

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

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

5 (1.5) Except as provided in subsection (1.10), in ~~in~~ all
6 elections for Directors, every member has the right to vote, in
7 person or by proxy, the number of shares owned by him, or in
8 the case of a member other than a natural person, the member's
9 one vote, for as many persons as there are Directors to be
10 elected, or to cumulate such shares, and give one candidate as
11 many votes as the number of Directors multiplied by the number
12 of his shares equals, or to distribute them on the same
13 principle among as many candidates as he may desire and the
14 Directors shall not be elected in any other manner. Shares held
15 in a joint account owned by more than one member may be voted
16 by any one of the members, however, the number of cumulative
17 votes cast may not exceed a total equal to the number of shares
18 multiplied by the number of directors to be elected. A majority
19 of the shares entitled to vote shall be represented either in
20 person or by proxy for the election of Directors. Each Director
21 shall wholly take and subscribe to an oath that he will
22 diligently and honestly perform his duties in administering the
23 affairs of the credit union, that while he may delegate to
24 another the performance of those administrative duties he is
25 not thereby relieved from his responsibility for their
26 performance, that he will not knowingly violate or willingly

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

4 (1.10) Upon amendment of a credit union's bylaws approved
5 by the members, in all elections for Directors, every member
6 who is a natural person shall have the right to cast one vote,
7 regardless of the number of his or her shares, in person or by
8 proxy, for as many persons as there are Directors to be
9 elected.

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

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

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

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

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