



Sen. Antonio Muñoz

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10200SB1534sam001

LRB102 10353 BMS 25467 a

1 AMENDMENT TO SENATE BILL 1534

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1534 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Credit Union Act is amended by  
5 changing Sections 19, 23, 34, 51, 57, 59, and 64.7 and by  
6 adding Section 20.5 as follows:

7 (205 ILCS 305/19) (from Ch. 17, par. 4420)

8 Sec. 19. Meeting of members.

9 (1) (a) The annual meeting shall be held each year during  
10 the months of January, February or March or such other month as  
11 may be approved by the Department. The meeting shall be held at  
12 the time, place and in the manner set forth in the bylaws. Any  
13 special meetings of the members of the credit union shall be  
14 held at the time, place and in the manner set forth in the  
15 bylaws. Unless otherwise set forth in this Act, quorum  
16 requirements for meetings of members shall be established by a

1 credit union in its bylaws. Notice of all meetings must be  
2 given by the secretary of the credit union at least 7 days  
3 before the date of such meeting, either by handing a written or  
4 printed notice to each member of the credit union, by mailing  
5 the notice to the member at his address as listed on the books  
6 and records of the credit union, ~~or~~ by posting a notice of the  
7 meeting in three conspicuous places, including the office of  
8 the credit union, by posting the notice of the meeting on the  
9 credit union's website, or by disclosing the notice of the  
10 meeting in membership newsletters or account statements.

11 (b) Unless expressly prohibited by the articles of  
12 incorporation or bylaws and subject to applicable requirements  
13 of this Act, the board of directors may provide by resolution  
14 that members may attend, participate in, act in, and vote at  
15 any annual meeting or special meeting through the use of a  
16 conference telephone or interactive technology, including, but  
17 not limited to, electronic transmission, internet usage, or  
18 remote communication, by means of which all persons  
19 participating in the meeting can communicate with each other.  
20 Participation through the use of a conference telephone or  
21 interactive technology shall constitute attendance, presence,  
22 and representation in person at the annual meeting or special  
23 meeting of the person or persons so participating and count  
24 towards the quorum required to conduct business at the  
25 meeting. The following conditions shall apply to any virtual  
26 meeting of the members:

1           (i) the credit union must internally possess or retain  
2           the technological capacity to facilitate virtual meeting  
3           attendance, participation, communication, and voting; and

4           (ii) the members must receive notice of the use of a  
5           virtual meeting format and appropriate instructions for  
6           joining, participating, and voting during the virtual  
7           meeting at least 7 days before the virtual meeting.

8           (2) On all questions and at all elections, except election  
9           of directors, each member has one vote regardless of the  
10          number of his shares. There shall be no voting by proxy except  
11          on the election of directors, proposals for merger or  
12          voluntary dissolution. Members may vote on questions,  
13          including, without limitation, the approval of mergers and  
14          voluntary dissolutions under this Act, and in elections by  
15          secure electronic record if approved by the board of  
16          directors. All voting on the election of directors shall be by  
17          ballot, but when there is no contest, written or electronic  
18          ballots need not be cast. The record date to be used for the  
19          purpose of determining which members are entitled to notice of  
20          or to vote at any meeting of members, may be fixed in advance  
21          by the directors on a date not more than 90 days nor less than  
22          10 days prior to the date of the meeting. If no record date is  
23          fixed by the directors, the first day on which notice of the  
24          meeting is given, mailed or posted is the record date.

25          (3) Regardless of the number of shares owned by a society,  
26          association, club, partnership, other credit union or

1 corporation, having membership in the credit union, it shall  
2 be entitled to only one vote and it may be represented and have  
3 its vote cast by its designated agent acting on its behalf  
4 pursuant to a resolution adopted by the organization's board  
5 of directors or similar governing authority; provided that the  
6 credit union shall obtain a certified copy of such resolution  
7 before such vote may be cast.

8 (4) A member may revoke a proxy by delivery to the credit  
9 union of a written statement to that effect, by execution of a  
10 subsequently dated proxy, by execution of a secure electronic  
11 record, or by attendance at a meeting and voting in person.

12 (5) As used in this Section, "electronic" and "electronic  
13 record" have the meanings ascribed to those terms in the  
14 Electronic Commerce Security Act. As used in this Section,  
15 "secured electronic record" means an electronic record that  
16 meets the criteria set forth in Section 10-105 of the  
17 Electronic Commerce Security Act.

18 (Source: P.A. 100-361, eff. 8-25-17.)

19 (205 ILCS 305/20.5 new)

20 Sec. 20.5. Appointment of associate directors.

21 (a) The board of directors of a credit union may, in its  
22 discretion, appoint one or more associate directors to serve  
23 in an advisory capacity. The board shall prescribe the duties  
24 of an associate director and the manner in which associate  
25 directors are appointed and removed. The board shall not

1 delegate to associate directors any of the duties or  
2 responsibilities prescribed by this Act or other applicable  
3 law to be performed by directors duly elected by their  
4 members. An associate director shall not be deemed or  
5 considered to be a director for any purpose under this Act.

6 (b) Before appointing an associate director, the board  
7 shall confirm that the person meets all of the requirements to  
8 serve as a director, including, without limitation, a working  
9 familiarity with the financial and accounting practices of the  
10 credit union as set forth in subsection (c) of Section 30.

11 (c) An associate director may participate in meetings of  
12 the board but may not vote or otherwise act as a director. With  
13 respect to any issue that comes before the board for  
14 deliberation, the board may request that all associate  
15 directors excuse themselves from the meeting of the board and  
16 the associate directors shall immediately comply with the  
17 request.

18 (d) The board shall require each associate director to  
19 sign a confidentiality or non-disclosure agreement to ensure  
20 that information concerning the credit union remains  
21 confidential.

22 (205 ILCS 305/23) (from Ch. 17, par. 4424)

23 Sec. 23. Compensation of officials.

24 (1) Directors and committee members may receive reasonable  
25 compensation for their service as such, the amount of which

1 shall be set by the board of directors, in accordance with  
2 written policies and procedures established by the board of  
3 directors. If the Department determines the payment of  
4 director or committee member compensation, or both, creates a  
5 safety and soundness issue for a credit union, the Department  
6 shall utilize the standards set forth in 38 Ill. Adm. Code  
7 190.25 and supplemental guidelines to address and resolve the  
8 issue. An enforcement action taken pursuant to 38 Ill. Adm.  
9 Code 190.25 and guidelines and specified by the Act shall be  
10 used to reduce or suspend the compensation paid to the  
11 directors and committee members. The Department shall, by  
12 ~~rule, establish maximum rates of reasonable compensation that~~  
13 ~~are generally applicable to credit unions considering factors~~  
14 ~~the Department may establish from time to time, including, but~~  
15 ~~not limited to, total assets, nonprofit cooperative structure,~~  
16 ~~and the best interests of members. "Compensation" as used in~~  
17 this subsection (1) refers to remuneration expense to the  
18 credit union for services provided by a director or committee  
19 member in his or her capacity as director or committee member.  
20 The remuneration expense is in the form of monetary payments  
21 and shall be disclosed on an annual basis to the membership in  
22 the financial statement that is part of the annual membership  
23 meeting materials. The disclosure shall contain: (i) the  
24 amount paid to each director and (ii) the amount paid to the  
25 directors as a group. "Compensation" does not include any of  
26 the expenses described in subsections (2) and (3) of this

1 Section.

2 (2) The credit union may incur the expense of providing  
3 reasonable life, health, accident, and similar insurance  
4 protection benefits for directors and committee members.

5 (3) Directors, committee members and employees, while on  
6 official business of the credit union, may be reimbursed for  
7 reasonable and necessary expenses. Alternatively, the credit  
8 union may make direct payment to a third party for such  
9 business expenses. Reasonable and necessary expenses may  
10 include the payment of travel costs for the foregoing  
11 officials and one guest per official. All payment of costs  
12 shall be made in accordance with written policies and  
13 procedures established by the board of directors.

14 (4) The board of directors may establish compensation for  
15 officers of the credit union.

16 (Source: P.A. 101-567, eff. 8-23-19.)

17 (205 ILCS 305/34) (from Ch. 17, par. 4435)

18 Sec. 34. Duties of supervisory committee.

19 (1) The supervisory committee shall make or cause to be  
20 made an annual internal audit of the books and affairs of the  
21 credit union to determine that the credit union's accounting  
22 records and reports are prepared promptly and accurately  
23 reflect operations and results, that internal controls are  
24 established and effectively maintained to safeguard the assets  
25 of the credit union, and that the policies, procedures and

1 practices established by the board of directors and management  
2 of the credit union are being properly administered. The  
3 supervisory committee shall submit a report of that audit to  
4 the board of directors and a summary of that report to the  
5 members at the next annual meeting of the credit union. It  
6 shall make or cause to be made such supplementary audits as it  
7 deems necessary or as are required by the Secretary or by the  
8 board of directors, and submit reports of these supplementary  
9 audits to the Secretary or board of directors as applicable.  
10 If the supervisory committee has not engaged a licensed  
11 certified public accountant or licensed certified public  
12 accounting firm to make the internal audit, the supervisory  
13 committee or other officials of the credit union shall not  
14 indicate or in any manner imply that such audit has been  
15 performed by a licensed certified public accountant or  
16 licensed certified public accounting firm or that the audit  
17 represents the independent opinion of a licensed certified  
18 public accountant or licensed certified public accounting  
19 firm. The supervisory committee must retain its tapes and  
20 working papers of each internal audit for inspection by the  
21 Department. The report of this audit must be made on a form  
22 approved by the Secretary. A copy of the report must be  
23 promptly delivered to the Secretary as set forth in paragraph  
24 (C) of subsection (3).

25 (2) The supervisory committee shall make or cause to be  
26 made at least once each year a reasonable percentage



1 verification of members' share and loan accounts, consistent  
2 with rules promulgated by the Secretary.

3 (3) (A) The supervisory committee of a credit union with  
4 assets of \$10,000,000 or more shall engage a licensed  
5 certified public accountant or licensed certified public  
6 accounting firm to perform an annual external independent  
7 audit of the credit union's financial statements in accordance  
8 with generally accepted auditing standards and the financial  
9 statements shall be issued in accordance with accounting  
10 principles generally accepted in the United States of America.

11 (B) The supervisory committee of a credit union with  
12 assets of \$5,000,000 or more, but less than \$10,000,000, shall  
13 engage a licensed certified public accountant or licensed  
14 certified public accounting firm to perform on an annual  
15 basis: (i) an agreed-upon procedures engagement under  
16 attestation standards established by the American Institute of  
17 Certified Public Accountants to minimally satisfy the  
18 supervisory committee internal audit standards set forth in  
19 subsection (1); or (ii) an external independent audit of the  
20 credit union's financial statements pursuant to the standards  
21 set forth in paragraph (A) of subsection (3).

22 (C) Notwithstanding anything to the contrary in Section 6,  
23 each credit union organized under this Act shall select the  
24 annual period it desires to use for purposes of performing the  
25 external independent audit, agreed-upon procedures engagement,  
26 or internal audit described in this Section. The annual period

1 may end on the final day of any month and shall be construed to  
2 mean once every calendar year and not once every 12-month  
3 period. Irrespective of the annual period selected, the credit  
4 union shall complete its external independent audit report,  
5 agreed-upon procedures report, or internal audit report and  
6 deliver a copy to the Secretary no later than 120 days after  
7 the effective date of the audit or engagement, which shall  
8 mean the last day of the selected annual period. ~~The external~~  
9 ~~independent audit report or agreed-upon procedures report~~  
10 ~~shall be completed and a copy thereof delivered to the~~  
11 ~~Secretary no later than 120 days after the end of the calendar~~  
12 ~~or fiscal year under audit or fiscal period for which the~~  
13 ~~agreed-upon procedures are performed.~~ A credit union or group  
14 of credit unions may obtain an extension of the due date upon  
15 application to and receipt of written approval from the  
16 Secretary.

17 (D) If the credit union engages a licensed certified  
18 public accountant or licensed certified public accounting firm  
19 to perform an annual external independent audit of the credit  
20 union's financial statements pursuant to the standards in  
21 paragraph (A) of subsection (3) or an annual agreed-upon  
22 procedures engagement pursuant to the standards in paragraph  
23 (B) of subsection (3), then the annual internal audit  
24 requirements of subsection (1) shall be deemed satisfied and  
25 met in all respects.

26 (4) In determining the appropriate balance in the

1 allowance for loan losses account, a credit union may  
2 determine its historical loss rate using a defined period of  
3 time of less than 5 years, provided that:

4 (A) the methodology used to determine the defined  
5 period of time is formally documented in the credit  
6 union's policies and procedures and is appropriate to the  
7 credit union's size, business strategy, and loan portfolio  
8 characteristics and the economic environment of the areas  
9 and employers served by the credit union;

10 (B) supporting documentation is maintained for the  
11 technique used to develop the credit union loss rates,  
12 including the period of time used to accumulate historical  
13 loss data and the factors considered in establishing the  
14 time frames; and

15 (C) the external auditor conducting the credit union's  
16 financial statement audit has analyzed the methodology  
17 employed by the credit union and concludes that the  
18 financial statements, including the allowance for loan  
19 losses, are fairly stated in all material respects in  
20 accordance with U.S. Generally Accepted Accounting  
21 Principles, as promulgated by the Financial Accounting  
22 Standards Board.

23 (5) A majority of the members of the supervisory committee  
24 shall constitute a quorum.

25 (6) On an annual basis commencing January 1, 2015, the  
26 members of the supervisory committee shall receive training

1 related to their statutory duties. Supervisory committee  
2 members may receive the training through internal credit union  
3 training, external training offered by the credit union's  
4 retained auditors, trade associations, vendors, regulatory  
5 agencies, or any other sources or on-the-job experience, or a  
6 combination of those activities. The training may be received  
7 through any medium, including, but not limited to,  
8 conferences, workshops, audit closing meetings, seminars,  
9 teleconferences, webinars, and other Internet-based delivery  
10 channels.

11 (Source: P.A. 100-778, eff. 8-10-18; 101-81, eff. 7-12-19.)

12 (205 ILCS 305/51) (from Ch. 17, par. 4452)

13 Sec. 51. Other loan programs.

14 (1) Subject to such rules and regulations as the Secretary  
15 may promulgate, a credit union may participate in loans to  
16 credit union members jointly with other credit unions,  
17 corporations, or financial institutions. An originating credit  
18 union may originate loans only to its own members. A  
19 participating credit union that is not the originating lender  
20 may participate in loans made to its own members or to members  
21 of another participating credit union. "Originating lender"  
22 means the participating credit union with which the member  
23 contracts. A master participation agreement must be properly  
24 executed, and the agreement must include provisions for  
25 identifying, either through documents incorporated by

1 reference or directly in the agreement, the participation loan  
2 or loans prior to their sale.

3 (2) Any credit union with assets of \$500,000 or more may  
4 loan to its members under scholarship programs which are  
5 subject to a federal or state law providing 100% repayment  
6 guarantee.

7 (3) A credit union may purchase the conditional sales  
8 contracts, notes and similar instruments which evidence an  
9 indebtedness of its members. In the management of its assets,  
10 liabilities, and liquidity, a credit union may purchase the  
11 conditional sales contracts, notes, and other similar  
12 instruments that evidence the consumer indebtedness of the  
13 members of another credit union. "Consumer indebtedness" means  
14 indebtedness incurred for personal, family, or household  
15 purposes.

16 (4) With approval of the board of directors, a credit  
17 union may make loans, either on its own or jointly with other  
18 credit unions, corporations or financial institutions, to  
19 credit union organizations; provided, that the aggregate  
20 amount of all such loans outstanding shall not at any time  
21 exceed the greater of 6% ~~3%~~ of the paid-in and unimpaired  
22 capital and surplus of the credit union or the amount  
23 authorized for federal credit unions.

24 (5) With the approval of the board of directors, a credit  
25 union may make loans, either on its own or jointly with other  
26 credit unions, corporations, or financial institutions, to

1 community development financial institutions as defined in  
2 regulations issued by the U.S. Department of the Treasury and  
3 minority depository institutions as defined by the National  
4 Credit Union Administration. The aggregate amount of all such  
5 loans outstanding shall not at any time exceed 5% of the  
6 paid-in and unimpaired capital and surplus of the credit  
7 union.

8 (Source: P.A. 97-133, eff. 1-1-12.)

9 (205 ILCS 305/57) (from Ch. 17, par. 4458)

10 Sec. 57. Group purchasing and marketing.

11 (a) A credit union may, consistent with rules and  
12 regulations promulgated by the Secretary, enter into  
13 cooperative marketing arrangements to facilitate its members'  
14 voluntary purchase of such goods and services as are in the  
15 interest of improving economic and social conditions of the  
16 members.

17 (b) A credit union may create and use descriptive and  
18 brand references to promote and market its identity, services,  
19 and products to its members. In the case of a merger pursuant  
20 to Section 63, the surviving credit union may identify the  
21 merging credit union as a division, branch, unit, or other  
22 descriptive reference that ensures the members understand they  
23 are dealing with one credit union rather than multiple credit  
24 unions, as of the effective date of the merger.

25 (Source: P.A. 100-361, eff. 8-25-17.)

1 (205 ILCS 305/59) (from Ch. 17, par. 4460)

2 Sec. 59. Investment of funds.

3 (a) Funds not used in loans to members may be invested,  
4 pursuant to subsection (7) of Section 30 of this Act, and  
5 subject to Departmental rules and regulations:

6 (1) In securities, obligations or other instruments of  
7 or issued by or fully guaranteed as to principal and  
8 interest by the United States of America or any agency  
9 thereof or in any trust or trusts established for  
10 investing directly or collectively in the same;

11 (2) In obligations of any state of the United States,  
12 the District of Columbia, the Commonwealth of Puerto Rico,  
13 and the several territories organized by Congress, or any  
14 political subdivision thereof; however, a credit union may  
15 not invest more than 10% of its unimpaired capital and  
16 surplus in the obligations of one issuer, exclusive of  
17 general obligations of the issuer, and investments in  
18 municipal securities must be limited to securities rated  
19 in one of the 4 highest rating categories by a nationally  
20 recognized statistical rating organization;

21 (3) In certificates of deposit or passbook type  
22 accounts issued by a state or national bank, mutual  
23 savings bank or savings and loan association; provided  
24 that such institutions have their accounts insured by the  
25 Federal Deposit Insurance Corporation or the Federal

1 Savings and Loan Insurance Corporation; but provided,  
2 further, that a credit union's investment in an account in  
3 any one institution may exceed the insured limit on  
4 accounts;

5 (4) In shares, classes of shares or share certificates  
6 of other credit unions, including, but not limited to  
7 corporate credit unions; provided that such credit unions  
8 have their members' accounts insured by the NCUA or other  
9 approved insurers, and that if the members' accounts are  
10 so insured, a credit union's investment may exceed the  
11 insured limit on accounts;

12 (5) In shares of a cooperative society organized under  
13 the laws of this State or the laws of the United States in  
14 the total amount not exceeding 10% of the unimpaired  
15 capital and surplus of the credit union; provided that  
16 such investment shall first be approved by the Department;

17 (6) In obligations of the State of Israel, or  
18 obligations fully guaranteed by the State of Israel as to  
19 payment of principal and interest;

20 (7) In shares, stocks or obligations of other  
21 financial institutions in the total amount not exceeding  
22 5% of the unimpaired capital and surplus of the credit  
23 union;

24 (8) In federal funds and bankers' acceptances;

25 (9) In shares or stocks of Credit Union Service  
26 Organizations in the total amount not exceeding the



1 greater of 6% ~~3%~~ of the unimpaired capital and surplus of  
2 the credit union or the amount authorized for federal  
3 credit unions;

4 (10) In corporate bonds identified as investment grade  
5 by at least one nationally recognized statistical rating  
6 organization, provided that:

7 (i) the board of directors has established a  
8 written policy that addresses corporate bond  
9 investment procedures and how the credit union will  
10 manage credit risk, interest rate risk, liquidity  
11 risk, and concentration risk; and

12 (ii) the credit union has documented in its  
13 records that a credit analysis of a particular  
14 investment and the issuing entity was conducted by the  
15 credit union, a third party on behalf of the credit  
16 union qualified by education or experience to assess  
17 the risk characteristics of corporate bonds, or a  
18 nationally recognized statistical rating agency before  
19 purchasing the investment and the analysis is updated  
20 at least annually for as long as it holds the  
21 investment;

22 (11) To aid in the credit union's management of its  
23 assets, liabilities, and liquidity in the purchase of an  
24 investment interest in a pool of loans, in whole or in part  
25 and without regard to the membership of the borrowers,  
26 from other depository institutions and financial type

1 institutions, including mortgage banks, finance companies,  
2 insurance companies, and other loan sellers, subject to  
3 such safety and soundness standards, limitations, and  
4 qualifications as the Department may establish by rule or  
5 guidance from time to time;

6 (12) To aid in the credit union's management of its  
7 assets, liabilities, and liquidity by receiving funds from  
8 another financial institution as evidenced by certificates  
9 of deposit, share certificates, or other classes of shares  
10 issued by the credit union to the financial institution;  
11 ~~and~~

12 (13) In the purchase and assumption of assets held by  
13 other financial institutions, with approval of the  
14 Secretary and subject to any safety and soundness  
15 standards, limitations, and qualifications as the  
16 Department may establish by rule or guidance from time to  
17 time; ~~and-~~

18 (14) In the shares, stocks, or obligations of  
19 community development financial institutions as defined in  
20 regulations issued by the U.S. Department of the Treasury  
21 and minority depository institutions as defined by the  
22 National Credit Union Administration; however the  
23 aggregate amount of all such investments shall not at any  
24 time exceed 5% of the paid-in and unimpaired capital and  
25 surplus of the credit union.

26 (b) As used in this Section:

1 "Political subdivision" includes, but is not limited to,  
2 counties, townships, cities, villages, incorporated towns,  
3 school districts, educational service regions, special road  
4 districts, public water supply districts, fire protection  
5 districts, drainage districts, levee districts, sewer  
6 districts, housing authorities, park districts, and any  
7 agency, corporation, or instrumentality of a state or its  
8 political subdivisions, whether now or hereafter created and  
9 whether herein specifically mentioned or not.

10 "Financial institution" includes any bank, savings bank,  
11 savings and loan association, or credit union established  
12 under the laws of the United States, this State, or any other  
13 state.

14 (c) A credit union investing to fund an employee benefit  
15 plan obligation is not subject to the investment limitations  
16 of this Act and this Section and may purchase an investment  
17 that would otherwise be impermissible if the investment is  
18 directly related to the credit union's obligation under the  
19 employee benefit plan and the credit union holds the  
20 investment only for so long as it has an actual or potential  
21 obligation under the employee benefit plan.

22 (d) If a credit union acquires loans from another  
23 financial institution or financial-type institution pursuant  
24 to this Section, the credit union shall be authorized to  
25 provide loan servicing and collection services in connection  
26 with those loans.

1 (Source: P.A. 100-361, eff. 8-25-17; 100-778, eff. 8-10-18;  
2 101-567, eff. 8-23-19.)

3 (205 ILCS 305/64.7)

4 Sec. 64.7. Network credit unions.

5 (a) Two or more credit unions merging pursuant to Section  
6 63 of this Act may elect to request a network credit union  
7 designation for the surviving credit union from the Secretary.  
8 The request shall be set forth in the plan of merger and  
9 certificate of merger executed by the credit unions and  
10 submitted to the Secretary pursuant to subsection (4) of  
11 Section 63. The Secretary's approval of a certificate of  
12 merger containing a network credit union designation request  
13 shall constitute approval of the use of the network  
14 designation as a brand or other identifier of the surviving  
15 credit union. If the surviving credit union desires to include  
16 the network designation in its legal name, make any other  
17 change to its legal name, or both, it shall proceed with an  
18 amendment to the articles of incorporation and bylaws of the  
19 surviving credit union pursuant to Section 4 of this Act.

20 (b) A network credit union is a cooperative business  
21 structure comprised of 2 or more merging credit unions with a  
22 collective goal of efficiently serving their combined  
23 membership and gaining economies of scale through common  
24 vision, strategy and initiative. The merging credit unions  
25 shall be identified as divisional credit unions, branches, or

1 units of the network credit union or by other descriptive  
2 references that ensure the members understand they are dealing  
3 with one credit union rather than multiple credit unions.  
4 Descriptive and brand references may also be created and used  
5 to promote the identity, services, and products of the network  
6 credit union to its members.

7 (c) Each divisional credit union may have an advisory  
8 board of directors and a chief management official to assist  
9 in maintaining and leveraging its respective local identity  
10 for the benefit of the surviving credit union. The divisional  
11 credit union advisory boards shall be appointed by the network  
12 credit union board of directors. Each divisional credit  
13 union's advisory board of directors may appoint a divisional  
14 credit union chief management official and may also appoint  
15 one of its directors to serve on the network credit union's  
16 nominating committee. A divisional credit union may determine  
17 to identify its advisory board as a committee and its  
18 divisional chief management official with a title it deems  
19 reasonable and appropriate. The network credit union board of  
20 directors shall require each advisory board member to sign a  
21 confidentiality or non-disclosure agreement to ensure that  
22 information concerning the credit union remains confidential.

23 (d) The network credit union is the surviving legal entity  
24 in the merger and supervision, examination, audit, reporting,  
25 governance, and management shall be conducted or performed at  
26 the network credit union level. All share insurance, safety

1 and soundness, and statutory and regulatory requirements and  
2 limitations shall be evaluated at the network credit union  
3 level.

4 (Source: P.A. 99-614, eff. 7-22-16; 100-361, eff. 8-25-17.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.".