

AN ACT concerning regulation.

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

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

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

Sec. 20. Election or appointment of officials.

(1) The credit union shall be directed by a Board of Directors consisting of no less than 7 in number, to be elected at the annual meeting by and from the members. Directors shall hold office until the next annual meeting, unless their terms are staggered. Upon amendment of its bylaws, a credit union may divide the Directors into 2 or 3 classes with each class as nearly equal in number as possible. The term of office of the directors of the first class shall expire at the first annual meeting after their election, that of the second class shall expire at the second annual meeting after their election, and that of the third class, if any, shall expire at the third annual meeting after their election. At each annual meeting after the classification, the number of directors equal to the number of directors whose terms expire at the time of the meeting shall be elected to hold office until the second succeeding annual meeting if there are 2 classes or until the

third succeeding annual meeting if there are 3 classes. A Director shall hold office for the term for which he or she is elected and until his or her successor is elected and qualified.

(1.5) Except as provided in subsection (1.10), in ~~in~~ all elections for Directors, every member has the right to vote, in person or by proxy, the number of shares owned by him, or in the case of a member other than a natural person, the member's one vote, for as many persons as there are Directors to be elected, or to cumulate such shares, and give one candidate as many votes as the number of Directors multiplied by the number of his shares equals, or to distribute them on the same principle among as many candidates as he may desire and the Directors shall not be elected in any other manner. Shares held in a joint account owned by more than one member may be voted by any one of the members, however, the number of cumulative votes cast may not exceed a total equal to the number of shares multiplied by the number of directors to be elected. A majority of the shares entitled to vote shall be represented either in person or by proxy for the election of Directors. Each Director shall wholly take and subscribe to an oath that he will diligently and honestly perform his duties in administering the affairs of the credit union, that while he may delegate to another the performance of those administrative duties he is not thereby relieved from his responsibility for their performance, that he will not knowingly violate or willingly

permit to be violated any law applicable to the credit union, and that he is the owner of at least one share of the credit union.

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

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

(3) The Board of Directors may appoint, from among the members of the credit union, a Credit Committee consisting of an odd number, not less than 3 for such terms as the bylaws provide. Members of the Credit Committee may, but need not be, Directors or officers of the credit union, but shall not be members of the Supervisory Committee.

(4) The Board of Directors may appoint from among the members of the credit union a Membership Committee of one or

more persons. If appointed, the Committee shall act upon all applications for membership and submit a report of its actions to the Board of Directors at the next regular meeting for review. If no Membership Committee is appointed, credit union management shall act upon all applications for membership and submit a report of its actions to the Board of Directors at the next regular meeting for review.

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