Amendment to Bylaws

We, the undersigned, president and secretary of the Anderson County Federal Credit Union, Charter No. 9880, Palestine, Texas herby certify:

That by affirmative vote of two-thirds of the members of the board at duly held meeting thereof on September 21, 2026, the following resolution was approved and adopted:

Article VI. Board of Directors

Section 5. ***Regular and special meetings.*** The Board of Directors must meet at least six times a year, with the tiers:

- Credit Union in the first five years of operations must meet at least monthly;
- Federal Credit Union with composite CAMELS ratings of 1 or 2 and corresponding management ratings of 1 or 2 have the flexibility to meet just six times per year, with at least one meeting per fiscal quarter, but can meet more often at their discretion; and
- Federal Credit Unions with lower supervisory ratings (those with composite CAMELS 3, 4, or 5; or management ratings 3, 4, or 5) must meet at least monthly.

The board must conduct one regular meeting each calendar year in person. If a quorum of the board is present at the in-person meeting, the remaining board members may participate by audio or video teleconference. The board may conduct the other regular meetings by audio or video teleconference. 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. The chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings unless the board directs otherwise. The board will give notice of all meetings in a manner set by resolution. The board may conduct special meetings by audio or video teleconference. The board may take action and vote on resolution without a meeting. The Board must first obtain unanimous consent for the action in witting or by electronically recorded means

Vice President

Secretary

Certification of Resolution of the Board of Directors
Anderson County Federal Credit Union

We, the undersigned, President and Secretary of the Anderson County F.C.U., Charter No. 9880, of Palestine, Texas herby certified:

That by affirmative vote of two-thirds of the members of the board at duly held meeting thereof on September 21, 2026, the following resolution was adopted:

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Bylaws

Federal Credit Union, Charter No.__9880_____

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

Article I. Name—Purposes

Section 1. ***Name.*** Anderson County Federal Credit Union (approved organization certificate).

Section 2. ***Purposes.*** This credit union is a member-owned, democratically operated, not-for-profit organization managed by a volunteer board of directors. Its stated mission is to meet the credit and savings needs of members, especially individuals 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 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.*** Persons eligible for membership under Section 5 of the charter must sign a membership application on approved form. The applicant becomes a member upon approval of the application by a membership officer, after subscription to at least one share, payment of the initial installment, and payment of a uniform entrance fee if required by the board. If the membership officer denies a person's membership application, the credit union must explain the reasons for the denial in writing upon written request.

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.*** 9880

(a) ***Once a member, always a member.*** Once a member, always a member until the person or organization chooses to withdraw its membership or is expelled under the Act and Article XIV of these bylaws.

(b) ***Limitation of services.*** Notwithstanding any provision of these bylaws, the board of directors may adopt a policy that limits credit union services to any member who is not in good standing.

Section 5. ***Member in good standing.*** Members in good standing retain all their rights and privileges in the credit union. A member not in good standing may be subject to a policy that limits credit union services. A member not in good standing is one who has engaged in any of the conduct in Article XIV, section 3, related to for-cause expulsion. In the event of a suspension of service, the member will be notified of what accounts or services have been discontinued. Subject to Article XIV and any applicable limitation of services policy approved by the board, members not in good standing retain their right to attend, participate, and vote at the annual and special meetings of the members and maintain a share account.

Article III. Shares of Members

Section 1. ***Par value.*** The par value of each share is $_50.00__. Subscriptions to shares are payable at the time of subscription, or in installments of at least $__N/A_____ per month.
FCUs may establish differing par values for different classes of members or types of accounts (such as students, minors, or non-natural persons), provided this action does not violate any federal, state or local anti-discrimination laws. Below are some options an FCU can choose. The FCU may also establish differing par values for other classes of members not listed below. List all established par values in

Section 1.

N/A__ Option. *Par value for minors.* The par value of each share for members _____ years of age or younger is $_____. Subscriptions to shares are payable at the time of subscription, or in installments of at least $_____ per month.

N/A____ Option. *Par value for students.* The par value of each share for students is $_____. Subscriptions to shares are payable at the time of subscription, or in installments of at least $_____ per month.

A student is defined as anyone enrolled □ full-time or □ part-time in _____.

N/A____ Option. *Par value for non-natural persons.* The par value of each share for non-natural persons is $_____. Subscriptions to shares are payable at the time of subscription, or in installments of at least$_____ per month.
To establish membership, the member must subscribe to one par value of share. The share does not have to be in a regular share account. The board may choose the best account for the characteristics of its membership.

Regular Share account required to establish membership
To establish membership in the credit union, the member must subscribe to one share in a regular share account.

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. The maximum amount of share is 1 Million Dollars.

Section 3. ***Time periods for payment and maintenance of membership share.*** The credit union will terminate from membership a member who:

• Fails to complete payment of one share within 30 DAYS of admission to membership, or
• Fails to complete payment of one share within 365 DAYS from the increase in the par value of shares, or
• 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 365 DAYS of the reduction.

Section 4. ***Transferability.*** Members may transfer shares to another member in any form approved by the board. Shares that accrue credits for unpaid dividends retain those credits when transferred.

Section 5. ***Withdrawals.*** Members may withdraw money paid in on shares provided that:

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

(b) [Reserved].

(c) A member delinquent on any loan or obligation to the credit union may not withdraw their shares below the delinquent amount without the written approval of the credit committee or loan officer. This withdrawal restriction also applies if the member is a comaker, endorser, or guarantor of a delinquent loan. 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 can impose a fee for excessive share withdrawals from regular share accounts. By resolution, the board can set the number of withdrawals not subject to a fee and the amount of the fee subject to regulations relevant 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:
Shares issued in a revocable trust—the settler must be a member of this credit union in his or her own right.

Shares issued in an irrevocable trust—either the settlor or the beneficiary must be a member of this credit union.

Both a revocable and irrevocable trust must state the name of the beneficiary. A trust may be a member of the credit union as an entity if all parties to the trust, including all settlors, beneficiaries and trustees, are within the credit union's field of membership.

Shares issued through a pension plan authorized by the rules and regulations will be treated as 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.

____ 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 and filling out the membership card.

__X__ Option B—Separate account required to establish membership.
Each member must purchase and maintain at least one share in a share account that names the member as the sole or primary owner. Being named as a joint owner of a joint account is not sufficient to establish membership.

Article IV. Meetings of Members

Section 1. ***Annual meeting.*** The board must hold the annual meeting of the members no later than March 31, 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. This credit union may permit virtual attendance and participation in the annual meeting, provided that an in-person meeting complying with the geographic requirements of this paragraph is also held.

Section 2. ***Notice of meetings required.***

a. The secretary must give written notice to each member at least 30 but no more than 75 days before the date of any annual meeting. The secretary must give written notice to each member at least 7 days before the date of any special meeting of the members and at least 45 but no more than 90 days before the date of any meeting to vote on a merger with another credit union. The secretary may deliver the notice in person, by mail to the members' address, or, for members who have opted to receive statements and notices electronically, by electronic mail. The secretary must give notice of the annual meeting by posting the notice in a conspicuous place in the office of this credit union where members may read it at least 30 days before the meeting. The secretary must also prominently display the notice on the credit union's website if such credit union maintains a website.

b. All special meeting notices must state the purpose of the meeting. The officials and members may only transact business related to the stated purpose at the meeting.

Section 3. ***Special meetings.***

a. The board chair, the board of directors vote by majority, or the supervisory committee as provided in these bylaws may call a special meeting of the members. The chair must call and hold a special meeting within 30 days of the receipt of a written request from 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.

b. The credit union may hold a special meeting 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) Ascertain 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.
(k) To the extent consistent with these bylaws, the board will conduct all meetings of the members according to The 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 a quorum is not present, the board may adjourn 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 board must give the same notice for the adjourned meeting as prescribed in Section 2 of this article for the original meeting, except that they must give notice at least 5 days before the date of the meeting fixed in the adjournment.

Article V. Elections

A1—In-Person Elections; Nominating Committee and Nominations from Floor

Section 1. ***Nomination procedures.*** At least 30 days before each annual meeting, the chair will appoint a nominating committee of three or more members. The nominating committee will nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The nominating committee must widely publicize the call for nominations to all members by any medium and interview each member that meets any qualifications established by the nominating committee.

Section 2. ***Election procedures.*** After placing the nominations of the nominating committee before the members, the chair calls for nominations from the floor. When nominations are closed, the chair appoints election tellers. The election tellers distribute the ballots, collect the ballots and tally the votes, and the chair announces the results. Except when there is only one nominee for each open office, all elections are by ballot and determined by the plurality of vote. If there is only one nominee for each open office, the chair may take a voice vote or declare the election of each nominee by general consent or acclamation. Democratic

The credit union may select the following option:

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.

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

Section 7. Members must be at least __18__years of age by the date of the meeting in order to vote at meetings of the members, sign nominating petitions, or sign petitions requesting special meetings. Members must be at least __21_ years of age to hold elective or appointive office.

Article VI. Board of Directors

Section 1. ***Number of members.*** The board consists of ___8__ directors, all of whom must be members. By resolution, the board may change the number of directors to an odd number not fewer than 5 or more than 15. The board may not reduce the number of directors unless there is a corresponding vacancy as a result of a death, resignation, expiration of a term of office, or other action provided by these bylaws. The board must file a copy of the resolution covering any increase or decrease in the number of directors with the official copy of the bylaws.

Section 2. ***Composition of board and committees.***

_1___ (Fill in the number, which may be zero) director(s) may be a paid employee of the credit union. The board may appoint a management official who ____MAY____ (may or may not) be a member of the board and one or more assistant management officials who___MAY_____ (may or may not) be a member of the board. If the board permits the management official or assistant management official(s) to serve on the board, he or she may not serve as the chair.

__0__ (Fill in the number, which may be zero) immediate family members, or those persons living in the same household, of a director may be a paid employee of the credit union.

The total number of directors serving who fall into the categories below must not constitute a majority of the board:
• Management official plus assistant management official(s) plus other employees;
• Immediate family members or persons in the same household as the management official, assistant management official(s), and other employees; or

• Management official plus assistant management official(s) plus other employees, plus immediate family members or persons in the same household as management officials, assistant management officials, and other employees.

__0__ (Fill in the number, which may be zero) committee member(s) may be a paid employee of the credit union. ____0____ (Fill in the number, which may be zero) immediate family members, or those persons living in the same household, of a committee member(s) may be a paid employee of the credit union.

The board may also choose the option below:

_X___ No director or committee member, who is not then a paid employee of the credit union, may become a paid employee of this credit union for a minimum of ___3_____ (Fill in the number, which may be zero) years from the date the official terminates his or her position as a director or committee member. "Unless the employee position to be filled exists as a result of a death or disability" after committee member.

Section 3. ***Terms of office.*** Terms for directors are for periods of 2 or 3 years as decided by the board. All terms must be for the same number of years and until the election and qualification of successors. Terms are set and staggered at the first meeting, or when the number of directors changes, so that approximately an equal number of terms expires at each annual meeting.

Section 4. ***Vacancies.*** The directors, by majority vote, will fill any vacancy on the board, credit committee, if applicable, or supervisory committee as soon as possible. If all director positions become vacant at once, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article IX, Section 3. Directors and credit committee members appointed to fill a vacancy hold office only until the next annual meeting. The FCU's members then vote to select a candidate to fill the remainder of the original director's unexpired term. Members of the supervisory committee appointed to fill a vacancy on the supervisory committee hold office through the remainder of the unexpired term.

Section 5. ***Regular and special meetings.*** The board must hold a regular meeting each month at the time and place fixed by resolution. The board must conduct one regular meeting each calendar year in person. If a quorum of the board is present at the in-person meeting, the remaining board members may participate by audio or video teleconference. The board may conduct the other regular meetings by audio or video teleconference. 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. The chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings unless the board directs otherwise. The board will give notice of all meetings in a manner set by resolution. The board may conduct special meetings by audio or video teleconference. The board may take action and vote on resolution without a meeting. The Board must first obtain unanimous consent for the action in witting or by electronically recorded means

Section 6. ***Board responsibilities.*** The board has the general direction and control of the affairs of this credit union. The board is responsible for performing all the duties customarily done by boards of directors. This includes but is not limited to:
(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 lending policies, a loan collection program, and authorizing the charge-off of uncollectible loans.
(d) Establishing policies to address training for directors and volunteer officials in areas such as ethics and fiduciary responsibility, regulatory compliance, and accounting.
(e) Ensuring that staff and volunteers who handle the receipt, payment or custody of money or other property of this credit union; or property in its custody as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
(f) Performing additional acts and exercising additional powers as required or authorized by applicable law and regulation.
If the credit union has an elected credit committee, you do not need to check a box. If the credit union has no credit committee check Option 1, and if it has an appointed credit committee check Option 2.

_X___ *Option 1. No Credit Committee.*

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

(h) 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.

(i) In its discretion, appointing a loan review (the credit union may fill in another name if desired) 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. The board must review all loans denied by the committee upon written request of the member.

The credit union may select one of three options for the makeup and term of the committee. Enter the option selected _____

Option A. The committee must consist of three members with a term of office of____ (enter no more than 3) years. The committee may not have more than one loan officer.

Option B. The committee must consist of three members and two alternates. The term of office of the committee members will be for _____ (enter no more than 3) years. The board may appoint any number of lending professionals within the organization to the committee, provided that no loan officer may review any loan that he or she denied. At least 3 members of the committee must review loan denials, none of whom have been a party to denying the loan.

Option C. The board may, by resolution, change the number of committee members to an odd number no less than three and no more than seven. The board will determine the length of each committee member's term upon appointment and stagger terms as necessary to prevent a complete turnover of committee members. The board must file a copy of the resolution covering any increase or decrease in the number of committee members with the official copy of the bylaws of this credit union. The committee will act by majority vote of members present at a meeting. The committee may not have more than one loan officer.

____ *Option 2. Appointed Credit Committee.*

(g) Appointing an odd number of credit committee members as provided in Article VIII of these bylaws.
Section 7. ***Quorum.*** A majority of directors, including any vacant positions, constitute a quorum for the transaction of business at any meeting. A majority of the directors holding office constitutes a quorum to fill any vacancies as stated in Section 4 of this article. Less than a quorum may adjourn from time to time until a quorum is in attendance.

Section 8. ***Attendance and removal.***

a. 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, (choose one of the following) _____ or 4 meetings within a calendar year, or ___X__ 4 meetings within any 12 consecutive months or otherwise fails to perform any significant duties as a director or a credit committee member, the board may declare the office vacant and fill the vacancy as provided in the bylaws.

b. The board may remove any board officer from office for failure to perform any significant duties as an officer. Prior to removal, the board must give the officer reasonable notice and an opportunity to respond to the issues.

c. 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.*** The board may suspend any member of the supervisory committee by a majority vote. In the event of a suspension, the board must hold a special meeting of the members at least 7 but no more than 14 days after any suspension. The members will decide whether to remove or to restore the suspended committee member of the supervisory committee.

Article VII. Board Officers, Management Officials and Executive Committee

Section 1. ***Board officers.*** The board elects the following officers from their number: a chair, one or more vice chairs, a financial officer, and a secretary. The board determines the title and rank of each board officer and records them in the addendum to this article. The board may compensate one board officer, the Financial Officer , for services as they determine. If the board elects more than one vice chair, the board determines their rank as first vice chair, second vice chair, and so on. The same person may hold the offices of the financial officer and secretary. If the board permits a management official or assistant management official 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.*** The board must hold a meeting not later than 7 days after the annual meeting to elect officers. Board officers hold office for a 1-year term and until the election and qualification of their respective successors. 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 directed to perform by resolution of the board that are not inconsistent with the Act, regulations, and these bylaws.

Section 4. ***Approval required.*** The board must approve all individuals authorized to sign all notes, 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.***

i. 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 charge over 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 prescribed law, regulation, and Administration guidance.

(c) Within 20 days after the close of each month, prepare and submit to the board a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans; 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 next month's financial statement.
(d) Ensure that financial and other reports the Administration may require are prepared and sent.
(e) Within standards and limitations set by the board, employ sufficient staff to run the credit union, and have the power to remove these employees.
(f) Perform other duties customarily assigned to the office of the financial officer or duties assigned by board resolution that are not inconsistent with the Act, regulations, and these bylaws.

ii. The board may employ one or more assistant financial officers, none of whom may also hold office as chair or vice chair. The board may authorize them, under the direction of the financial officer, to perform any of the duties falling to 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 board may assign 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 falling to 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. Management does not have the power or duty to employ, prescribe the duties of, or remove necessary clerical and auditing assistance employed or used by the supervisory committee or remove any loan officer appointed by the credit committee. No director or committee member, who is not then a paid employee of the credit union, may become a paid employee of this credit union for a minimum of __3 __ (Fill in the number, which may be zero) years from the date the official terminates his or her position as a director or committee member.

Section 9. ***Duties of secretary.*** The secretary prepares and maintains full and correct records of all meetings of the members and of the board. The secretary will prepare a record of each respective meeting within 7 days after its completion. 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 provides the proper notice of all meetings of the members in the manner prescribed in these bylaws. The secretary also performs other duties as directed by resolution of the board that are not inconsistent with the Act, regulation, 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 act upon 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. The board may not compensate the executive committee member or membership officer 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. The board may not compensate any member of the investment committee as such.

Addendum: The board must list the positions of the board officers and management officials of this credit union. They are as follows:

Position	**Credit union title**	**Officer or official name**
President	President chair	Gary Missildine
Vice President	Vice Chair	Pam White
Manager	Financial Officer/CEO	Jessica Rampy
Secretary	Secretary	Pyllis Wier
Membership Officer	Membership Officer	Trey Asher
Board	Officer	Marvin Jenkins
Board	Officer	Michael Prater
Board	Supervisory Committee Chair	Clara Page

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. This record then 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 that the individual has approved as a loan officer.

Section 2. ***Loan officer duties.*** For each loan, the loan officer must review the character and financial condition of the applicant and their surety, if any. The loan officer will ascertain the applicant's ability to fully and promptly repay the loan. The credit union may use an automated loan processing system to conduct this review, subject to the conditions set forth in Section 3, below. Where appropriate, the loan officer should provide, or refer applicants to, financial counseling assistance.

Section 3. ***Unapproved loans prohibited.*** The loan officer must approve all loans. Loan terms and rates must comply with applicable law and regulations. If the credit union uses an automated lending system, the loan officer must review all loan applications the system has denied, and review at least a sample of

approved loans to screen for fraud and ensure the automated system is functioning within the lending policies the board has established.

Section 4. ***Lending procedures.*** The loan officer or automated lending system determine the required security, if any, and the terms of repayment for each application. All lending decisions and loan terms must comply with applicable law and regulation, these bylaws, and board policy. The security furnished must be adequate in quality and character as well as consistent with sound lending practices. When the credit union does not have the funds available to make all the loans requested, the loan officer should give preference, in all cases, to the smaller applications if the need and credit factors are nearly equal.

Article IX. Supervisory Committee

Section 1. ***Appointment and membership.*** The board appoints the supervisory committee from members of this credit union. One of the committee members may be a director other than the financial officer or the paid officer of the board. The board determines the number of members on the committee, which may not be fewer than 3 or more than 5. No member of the credit committee, if applicable, or employee of this credit union may be appointed to the committee. Terms of committee members are for periods of 1, 2, or 3 years as decided by the board.
However, all terms are for the same number of years and until the appointment and qualification of successors. Terms are set and staggered at the beginning, or on the increase or decrease in the number of committee members so that approximately an equal number of terms expires at each annual meeting.

Section 2. ***Officers of supervisory committee.*** The supervisory committee members choose from their number a chair and a secretary. The secretary prepares, maintains, and has custody of all records of the committee's actions. The same person may hold the offices of chair and secretary.

Section 3. ***Duties of supervisory committee.***

a. The supervisory committee makes, or arranges for, the audits, and prepares and submits the written reports required by the Act and regulations. The committee may employ and use the clerical and auditing assistance required to carry out its responsibilities. The committee may request the board to provide compensation for this assistance. It will prepare and forward to the Administration required reports.

b. If all director positions become vacant at once, the supervisory committee immediately assumes the role of the board of directors. The supervisory committee acting as the board must generally call and hold a special meeting to elect a board. That board will serve until the next annual meeting. They must hold the special meeting at least 7 but no more than 14 days after all director positions became vacant. Nominations for the board at the special meeting are by petition or from the floor. However, the supervisory committee may forego the special meeting if the next annual meeting will occur within 45 days after all the director positions become vacant.

c. The supervisory committee acting as the board may not act on policy matters. However, directors elected at a special meeting have the same powers as directors elected at the annual meeting.

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 any director, board officer, or member of the credit committee. In the event of a suspension, the supervisory committee must call a special meeting of the members to act on the suspension. They must hold the meeting at least 7 but no 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 majority vote, the supervisory committee may call a special meeting of the members to: consider any violation of the provisions of the Act, the regulations, the credit union's charter or bylaws; or to consider any practice of this credit union the committee deems to be unsafe or unauthorized.

Article X. Reserved

Article XI. Loans and Lines of Credit to Members

Section 1. ***Loan purposes.*** The credit union may make loans to members 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 sets dividend periods and declares dividends as permitted by the Act and applicable law and regulation.

Article XIII. Reserved

Article XIV. Expulsion and Withdrawal

Section 1. ***Expulsion procedure.***
A credit union may expel a member in one of three ways.

The first way is through a special meeting. Under this option, a credit union must call a special meeting of the members, provide the member the opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting to expel a member.

The second way to expel a member is under a nonparticipation policy given to each member that follows the requirements found in the Act.

The third way to expel a member is by a two-thirds vote of a quorum of the directors of the credit union. A credit union can only expel a member for cause and through a vote of the directors of the credit union if it follows the policy for expulsion in section 2.

Section 2. A credit union's directors may vote to expel a member for cause if the credit union has provided a written copy of this Article or the optional standard disclosure notice to each member of the credit union. The communication of the policy, along with all notices required under this section, must

be legible, written in plain language, reasonably understandable by ordinary members, and may be provided electronically only in the case of members who have elected to receive electronic communications from the credit union.

If a member will be subject to expulsion, the member shall be notified in writing in advance, along with the reason for such expulsion.
The notice must include, at minimum,

(i) relevant dates,
(ii) sufficient detail for the member to understand the grounds for expulsion,
(iii) the member's right to request a hearing,
(iv) how to request a hearing,
(v) the procedures related to the hearing,
(vi) notification that, if a hearing is not requested, membership will terminate after 60 calendar days, and
(vii) if applicable, a general statement on the effect of expulsion related to the member's accounts or loans at the credit union.

The notice cannot include only conclusory statements regarding the reason for the member's expulsion. The notice must also tell the member that any complaints related to the member's potential expulsion should be submitted to NCUA's Consumer Assistance Center if the complaint cannot be resolved directly with the credit union.

The FCU must maintain a copy of the provided notice for its records.
The notice shall be provided in person, by mail to the member's address, or, if the member has elected to receive electronic communications from the credit union, may be provided electronically.

A member shall have 60 calendar days from the date of receipt of a notification to request a hearing from the board of directors of the credit union. A member is not entitled to attend the hearing in person, but the member must be provided a meaningful opportunity to present the member's case orally to the FCU board through a videoconference hearing. The member may choose to provide a written submission to the Board instead of a hearing with oral statements. If a member cannot participate in a videoconference hearing, then the FCU may offer a telephonic hearing. If a member does not request a hearing or provide a written submission, the member shall be expelled after the end of the 60-day period after receipt of the notice.

If a member requests a hearing, the board of directors must provide the member with a hearing. At the hearing, the board of directors may not raise any rationale for expulsion that is not explicitly included in the notice to the member.

After the hearing, the board of directors of the credit union must hold a vote within 30 calendar days on expelling the member. If a member is expelled, either through the expiration of the 60-day period or a vote to expel the member after a hearing, written notice of the expulsion must be provided to the member in person, by mail to the member's address, or, if the member has elected to receive electronic communications from the credit union, may be provided electronically. The notice must provide information on the effect of the expulsion, including information related to account access and any deductions by the credit union related to amounts due. The notice must also tell the member that any complaints related to their expulsion should be submitted to NCUA's Consumer Assistance Center if the

complaint cannot be resolved directly with the credit union. The notice must also state that the member has an opportunity to request reinstatement.

A member expelled under this authority must be given an opportunity to request reinstatement of membership. The FCU may act on a reinstatement request through a majority vote of a quorum of the directors of the credit union, a majority vote of the members of the credit union present at a special meeting, or a majority vote of members at an annual meeting, provided the annual meeting occurs within 90 days of the member's reinstatement request. If the FCU holds a meeting of the members to vote on the reinstatement request, an in-person vote is not required. An FCU is only required to hold a board vote or special meeting in response to a member's first reinstatement request following expulsion.

FCUs are required to maintain records related to any member expelled through a vote of the directors of the credit union for six years.

Section 3. The term cause in this Article means

(A) a substantial or repeated violation of the membership agreement of the credit union;
(B) a substantial or repeated disruption, including dangerous or abusive behavior, to the operations of a credit union, as defined below; or
(C) fraud, attempted fraud, or conviction of other illegal conduct in relation to the credit union, including the credit union's employees conducting business on behalf of the credit union.

If the FCU is considering expulsion of a member due to repeated non-substantial violations of the membership agreement or repeated disruptions to the credit union's operations, the credit union must provide written notice to the member at least once prior to the notice of expulsion, and the violation or conduct must be repeated within two years after having been notified of the violation. The written notice must state the specific nature of the violation or conduct and that if the violation or conduct occurs again, the member may be expelled from the credit union.

Dangerous or abusive behavior includes the following:

(1) violence, intimidation, physical threats, harassment, or physical or verbal abuse of officials or employees of the credit union, members, or agents of the credit union.
(2) This only includes
    a. (a) actions while on credit union premises or otherwise related to credit union activities, and through use of telephone, mail, email, or other electronic method;
    b. (b) behavior that causes or threatens damage to credit union property; or
    c. (c) unauthorized use or access of credit union property.

Expressions of frustration with the credit union or its employees through elevated volume and tone; expressions of intent to seek lawful recourse, regardless of perceived merit; or repeated interactions with credit union employees are insufficient to constitute dangerous or abusive behavior.

Additionally, members cannot be expelled due to or in retaliation for their complaints to the NCUA or any other regulatory agency or law enforcement, and members who are employees or former employees of the FCU cannot be expelled for any protected whistleblower activities.

Section 4. Expulsion or withdrawal does not relieve a member of any liability to the credit union. The credit union will pay all of the member's shares upon the member's expulsion or withdrawal less any amounts due to the credit union.

Section 5. An expulsion of a member pursuant to section 2 shall be done individually, on a case-by-case basis, and neither the NCUA Board nor any credit union may expel a class of members.

Article XV. Minors

Section 1. ***Minors permitted to own shares.*** The credit union may issue shares 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.*** The members, directors, officers, and employees of this credit union must exercise all power, authority, duties, and functions according to the provisions of these bylaws in strict conformity with the provisions of applicable law and regulations, and the credit union's charter and bylaws.

Section 2. ***Confidentiality.*** The officers, directors, members of committees and employees of this credit union must keep all member transactions and all information respecting their personal affairs in confidence, unless otherwise directed 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. If members votes at a special meeting result in the removal of all directors, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article IX, Section 3.

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 consideration or 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.

If the board receives a matter affecting any director's interest, the director must withdraw from the consideration or determination of that matter. If the remaining qualified directors present at the meeting plus the disqualified director or directors constitute a quorum, the remaining qualified directors, by majority vote, may exercise with respect to this matter 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.*** The board must preserve copies of the organization certificate of this credit union, its bylaws, any amendments to the bylaws, and any special authorizations by the Administration. The board must attach copies of the organization certificate and field of membership amendments as an appendix to these bylaws. The board must record all returns of nominations, elections, and proceedings of all regular and special meetings of the members and directors in the minutes of this credit union. The respective chair or presiding officer and the person serving as secretary of the meeting must sign all minutes of the meetings of the members, the board, and the committees. All copies and records maintained under this section may be stored physically or electronically provided that the information is readily accessible to the directors, committee members of this credit union, members, and the

Administration. Moreover, signatures may be provided electronically where permissible under federal or state law.

Section 6. ***Availability of credit union records.*** All books of account and other records of this credit union must be available upon request at all times to the directors, committee members of this credit union, and members provided they have a proper purpose for obtaining the records. If this credit union maintains a website currently or in the future, the board must post the bylaws of this credit union on the website. The board must also make the charter and bylaws of this credit union available for inspection by any member, upon request. If the member requests a copy of the charter or bylaws, the board will provide a copy to the member. The board may provide this copy to the member in physical or electronic copy. If the member requests a physical copy, the board may charge a reasonable fee for the physical copy.

Section 7. ***Member contact information.*** Members must keep the credit union informed of their current mailing address or, if the member has elected to receive electronic communications, their current email address.

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

[x] Law of the State of Texas__:
[ ] 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).
[X] Current officials.
[X] Former officials.
[X] Current employees.
[X] Former employees.

(b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in paragraph (a) of this section 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.

Section 9. ***Pronouns, Singular and Plural.*** Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural, words of the plural may be construed as denoting the singular, and words of one gender may be construed as denoting such other gender as is appropriate.

Article XVII. Amendments of Bylaws and Charter

Section 1. ***Amendment procedures.*** The board may adopt amendments of these bylaws by an affirmative two-thirds vote of the directors. Written NCUA approval is required for the amendment of the bylaws to become effective. After adopting amendments, the credit union will update the bylaws posted on its website (if such credit union maintains a website) and ensure that members seeking to inspect the bylaws receive the most current version of the bylaws. To adopt amendments to the credit union's charter, board members must vote at a duly held meeting after receiving prior written notice of the meeting and a copy of the proposed amendment or amendments with the notice. Written NCUA approval is required for the amendment to the charter to become effective.

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.

"Agency" means the Regional Director, the Director of the Office of National Examinations and Supervision, or the Director of the Office of Credit Union Resources and Expansion.

"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.

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

"Board officers" means:
1. ***"Chair"*** means Presiding Board officer, President of the Board, Presiding Board Officer, or Chairperson.
2. ***"Vice Chair"*** means Vice President.
3. ***"Financial Officer"*** means Treasurer.
4. ***"Secretary"*** means Recording Officer.
5. ***"Management Official"*** means General Manager, Manager, President, or Chief Executive Officer.

"Charter" means the approved organization certificate and field of membership issued by the National Credit Union Administration or one of its predecessors. It is the document that authorizes a group to operate as a credit union, defines the fundamental limits of its operating authority, and includes the persons the credit union is permitted to accept for membership.

"Field of membership" means the persons (including organizations and other legal entities) a credit union is permitted to accept for membership.

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

"Loans" means any type of loan product the credit union offers. This includes, but is not limited to, consumer loans, lines of credit, credit cards, member business loans, commercial loans, and real estate loans.

"Management" means the Board, Financial Officer, and Management Official.

"Member" means a person must:
1. Be eligible for membership under Section 5 of the charter;
2. Sign membership forms as approved by the credit union board;
3. Subscribe to at least one share (par value) of stock;
4. Pay the initial installment;
5. Pay an entrance fee, if required; and
6. Be eligible to vote upon reaching the minimum age the credit union establishes for voting and participation in the affairs of the credit union.

"Membership Officer" means a majority of the board of directors, a majority of the members of a duly authorized executive committee, or an individual(s) appointed by the board of directors to serve as such.

"NCUA Board" means the Board of the National Credit Union Administration.
"Person in the same household" means an individual living in the same residence maintaining a single economic unit.

"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.
Official NCUA Commentary—Federal Credit Union Bylaws

Article II. Qualifications for Membership

i. ***Entrance fee:*** FCUs may not vary the entrance fee among different classes of members (such as students, minors, or non-natural persons) because the Act requires a uniform fee. FCUs may, however, eliminate the entrance fee for all applicants.

ii. ***Membership application procedures:*** Under section 113 of the Act,[3] the board acts upon applications for membership. However, the board can appoint membership officers from among the members of the credit union. Such membership officers cannot be a paid officer of the board, the financial board officer, any assistant to the paid officer of the board or to the financial officer, or any loan officer. As described under section 2 of this Article, an applicant becomes a member upon approval by a membership officer and payment of at least one share (or installment) and uniform entrance fee, if applicable.

(iii) ***Violent, belligerent, disruptive, or abusive members:*** Many credit unions have confronted the issue of handling a violent, belligerent, disruptive, or abusive individual. Doing so is not a simple matter insofar as it requires the credit union to balance the need to preserve the safety of individual staff, other members, and the integrity of the workplace, on one hand, with the rights of the affected member on the other. In accordance with the Act and applicable legal interpretations, there is a reasonably wide range within which FCUs may fashion a policy that addresses these interrelated responsibilities. Thus, an individual who has become violent, belligerent, disruptive, or abusive may be prohibited from entering the premises or making telephone contact with the credit union, and the individual may be severely restricted in terms of eligibility for products or services. So long as the individual is not barred from exercising the right to vote at annual meetings and is allowed to maintain a regular share account, the FCU may fashion and implement a policy that is reasonably designed to preserve the safety of its employees and the integrity of the workplace. The policy need not be identical nor applied uniformly in all cases; there is room for flexibility and a customized approach to fit the circumstances. In fact, the NCUA anticipates that in some circumstances, such as violence or a credible threat of violence against another member or credit union staff in the FCU or its surrounding property, an FCU may take immediate action to restrict most, if not all, services to the member. This may occur along a parallel track as the credit union begins the process of expelling the member under Article XIV. In other situations, such as a member who frequently writes checks with insufficient funds, the FCU may attempt to resolve the matter with the member before limiting check writing services. Once a limitation of services policy is adopted or revised, members must receive notice. The FCU should disclose the policy to new members when they join and notify existing members of the policy at least 30 calendar days before it becomes effective. The credit union's board has the option to adopt the amendment addressing members in good standing.

Article III. Shares of Members

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

ii. Par value: FCUs may establish differing par values for different classes of members or types of accounts (such as students, minors, or non-natural persons), 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 must be stated in section 1. The FCU Bylaws include several options for differing par values. The credit union may select one or more of these or establish its own.

iii. Regular share account: To establish membership, the member must subscribe to one par value of share. The share does not have to be in a regular share account. The bylaws include two options. One option requires the member to have a regular share account to open membership, and one option allows them to use any other account. The board may select which option to use. If the board does not select an option, the member must have a regular share account to open an account. Please note, if the board selects an account other than the regular share, the requirements of Article III, section 3 still apply. The member must maintain one share to remain a member.

iv. Reduction in share balance below par value: When a member's account balance falls below the par value, section 3 of this article 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. If the share balance falls below the par value and does not increase the balance within the time set by the board, membership is terminated.

v. Trusts: Trusts and shares issued in trust can be a complicated subject. For purposes of the FCU Bylaws, perhaps the main issue is the distinction between revocable and irrevocable trusts. In the case of a revocable trust, the individual who establishes the trust is essentially still in control of the funds during his lifetime. Thus, the account owner can change the designated beneficiary at any time, and he or she can determine whether the identified beneficiary actually receives any money simply by deciding to withdraw the funds before his or her own death. Accordingly, the requirement in the case of revocable trust accounts is simply that the owner of the funds be a member of the FCU. Furthermore, provided the owner of the funds is within the field of membership and eligible for membership, he or she may use the vehicle of the payable-on-death or revocable trust account itself as the method of becoming a member. There is no requirement that the account holder first establish a regular share account to become a member. In accordance with legal opinions issued by the NCUA's Office of General Counsel, an individual may fulfill the requirement of becoming a member by subscribing to the equivalent of the par value of one share, which can be done through the opening of any type of account the credit union offers.[6] There is no requirement that the beneficiaries be members, since they may never actually come to own the funds or have a right to them. Furthermore, in the case of a revocable trust, since it is essentially indistinguishable from the member, there is no need for the trust to have a separate account number assigned or for it to be viewed as a legal entity separate from the member who set it up.

In the case of an irrevocable trust, the requirements are somewhat different. Membership requirements here may be met though either the settlor, who is the original owner of the funds, or the beneficiary, who obtains an equitable, beneficial interest in the funds once the trust is established. So long as one or the other is eligible for membership, the credit union may accept the account. Furthermore, as with revocable trusts, the membership obligation can be met through the opening of the trust account itself; it is not required that the beneficiary or the settlor have previously established a separate, regular share account. Most irrevocable trusts have a trustee who has administrative responsibility for the account, and so the credit union will typically deal with the trustee for purposes such as sending monthly

statements and year-end tax reporting. However, the trustee need not actually be a member of the credit union, and the credit union need not necessarily view the trust account as a separate legal entity, with its own separate tax ID number. Instead, it need only verify and confirm the eligibility of either the settlor or the beneficiary (or all of the settlors or all of the beneficiaries in the case of multiple settlors or beneficiaries) to join the credit union.

A trust itself, either revocable or irrevocable, may be a member of the credit union in its own right if all parties to the trust, including all settlors, beneficiaries and trustees, are within the field of membership.[7] If all parties to the trust are within a credit union's field of membership, the trust will qualify as "an organization of such persons," which is a standard clause in FCU fields of membership.

Article IV. Meetings of Members

i. Annual and special meetings: FCUs are encouraged to provide a live webcast of annual and special meetings for interested members, and/or post a video of the annual meeting on the FCU's website. The NCUA Board encourages this policy for FCUs that currently have a website.

Article V. Elections

i. Eligibility requirements: The Act and the FCU Bylaws contain the only eligibility requirements for membership on an FCU's board of directors, which are as follows:

(a) The individual must be a member of the FCU before distribution of ballots;

(b) The individual cannot have been convicted of a crime involving dishonesty or breach of trust unless the NCUA Board has waived the prohibition for the conviction; and

(c) The individual meets the minimum age requirement established under Article V, § 7 of the FCU Bylaws.

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.

ii. Nomination criteria for nominating committee: The 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.

iii. 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.

iv. 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.

v. 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.

vi. Minimum age requirement: The age the board selects may not be greater than eighteen or the age of majority under the state law applicable to the credit union, whichever is lower.

vii. Electronic voting: Some members lack digital access or wish to have a choice to vote non-electronically. The FCU Bylaws protect members who cannot or choose not to vote electronically. For those members who vote electronically, credit unions have the flexibility to use as many forms of electronic voting (phone, internet, etc.) as they wish.

viii. Voting methods: Options A1, A2 and A3 provide for in-person voting at the annual meeting, or, for Option A3, by voting machine. Option A4 provides for remote voting by electronic device or mail ballot. The NCUA has approved several bylaw amendments for FCUs that combine in-person and remote options for member voting. The NCUA encourages FCUs using one of the first three options to consider whether they can also incorporate mail ballots or electronic voting. Likewise, the NCUA encourages FCUs using Option A4 to consider whether they can also provide a means to vote for members who come to the annual meeting but have not voted in the election, such as a paper ballot.

ix. Uncontested elections: Options A2, A3 and A4 provide for election by acclamation or consensus when the number of nominees for board positions equals the number of positions to be filled. These options do not permit nominations from the floor at the meeting, so a petition is the only way for members to nominate a candidate not on the nominating committee's slate. Accordingly, section (1)(c) in each of these options requires the notice to members to include the fact that there are no nominations from the floor at the meeting, as well as a notice that the credit union will not conduct a vote by ballot if the number of nominees equals the number of positions to be filled. The FCU Bylaws do not require a particular procedure for uncontested elections.

The contents of the notice to members required in section (1)(c) does not alter the basic election procedures the credit union has selected. Should the number of the nominating committee nominees fall below the number of positions to be filled after the member notice is sent, this section does not permit nominations from the floor. Only option A1 permits nominations from the floor.

x. Nomination procedures: Under all options under this Article, the nominating committee must widely publicize the call for nominations to all members by any medium. This requirement can be satisfied by publicizing the information to a large audience, whether by newsletter, email, or any other satisfactory medium that reaches as many members as possible. The NCUA emphasizes that member participation is important during an election, and FCUs must make sure that members are aware of the nomination process.

Article VI. Board of Directors

i. Vacancies: In accordance with the Act, when a vacancy on the board of directors occurs between annual elections, the remaining directors are to appoint a replacement. This replacement will serve as a director until the next annual meeting. The vacancy is then to be filled at the next annual meeting through the normal membership voting process, with the newly elected director serving out the remainder of the original term.[8] The number of director positions may be changed to any odd number between 5 and 15, inclusive, but a position may not be eliminated if it is currently an occupied position.

As the bylaw itself specifies, no reduction in the number of director positions may be made unless there is a corresponding vacancy, caused by death, resignation, expiration of term or other action permissible under the FCU Bylaws. In other words, the FCU may not arbitrarily propose to reduce the number of director positions and terminate one or more incumbent directors.

ii. Director emeritus: As a matter of board policy, the board may establish the position of director emeritus for former directors who faithfully fulfilled their responsibilities as members of the board for at least a specified minimum number of years. The board may determine that director emeritus status confers authority to attend board meetings and to participate in discussions and other board events; however, directors emeritus may not vote on any matter before the board or exercise any official duties of a director. The position is essentially an honorary title designed to recognize and reward the good service of those designated and to retain some of their institutional knowledge for the benefit of the board and the FCU. The decision to establish a director emeritus position, as well as the selection of individuals to become director's emeritus, is solely within the discretion of the board. The board may establish director emeritus position by adopting either the optional bylaw amendment or a board policy.

To assist them in providing advice, Director's emeriti have access to confidential information, including but not limited to the credit union's examination reports and CAMEL ratings, to the same extent as members of the board. Directors' emeriti are also subject to the same confidentiality and conflict of interest standards applicable to directors.

iii. Associate directors: The board may also establish the position of associate director through board policy. This position is designed to provide qualified individuals with an opportunity to gain exposure to board meetings and discussions but without formal director responsibility or the right to vote. It may be thought of as an apprenticeship position in which the incumbent receives training and knowledge about the business of the board, with the expectation that the experience will prepare him or her for an eventual election to a director position. As with the director emeritus position, the decision to establish an associate director position, as well as the selection of individuals to become associate directors, is solely within the discretion of the board.

To assist their learning process, the board may determine to permit associate directors to have access to confidential information, including but not limited to the credit union's examination reports and CAMEL ratings, to the same extent as members of the board. Associate directors are also subject to the same confidentiality and conflict of interest standards applicable to directors.

iv. Composition of the board: The NCUA Board encourages the composition of the board of directors to reflect the field of membership of the FCU.

v. Notice to members of change in size of board: The NCUA encourages FCUs changing the size of their boards to post a notice of the change on the FCU's website (if the FCU maintains a website). An FCU is not required to establish and maintain a website solely for this purpose, however. An FCU that does not maintain a website can post such a notice in a conspicuous place in the office of the FCU, such as at the teller window or on the front door of the FCU.

Article VII. Board Officers, Management Officials and Executive Committee

i. Board officers: As specified in this bylaw, members of the board are elected by the credit union membership to the board itself. Once on the board, the directors themselves vote to select individuals

from among their number to serve as officers of the board (chair, one or more vice chairs, secretary and financial officer). One board officer may be compensated as such for services he or she performs in that capacity. The offices of financial officer and secretary may be held by the same person.
Members of the board must hold the vote for the specified officer positions at the first board meeting following the annual meeting of the members. This board meeting should be held not later than seven days after the annual meeting. The Act requires the credit union to file a record of the names and addresses of the executive offices, members of the supervisory committee,
credit committee, and loan officers with the Administration within ten days after election or appointment.

[9] The NCUA's regulations also require federally insured credit unions to file NCUA Form 4501 or its equivalent within 10 days after an election or appointment of senior management or volunteer officials.

[10] Officers hold their respective officer positions for a term of one year, until the first board meeting that follows the next annual meeting of the members. At that board meeting, officer positions are again filled. Each board officer holds his or her position until the election and qualification of his or her successor. Thus, a board officer who is re-elected to the position he or she is currently holding serves for another year. Where another director is chosen to fill the position, he or she takes office effective as of the date of the election, assuming he or she is qualified—meaning simply that he or she was properly elected by the membership to the board in the first place and is in good standing as a director.
As specified in this bylaw, the board chair presides at all board meetings. In the absence of the chair or his or her inability to act, the vice chair presides at the meeting. In the absence or inability to act of both the chair and the vice chair, those directors who are present may select from among their number an individual director to act as temporary chair for that particular meeting. Actions taken by the board under the direction of the temporary chair have the same validity and effect as if taken under the direction of the chair or the vice chair, provided a quorum of the board, including the temporary chair, is present. If the board secretary is absent for any reason from a meeting, the chair (or acting chair) must select another director to fulfill the secretary's function at the meeting.

ii. Committee Membership: The NCUA encourages FCUs to publicize the names of the members of each FCU committee to FCU members. FCUs could provide this information either on the FCU's public website or to the portion of the website only accessible to members after logging in. The NCUA encourages this policy for FCUs that have a website. An FCU is not required to establish and maintain a website solely for this purpose, however. Providing a short description of the committee's duties also assists members in better understanding the leadership structure of the FCU.

Article VIII. Credit Committee or Loan Officers

Many FCUs now use automated systems for accepting loan applications, loan underwriting, and loan processing, as permitted by several of the NCUA Office of General Counsel's legal opinions. The bylaws reflect that FCUs may use automated lending systems, as long as the credit committee or a loan officer: (1) reviews the loans the automated system granted for fraud and other purposes; and (2) reviews loans the automated system denied.

Article IX. Supervisory Committee

i. Nominations: The Act requires that the FCU's board appoint the members of the Supervisory Committee. It is permissible for the board to seek nominations from members before making Supervisory Committee appointments.

Article XIV. Expulsion and Withdrawal

As noted in the commentary to Article II, there is a wide range of measures available to the credit union in responding to abusive or unreasonably disruptive members.
A credit union can limit services under Article II for a member not in good standing.
A credit union may also expel the member for cause after a two-thirds vote of the credit union's directors.[11] Dangerous and abusive behavior is considered any violent, belligerent, unreasonably disruptive, or abusive behavior. Examples of dangerous and abusive conduct include, but are not limited to, a member threatening physical harm to employees, a member repeatedly and unwelcomely giving gifts to or asking tellers on dates, a member repeatedly using racial or sexist language towards employees, and a member threatening to follow a loan officer home for denying a loan.

A credit union must provide notice of the expulsion to the member. The notice must include the reason for the expulsion, and if a hearing was conducted or written testimony provided, the credit union should provide a response to the member's statements. The notice must be specific and not just include conclusory statements regarding the reason for the member's expulsion.
For example, a general statement that the member's behavior has been deemed abusive and the member is being subject to expulsion procedures would be insufficient as an explanation. A credit union is prohibited from expelling a class of members under this provision. That would include a board acting to remove all delinquent members or class of delinquent members.
If a special meeting of the members is called to expel the member, only in-person voting is permitted in conjunction with the special meeting, so that the affected member has an opportunity to present the member's case and respond to the credit union's concerns. However, an in-person meeting is not required if a member is expelled by a two-thirds vote of the board of directors. In addition, FCUs should consider the commentary under Article XVI about members using accounts for unlawful purposes.

Optional Standard Disclosure of Expulsion Policy

We may terminate your membership in [name of FCU] in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the credit union for cause.
Cause is defined as follows:
(A) a substantial or repeated violation of [name of membership agreement] with [us];
(B) a substantial or repeated disruption, including dangerous or abusive behavior, to the credit union's operations; or
(C) fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to [us], including in connection with our employees conducting business on behalf of us.

Before the board votes on an expulsion, [we] must provide written notice to your mail address (or email, if applicable) on record or personally provide the written notice.
[We] must provide the specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you choose.
It is your responsibility to keep your contact information with [us] up to date, and to open and read notices from [us].

Unless [we] determine to allow otherwise, there is no right to an in-person hearing with the board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled.

You may submit any complaints about your pending expulsion or expulsion to NCUA's Consumer Assistance Center if the complaint cannot be resolved with the credit union.
[We] will confirm any expulsion with a letter with information on the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the credit union, and we may demand immediate repayment of the money you owe to us after expulsion, subject to any applicable contract terms and conditions.
For additional information on expulsion and a copy of our expulsion policy, see [Article XIV of our Bylaws].

Article XVI. General

i. Special meeting requirements: To remove a director under section 3 of this Article requires a majority vote of members present at a special meeting called for the purpose of voting on removal. The bylaw requires that the affected director have the "opportunity to be heard." NCUA interprets this provision as requiring the vote to occur at an in-person meeting rather than by mail ballot. At an in-person meeting, the director subject to the removal vote can make his or her case before the members. The director removal provisions derive from provisions of the Act, as follows:
- The bylaws govern the conduct of special meetings;[12]
- Members must have the opportunity to vote, at a meeting, on the Supervisory Committee's suspension of a director;[13] and
- FCU members may be expelled by vote of members present at a meeting called for that purpose.[14]

ii. Unlawful purposes: FCUs expressed concerns that some members may be using their accounts for unlawful purposes. Section 1 of this Article specifies that the credit union, its powers and duties, and the functions of its members, officers and directors, are all strictly circumscribed by law and regulation. Insofar as this provision is included in the bylaws, an FCU need not adopt a specific policy or requirement that members conform their use of credit union products or services to lawful purposes. Furthermore, the existence of this bylaw provides ample support should an FCU determine to impose strict limits on products and services available to any individual who is found to be using the FCU in furtherance of unlawful purposes.

iii. Posting of bylaws on website: FCUs that maintain a website must post a copy of the FCU's bylaws on the website. After adopting amendments, FCUs must post an updated copy of the bylaws. An FCU is not required to establish and maintain a website solely for this purpose, however.

These bylaws have been approved and adopted by Board of Directors on September 21, 2023

Tara White
President

Phyllis Weir
Secretary