
			members	XVI	5
<b>Accounting Manual</b>	VII	6(b)	Safekeeping of		
			<b>Chair (President)</b>		
<b>Amendments of bylaws</b>			Absence of	VII	5
<b>and charter</b>	XVII		Appointment of		
			Nominating com.	V	1
<b>Annual meetings</b> (See			Duties and powers	VII	3
Meetings)			Election of	VII	1
			Term of office	VII	1, 2
<b>Applicable law and</b>				X	3
<b>regulations</b>	XVIII	1			
			<b>Chair of committees and</b>		
<b>Applications for</b>			<b>meetings</b>		
<b>membership</b> (See			Board of directors meeting	VII	3
Membership)			Credit committee	VIII	3
			Members' meeting	VII	3
<b>Assistant chair</b>				IX	5
Duties and powers	VII	5	Organization meeting	X	2
Election of	VII	1	Supervisory committee	IX	2
Rank, if more than one	VII	1			
Term of office	VII	1, 2	<b>Charter</b>	I	1
	X	3	Amendments of	XVII	1
			Inspection of by	XVI	6
<b>Assistant Management</b>			Safekeeping of	XVI	5
<b>Official</b>	VII	7			
			<b>Checks, signing of</b>	VII	4
<b>Assistant Secretary</b>	VII	9			
			<b>Clerical assistance</b>		
<b>Assistant Financial</b>			Compensation of	VII	8
<b>Officer</b>	VII	6	Use by supervisory com.	IX	3
<b>Audit</b>	IX	3	<b>Committees</b>		
Assistance	VII	8	<u>Credit committee</u>		
	IX	3	Absence of members	VI	8
			Appointment by board	VI	6(f)
<b>Bonds for persons</b>			Appointment of loan	VIII	4
<b>having custody of</b>			Chair, selection of	VIII	3
<b>funds</b>	VI	6(d)	Changes in, reporting	V	6
			Confidentiality required	XVI	2
<b>Books and records</b>			Conflict	XVI	4
Audit of	IX	3	Election	VIII	2
Forms and procedures	VII	6(b)		X	2
Inspection of	XVI	6			
Minute books	XVI	5			

	Article	Section		Article	Section
Meetings	VIII	3, 5	<b>Confidentiality of member transactions</b>	XVI	2
Number of members	VIII	1, 2	<b>Definitions</b>	XVIII	
Officers	VIII	3	<b>Directors</b>		
Records	VIII	3	Changes in, reporting	V	6
Removal of members	VI	8	Confidentiality required	XVI	2
	XVI	3	Conflict	XVI	4
Report at annual meeting	IV	4(e)	Paid employees	VI	2
Secretary	VIII	3	Removal	XVI	3
Serving on supervisory	IX	1	For failure to attend meetings	VI	8
Suspension of members	IX	5	Report at annual meeting	IV	4(c)
Term of office	VI	4	Suspension	IX	5
	VIII	2	Term of office	VI	3, 4
	X	3		X	2, 3
Vacancies	VI	4, 8	<b>Directors, board of</b>		
<u>Executive committee</u>			Delegation to executive com. and membership officer	II	2
Appointment	VII	10	Duties	VI	4-9
Approval of membership applications	II	2		VII	4-11
Confidentiality required	XVI	2	Election	VI	3
Conflict	XVI	4		X	2
Removal of members	XVI	3	Meetings	VI	5, 7, 8
<u>Loan review committee</u>	VI	6(h)	Number of members	VI	1
<u>Nominating committee</u>	V	1	Quorum	VI	7
<u>Supervisory committee</u>			Records, maintenance	VII	9
Appointment	IX	1	Vacancies on	VI	4
	X	3	<b>Disqualification of committee members, directors, officers</b>	XVI	4
Assistance	IX	3			
Confidentiality required	XVI	2	<b>Deceased members</b>	III	5(d)
Conflict	XVI	4	<b>Declaration of dividends</b>	XII	1
Duties	IX	3-6			
Membership	IX	1	<b>Elections</b>		
Officers	IX	2	Absentee ballots	V	8
Records, maintenance	IX	2	At annual meeting	V	1-8
Removal of members	XVI	3	At organization meeting	X	2, 3
Report at annual meeting	IV	4(f)	Minimum age for voting	V	7
Suspension by	IX	5	Nominations for	V	1-3
Suspension of	VI	9	Reporting results to NCUA	V	6
Terms of office	IX	1			
Vacancies on	VI	4			
<b>Compensation</b>					
Of employees, loan officer, supervisory com. assistance	VII	8			
Of executive com. members	VII	10			
Of membership officer	VII	10			
Of financial officer	VII	6			

	Article	Section		Article	Section
<b>Types</b>			<b>Investment Committee</b>	VII	11
In-person, nominating com., nominations from floor	V	A1 1, 2	<b>Joint accounts</b>	III	7
In-person, nominating com., nomination by petition	V	A2 1, 2	<b>Late charges</b>	XI	2
Ballot boxes or voting machines	V	A3 1, 2	<b>Loan officer/credit committee</b>		
Electronic device or mail ballot	V	A4 1, 2	Appointment of	VIII	4
				VI	6(f)
<b>Endorsers</b>	III	5(c)	Approval of loans by	VIII	4, 7, 8
			Compensation of	VII	8
<b>Examination of records</b>	XVI	6	Duties of	VIII	4, 6-8
			Removal of	VII	8
<b>Expulsion of members</b>	XIV	1	<b>Loan officer/no credit committee</b>		
			Appointment of	VI	6(g)
<b>Field of membership</b>	II	1	Approval of loans by	VIII	1, 3, 4
Once a member	II	4	Compensation of	VII	8
			Duties of	VIII	1-4
<b>Financial officer</b>			Removal of	VII	8
Assistant	VII	6	<b>Loan review committee</b>	VI	6(h)
Compensation of	VII	6			
Duties and powers	VII	6	<b>Management official</b>	VII	7
Election of	VII	1			
Reports of	IV	4	<b>Meetings</b>		
	VII	6	<u>Annual meeting</u>		
Signatory powers	VII	4	Adjournment of	IV	5
Term of office	VII	1, 2	Elections	V	1-8
	X	3	Location	IV	1
<b>Financial statements</b>	VII	6	Notice	IV	2, 5
			Posting	IV	2
<b>Funds</b>			Order of business	IV	4
Custody of	VII	6	Quorum	IV	5
Disbursement of	VII	4, 6	Records	VII	9
Credit committee	VIII	4	Time	IV	1
No credit committee	VIII	1	Waiving of notice	IV	2
			<u>Credit committee meetings</u>	VIII	3, 5
<b>Indemnification of officials and employees</b>	XVI	8	<u>Directors, board of,</u>	VI	4, 5, 7,
				VII	9
<b>Inspection</b>			<u>Organization meeting</u>	X	1-3
Charter, bylaws by	XVI	6	<u>Special meetings</u>		
Records by directors and committee members	XVI	6	Adjournment	IV	5
			Call	IV	3
			by Supervisory	IX	5, 6
			Location	IV	3

	Article	Section		Article	Section
Notice	IV	2, 3	Supervisory committee report	IX	3
Quorum	IV	5			
Waiving notice	IV	2			
<b>Members</b>			<b>Nominations, returns of, recording</b>	XVI	5
Confidentiality of information	XVI	2	<b>Notices of Meetings</b>		
Deceased	III	5(d)	Called by supervisory committee	IX	5, 6
Eligibility			Board of directors	VI	5
For loans	XI	1	Credit committee	VIII	5
For voting	V	4, 5,	Members	IV	2, 5
Liability	III	5(c)			
Meetings	IV	1-5	<b>Order of business at annual meeting</b>	IV	4
<b>Membership</b>			<b>Organization meeting</b>	X	1-3
Application	II	2	<b>Pecuniary interests of officials</b>	XVI	4
Denial	II	2	<b>Posting</b>		
Election	II	2	Financial statement	VII	6(c)
Expulsion	XIV	1	Notice of meetings	IV	2, 5
Field of	II	1, 4		VII	9
Qualifications	II	1-4	<b>Quorum at meetings</b>		
Termination	II	4	Board of directors	VI	7
Withdrawal	II	3	Members	IV	5
	XIV	1	<b>Removals from office</b>		
<b>Membership officer</b>			Committee members	VI	8
Absence of	VI	8		XVI	3
Appointment	VII	10	Directors	VI	8
Compensation	VII	10		XVI	3
Conflict	XVI	4	Employees	VII	8
<b>Minors</b>			Loan officers	VII	8
Issuing shares to	XV	1	<b>Revocation of charter</b>	X	1
Voting by	V	7	<b>Secretary</b>		
<b>Minutes</b>			Board of directors and credit union	VII	1, 2, 9
Reading at annual meeting	IV	4(b)	Credit committee	VIII	3
Signing	XVI	5	Organization meeting	X	2
<b>Name of credit union</b>	I	1	Supervisory committee	IX	2
<b>NCUA</b>			<b>Shares</b>		
Appointment and election results, reporting	V	6	Dividends on	XII	1
Bylaw and charter amendment, approval	XVII	1			
Financial officer's report	VII	6(d)			

	Article	Section
Issuance of, to minors	XV	1
Joint accounts	III	7
Maximum	III	2
Deceased members	III	5(d)
Par value	III	1
Payment of subscription	III	1
Pledged as security	III	5
Reduction below par	III	3
Subscription for membership	II	2
Transfer of dividend credits	III	4
Withdrawals, excessive	III	5(e)
 <b>Special meetings</b>		
Board of directors	VI	5
Members	IV	2, 3, 5
	IX	5, 6
	XVI	3
 <b>Suspension of directors, board officers and credit committee members</b>		
	IX	5
 <b>Vacancies</b>		
Board of directors	VI	4, 8
Credit committee	VI	4, 8
Failure to qualify	X	2, 3
Officers	VII	2
Supervisory committee	VI	4
 <b>Voting</b>		
By proxy	V	4
By trustee	V	4
Minimum age	V	7
Votes to one member	V	5
 <b>Withdrawals</b>		
From membership	II	3
	XIV	1
Of all shareholdings	II	3
Of shareholdings	III	5