

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Credit Union Act is amended by
5 changing Section 20 as follows:

6 (205 ILCS 305/20) (from Ch. 17, par. 4421)

7 Sec. 20. Election or appointment of officials.

8 (1) The credit union shall be directed by a Board of
9 Directors consisting of no less than 7 in number, to be elected
10 at the annual meeting by and from the members. Directors shall
11 hold office until the next annual meeting, unless their terms
12 are staggered. Upon amendment of its bylaws, a credit union may
13 divide the Directors into 2 or 3 classes with each class as
14 nearly equal in number as possible. The term of office of the
15 directors of the first class shall expire at the first annual
16 meeting after their election, that of the second class shall
17 expire at the second annual meeting after their election, and
18 that of the third class, if any, shall expire at the third
19 annual meeting after their election. At each annual meeting
20 after the classification, the number of directors equal to the
21 number of directors whose terms expire at the time of the
22 meeting shall be elected to hold office until the second
23 succeeding annual meeting if there are 2 classes or until the
24 third succeeding annual meeting if there are 3 classes. A
25 Director shall hold office for the term for which he or she is
26 elected and until his or her successor is elected and
27 qualified.

28 (1.5) Except as provided in subsection (1.10), in ~~in~~ all
29 elections for Directors, every member has the right to vote, in
30 person or by proxy, the number of shares owned by him, or in
31 the case of a member other than a natural person, the member's
32 one vote, for as many persons as there are Directors to be

1 elected, or to cumulate such shares, and give one candidate as
2 many votes as the number of Directors multiplied by the number
3 of his shares equals, or to distribute them on the same
4 principle among as many candidates as he may desire and the
5 Directors shall not be elected in any other manner. Shares held
6 in a joint account owned by more than one member may be voted
7 by any one of the members, however, the number of cumulative
8 votes cast may not exceed a total equal to the number of shares
9 multiplied by the number of directors to be elected. A majority
10 of the shares entitled to vote shall be represented either in
11 person or by proxy for the election of Directors. Each Director
12 shall wholly take and subscribe to an oath that he will
13 diligently and honestly perform his duties in administering the
14 affairs of the credit union, that while he may delegate to
15 another the performance of those administrative duties he is
16 not thereby relieved from his responsibility for their
17 performance, that he will not knowingly violate or willingly
18 permit to be violated any law applicable to the credit union,
19 and that he is the owner of at least one share of the credit
20 union.

21 (1.10) Upon amendment of a credit union's bylaws approved
22 by the members, in all elections for Directors, every member
23 who is a natural person shall have the right to cast one vote,
24 regardless of the number of his or her shares, in person or by
25 proxy, for as many persons as there are Directors to be
26 elected.

27 (2) The Board of Directors shall appoint from among the
28 members of the credit union, a Supervisory Committee of not
29 less than 3 members at the organization meeting and within 30
30 days following each annual meeting of the members for such
31 terms as the bylaws provide. Members of the Supervisory
32 Committee may, but need not be, on the Board of Directors, but
33 shall not be officers of the credit union, members of the
34 Credit Committee, or the credit manager if no Credit Committee
35 has been appointed.

36 (3) The Board of Directors may appoint, from among the

1 members of the credit union, a Credit Committee consisting of
2 an odd number, not less than 3 for such terms as the bylaws
3 provide. Members of the Credit Committee may, but need not be,
4 Directors or officers of the credit union, but shall not be
5 members of the Supervisory Committee.

6 (4) The Board of Directors may appoint from among the
7 members of the credit union a Membership Committee of one or
8 more persons. If appointed, the Committee shall act upon all
9 applications for membership and submit a report of its actions
10 to the Board of Directors at the next regular meeting for
11 review. If no Membership Committee is appointed, credit union
12 management shall act upon all applications for membership and
13 submit a report of its actions to the Board of Directors at the
14 next regular meeting for review.

15 (Source: P.A. 91-929, eff. 12-15-00; 92-608, eff. 7-1-02.)